Taishin Securities Co., Limited and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

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

Very truly yours,

TAISHIN SECURITIES CO., LIMITED

By

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February 19, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taishin Securities Co., Limited

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and 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 (ROC).

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 ROC. 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 ROC, 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.

Key Audit Matters

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

The following was the key audit matter in the audit of the consolidated financial statements of the Group for the year ended December 31, 2024:

Recognition of Brokerage Handling Fee Revenue

The Group's brokerage handling fee revenue arises from the trading of securities and futures contracts. For the year ended December 31, 2024, the Group's brokerage handling fee revenue was $3,450,227 thousand, representing 49% of total revenue; therefore, the amount has a material impact on the consolidated financial statements. As a result, we consider the recognition of brokerage handling fee revenue from the trading of securities and futures contracts as a key audit matter.

Our audit procedures on the recognition of brokerage handling fee revenue included the following: We obtained an understanding of and evaluated the accounting policies and internal control procedures over the revenue recognition of brokerage handling fee revenue, and we performed analytical procedures and took samples and tested whether the various transaction reports of the trading of securities and futures contracts, the related voucher and the fee rates had been approved by management.

Other Matter

We have also audited the parent company only financial statements of Taishin Securities Co., Limited as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and 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 ROC, 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 supervisors, 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 ROC 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 ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Han-Ni Fang and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 19, 2025

Notice to Readers

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

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 ROC. 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.

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

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

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 5, 7 and 32)	$ 1,980,260	3	$ 774,740	1
Current financial assets at fair value through profit or loss (FVTPL) (Notes 5, 8, 9, 32 and 33)	21,623,133	30	24,572,560	39
Margin loans receivable (Notes 5 and 12)	16,823,354	23	11,533,240	19
Refinancing margin	1,244	-	20,636	-
Refinancing collateral receivable	1,036	-	17,109	-
Receivables of money lending - any use (Notes 5 and 12)	9,535,469	13	4,498,566	7
Customer margin account (Notes 5, 11 and 32)	3,974,822	6	2,281,357	4
Security borrowing collateral price	-	-	397	-
Security borrowing margin	56,544	-	548,253	1
Accounts receivable (Notes 5 and 12)	8,210,433	11	9,717,343	16
Other receivables (Note 12)	38,999	-	63,022	-
Other current financial assets (Notes 5, 13 and 32)	550,000	1	195,321	-
Current tax assets (Notes 5 and 28)	4,672	-	680	-
Other current assets (Notes 14, 32 and 33)	1,172,003	2	654,898	1
Total current assets	63,971,969	89	54,878,122	88
NON-CURRENT ASSETS				
Non-current financial assets at FVTPL (Notes 5 and 8)	425,436	1	289,630	1
Non-current financial assets at fair value through other comprehensive income (FVTOCI) (Notes 5 and 10)	5,069,434	7	5,049,126	8
Property and equipment (Notes 5, 16 and 33)	880,576	1	856,068	2
Right-of-use assets (Notes 5, 17 and 32)	187,518	-	148,797	-
Investment property (Notes 5, 18 and 33)	95,534	-	121,710	-
Intangible assets (Note 5)	232,592	1	217,547	-
Deferred tax assets (Notes 5 and 28)	9,552	-	9,497	-
Other non-current assets (Notes 12, 19 and 32)	705,255	1	636,937	1
Total non-current assets	7,605,897	11	7,329,312	12
TOTAL	$ 71,577,866	100	$ 62,207,434	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current borrowings (Notes 20 and 32)	$ 950,000	1	$ 450,000	1
Commercial paper payable (Notes 21 and 32)	24,879,840	35	11,881,459	19
Current financial liabilities at FVTPL (Notes 5, 8 and 9)	5,475,828	8	10,038,233	16
Liabilities for bonds with attached repurchase agreements (Notes 5 and 22)	8,970,695	12	11,764,432	19
Securities financing refundable deposits	1,044,849	1	856,828	1
Deposits payable for securities financing	1,169,962	2	929,965	2
Futures traders' equity (Notes 5 and 11)	3,961,866	6	2,276,298	4
Notes and accounts payable (Note 23)	7,612,868	11	8,350,087	13
Other payables (Note 32)	889,868	1	795,082	1
Current tax liabilities (Notes 5 and 28)	265,825	-	159,979	-
Current lease liabilities (Notes 5, 17 and 32)	61,388	-	51,421	-
Other current liabilities	881,328	1	343,534	1
Total current liabilities	56,164,317	78	47,897,318	77
NON-CURRENT LIABILITIES				
Bonds payable (Note 24)	3,300,000	5	3,300,000	6
Non-current lease liabilities (Notes 5, 17 and 32)	127,576	-	100,312	-
Deferred tax liabilities (Notes 5 and 28)	34,855	-	12,193	-
Guarantee deposits received	829	-	828	-
Non-current net defined benefit liability (Notes 5 and 25)	18,602	-	41,393	-
Total non-current liabilities	3,481,862	5	3,454,726	6
Total liabilities	59,646,179	83	51,352,044	83
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Note 26)				
Ordinary shares	6,924,125	10	6,924,125	11
Capital surplus	895,825	1	895,825	1
Retained earnings				
Legal reserve	575,563	1	418,550	1
Special reserve	1,343,992	2	1,112,442	2
Unappropriated earnings	2,376,872	3	1,570,129	2
Total retained earnings	4,296,427	6	3,101,121	5
Other equity	(184,690)	-	(65,681)	-
Total equity	11,931,687	17	10,855,390	17
TOTAL	$ 71,577,866	100	$ 62,207,434	100

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

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
REVENUE				
Brokerage handling fee revenue (Notes 5, 27 and 32)	$ 3,476,790	50	$ 2,447,619	44
Income from securities lendings	74,385	1	60,005	1
Revenues from underwriting business (Notes 5 and 27)	439,992	6	336,793	6
Gain on sale of operating securities (Notes 5 and 27)	2,854,785	41	2,231,659	40
Revenue from providing agency service for stock affairs (Note 32)	168,228	2	164,562	3
Interest revenue (Notes 5 and 27)	1,047,416	15	696,277	13
Dividend revenue	324,227	5	387,904	7
Valuation (loss) gain on operating securities at FVTPL (Note 27)	(319,714)	(5)	1,055,277	19
(Loss) gain on covering of borrowed securities and bonds with resale agreements - short sales	(128,885)	(2)	128,014	2
Valuation gain (loss) on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss	171,596	2	(340,934)	(6)
Realized gain on financial assets measured at FVTOCI - bonds	72,047	1	20,100	1
Loss from issuance of call (put) warrants (Note 27)	(59,355)	(1)	(41,031)	(1)
Loss from derivatives - futures (Note 27)	(688,040)	(10)	(783,192)	(14)
Loss from derivatives - OTC (Note 27)	(379,339)	(5)	(759,303)	(14)
Impairment loss (Notes 5, 10 and 12)	(3,412)	-	(1,118)	-
Other operating loss (Note 27)	(34,129)	-	(40,675)	(1)
Total revenue	7,016,592	100	5,561,957	100
EXPENDITURE AND EXPENSES				
Brokerage handling fee expense	367,840	5	249,809	5
Proprietary handling fee expense	18,451	-	22,166	-
Refinancing processing fee expenses	445	-	830	-
Finance costs (Notes 17, 27 and 32)	696,713	10	489,756	9
Loss from securities borrowing transactions	79,109	1	138,284	2
Futures commission expense	13,377	-	1,476	-
Expense of clearing and settlement	46,025	1	38,114	1
Other operating expenditure	77,295	1	195,324	4
Employee benefits expense (Notes 5, 27 and 32)	1,923,644	28	1,677,216	30
Depreciation and amortization expense (Notes 5 and 27)	221,957	3	191,036	3
Other operating expense (Note 32)	1,041,061	15	953,257	17
Total expenditures and expenses	4,485,917	64	3,957,268	71
TOTAL OPERATING INCOME	2,530,675	36	1,604,689	29

(Continued)

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER GAINS AND LOSSES (Notes 15, 27 and 32)	$ 122,526	2	$ 105,430	2
INCOME BEFORE INCOME TAX	2,653,201	38	1,710,119	31
INCOME TAX EXPENSE (Notes 5 and 28)	(293,620)	(4)	(165,144)	(3)
NET INCOME	2,359,581	34	1,544,975	28
OTHER COMPREHENSIVE INCOME				
Components of other comprehensive income that will not be reclassified to profit or loss				
Gain on remeasurements of defined benefit plans	21,184	-	26,500	1
Unrealized (loss) gain from investments in equity instruments measured at FVTOCI, net	(135,816)	(2)	7,776	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(4,236)	-	(5,300)	-
Components of other comprehensive income that may be reclassified to profit or loss				
Exchange differences on translation of foreign financial statements	4,170	-	(32)	-
Unrealized gain on investments in debt instruments at FVTOCI, net	30,132	-	78,685	1
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	(17,152)	-	-	-
Other comprehensive income, net	(101,718)	(2)	107,629	2
TOTAL COMPREHENSIVE INCOME	$ 2,257,863	32	$ 1,652,604	30
NET INCOME ATTRIBUTABLE TO:				
Owners of parent	$ 2,359,581	34	$ 1,544,975	28
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of parent	$ 2,257,863	32	$ 1,652,604	30
EARNINGS PER SHARE (Note 29)				
Basic	$ 3.41		$ 2.23	
Diluted	$ 3.41		$ 2.23	

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

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

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

		Capital Surplus			Retained Earnings				Other Equity		
	Ordinary Shares	Additional Paid-in Capital in Excess of Par	Stock-based Compensation	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Exchange Differences on Translation the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2023	$ 6,924,125	$ 894,611	$ 1,214	$ 895,825	$ 360,409	$ 860,048	$ 581,410	$ 1,801,867	$ (147,936)	$ (220)	$ 9,473,661
Appropriation of 2022 earnings											
Legal reserve	-	-	-	-	58,141	-	(58,141)	-	-	-	-
Special reserve	-	-	-	-	-	252,394	(252,394)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(270,875)	(270,875)	-	-	(270,875)
Net income for the year ended December 31, 2023	-	-	-	-	-	-	1,544,975	1,544,975	-	-	1,544,975
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	-	-	21,200	21,200	86,461	(32)	107,629
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	1,566,175	1,566,175	86,461	(32)	1,652,604
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	3,954	3,954	(3,954)	-	-
BALANCE AT DECEMBER 31, 2023	6,924,125	894,611	1,214	895,825	418,550	1,112,442	1,570,129	3,101,121	(65,429)	(252)	10,855,390
Appropriation of 2023 earnings											
Legal reserve	-	-	-	-	157,013	-	(157,013)	-	-	-	-
Special reserve	-	-	-	-	-	231,550	(231,550)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(1,181,566)	(1,181,566)	-	-	(1,181,566)
Net income for the year ended December 31, 2024	-	-	-	-	-	-	2,359,581	2,359,581	-	-	2,359,581
Other comprehensive income (loss) for the year ended December 31, 2024, net of tax	-	-	-	-	-	-	16,948	16,948	(122,836)	4,170	(101,718)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	2,376,529	2,376,529	(122,836)	4,170	2,257,863
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	343	343	(343)	-	-
BALANCE AT DECEMBER 31, 2024	$ 6,924,125	$ 894,611	$ 1,214	$ 895,825	$ 575,563	$ 1,343,992	$ 2,376,872	$ 4,296,427	$ (188,608)	$ 3,918	$ 11,931,687

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

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 2,653,201	$ 1,710,119
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expense	172,385	153,936
Amortization expense	49,572	37,100
Expected credit impairment loss	3,412	1,118
Net valuation loss (gain) on operating securities at FVTPL	319,714	(1,055,277)
Net valuation (gain) loss on borrowed securities and bonds with resale agreements - short sales at FVTPL	(171,596)	340,934
Financial cost	696,713	489,756
Interest revenue	(1,047,416)	(696,277)
Dividend revenue	(324,227)	(387,904)
Gain on disposal of property and equipment	(380)	-
Gain on disposal of investments	(72,047)	(20,100)
Net gain on non-operating financial instruments at fair value	(13,502)	(28,342)
Reversal of impairment loss on associates accounted for using the equity method	-	(336)
Other lease income	(11)	(90)
Change in operating assets and liabilities		
(Increase) decrease in financial assets at fair value through profit or loss	2,507,409	(3,433,614)
(Increase) decrease in margin loans receivable	(5,290,114)	(4,339,906)
(Increase) decrease in refinancing margin	19,392	(18,806)
(Increase) decrease in refinancing collateral receivable	16,073	(15,685)
(Increase) decrease in receivables of money lending - any use	(5,036,903)	(1,556,016)
(Increase) decrease in customer margin account	(1,693,465)	(217,396)
(Increase) decrease in security borrowing collateral price	397	(397)
(Increase) decrease in security borrowing margin	491,709	(262,803)
(Increase) decrease in accounts receivable	1,628,280	(5,040,712)
(Increase) decrease in prepayments	15,342	(48,965)
(Increase) decrease in other receivables	3,340	(13,316)
(Increase) decrease in financial assets at FVTOCI	(54,234)	566,384
(Increase) decrease in other current assets	(532,447)	70,851
(Increase) decrease in other non-current assets	(3,109)	(1,047)
Increase (decrease) in liabilities for bonds with attached repurchase agreements	(2,793,737)	(2,442,673)
Increase (decrease) in financial liabilities at FVTPL	(4,390,809)	3,000,467
Increase (decrease) in securities financing refundable deposits	188,021	(370,238)
Increase (decrease) in deposits payable for securities financing	239,997	(140,421)
Increase (decrease) in futures traders' equity	1,685,568	213,437
Increase (decrease) in notes and accounts payable	(731,764)	4,709,803
Increase (decrease) in receipts under custody	545,978	(252,451)
Increase (decrease) in other payable	94,244	186,846
Increase (decrease) in net defined benefit liability	(1,607)	(1,177)
Increase (decrease) in other current liabilities	(10,834)	38,900
Cash generated from (used in) operations	(10,837,455)	(8,824,298)

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TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

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

	2024	2023
Interest received	$ 926,032	$ 685,852
Dividends received	344,910	366,351
Interest paid	(735,226)	(495,159)
Income taxes paid	(190,547)	(54,496)
Net cash generated from (used in) operating activities	(10,492,286)	(8,321,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments accounted for using equity method	-	336
Acquisition of property and equipment	(97,571)	(169,913)
Proceeds from disposal of property and equipment	380	-
Increase in operating guarantee	(20,000)	(15,000)
Increase in deposits settlement fund	(42,904)	(35,098)
Increase in refundable deposits	-	(2,266)
Decrease in refundable deposits	1,376	-
Acquisition of intangible assets	(58,557)	(86,312)
Increase in other financial assets	(354,679)	(29,984)
Increase in prepayments for business facilities	(14,590)	(11,969)
Net cash generated from (used in) investing activities	(586,545)	(350,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	500,000	450,000
Increase in commercial paper payable	13,032,000	7,927,999
Increase in guarantee deposits received	1	-
Decrease in guarantee deposits received	-	(71)
Payments of lease liabilities	(70,254)	(70,011)
Cash dividends distributed	(1,181,566)	(270,875)
Net cash generated from (used in) financing activities	12,280,181	8,037,042
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	4,170	(32)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,205,520	(634,946)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	774,740	1,409,686
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,980,260	$ 774,740

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

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Taishin Securities Co., Limited (the "Company", originally named Donshin Securities Co., Ltd.) is an integrated securities firm licensed by the government on January 15, 1990 and started operations on June 4 of the same year. The original name was changed to Taishin Securities Co., Limited on April 22, 2010. The Company was approved for public offering on May 26, 2011. As of December 31, 2024, the Company also had 11 branches and one offshore securities unit in addition to its Taipei head office, and its operations include services dealing with margin lending and security transfer services, margin trading and short selling of marketable securities, money lending - purpose unrestricted, underwriting and proprietary trading of securities, futures supporting services and other businesses as approved by the relevant authorities.

The Company acquired 100% equity interest in Tachong Securities Co., Ltd. ("Tachong Securities") via cash merger and assumed the net assets and operation of Tachong Venture Capital Co., Ltd. ("Tachong Venture Capital"), originally the subsidiary of Tachong Securities, on August 28, 2017. After completing the aforementioned cash merger, the surviving company was the Company, and Tachong Securities was dissolved accordingly.

The Company filed an application of ceasing to carry on futures supporting services on September 23, 2023, and it commenced futures introducing broker business on September 25 in the same year.

Tachong Venture Capital was established in December 2013 and changed its company name to Taishin Securities Venture Capital Co., Ltd. ("Taishin Securities Venture Capital") on October 2, 2017. It mainly engages in making investments in start-up entities and in providing consultancy services.

Taishin Capital Co., Ltd. ("Taishin Capital") was established in August 2019. It mainly engages in making investments in start-up entities and consultancy services.

Taishin Futures Co., Ltd. ("Taishin Futures") was approved for establishment on December 2, 2022 and mainly engaged in futures brokerage business.

Taishin Health Investment Co., Ltd. ("Taishin Health Investment") was approved for establishment on February 20, 2021 to provide investment services.

Within these consolidated financial statements, the Company and its subsidiaries mentioned above are collectively called the "Group".

The Company's parent is Taishin Financial Holding Co., Ltd. ("Taishin Financial Holding"), which both held 100% of the ordinary shares of the Company at December 31, 2024 and 2023.

2. STATEMENTS OF COMPLIANCE

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and 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).

3. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 19, 2025.

4. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the IFRS Accounting Standards endorsed and issued into effect by the FSC

The Group assessed that the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports and the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies, and the application of other standards and interpretations would have no impact on the Group's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by the International Accounting Standard Board (Collectively, IASB)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

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

Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

The Group has not applied the following new, amended and revised Standards and Interpretations:

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note)**
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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

Except for the following, the application of the above new, amended and revised Standards and Interpretations did not have any material impact on the Group's accounting policies:

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

   - Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

   - The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

3) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

   The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

4) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Group enters into contracts to buy nature-dependent electricity, which exposes the Group to the risk that it would be required to buy electricity during a delivery interval in which the Group cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Group’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Group entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Group has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Group is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Group shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Group shall apply prospectively.

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

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

According to Order No. 1140380326 issued by the FSC, the Group’s consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards and relevant Regulations Governing the Preparation of Financial Reports, which were approved by the FSC for 2024.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, payable incurred by cash-settled share-based payment, and defined benefit plans which is recognized by present value of the defined benefit obligations subtracted fair value of plan assets (refer to the summary of accounting policies below). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The functional currency of the Company is New Taiwan dollar. Thus, the consolidated financial statements are presented in New Taiwan dollars.

The Group categorized economic activities into operating, investing, and financing activities. The consolidated statements of cash flows reported the change of cash and cash equivalents in the current period based on operating, investing, and financing activities. Refer to Note 7 for the components of cash and cash equivalents.

The cash flow of operating activities was reported by using indirect method. Under the indirect method, profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Interest paid and interest and dividends received are classified as operating cash flows. Dividends paid are classified as financing cash flow because they are cost of obtaining financial resources.

When preparing the financial statements in accordance with the FSC-endorsed IFRS Accounting Standards, the Group has to make certain significant accounting assumptions and estimates based on professional judgments to determine its accounting policies. Change in assumptions may result in significant effects on financial report. The Group believes that the consolidated financial report was prepared based on appropriate assumptions. For items that required management's most difficult or complex judgments, or assumptions and estimates that significantly affect the financial statements, please refer to Note 6.

Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. In addition, maturity analysis of liabilities was disclosed in Note 30.

Basis of Consolidation

a. Principle of consolidation of financial statements

   This consolidated financial report has included financial reports prepared by the Company and entities controlled by the Company.

   The Company has control over its investees if it has all the following elements:

   1) Power over the investee, voting or other rights.

   2) Exposure, or rights, to variable returns from involvement with the investee;

   3) The ability to use power over the investee to affect the amount of the investor's returns.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Non-controlling interests are presented in the consolidated balance sheets within equity, separate from the equity of the owners of the Company.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the Company 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 existing subsidiaries

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 should be 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 Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities (i.e. reclassifies to profit or loss, or transfers directly to retained earnings if required in accordance with other IFRS Accounting Standards).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting.

b. Subsidiaries included in the consolidated financial statements were as follows:

		Ownership Interest (%)	
		December 31	
Investor	**Subsidiary**	**2024**	**2023**
Taishin Securities	Taishin Securities Venture Capital Co.	100.00	100.00
Taishin Securities	Taishin Capital	100.00	100.00
Taishin Securities	Taishin Futures	100.00	100.00
Taishin Capital	Taishin Health Investment	100.00	100.00

Foreign Currencies

In preparing the financial statements of each individual Group entity, the currency of the primary economic environment in which the entity operates (i.e., functional currency) is used. Transactions in currencies other than the entity's functional currency 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. When several exchange rates are available, the rate used is that at which the future cash flows, represented by the transaction amount or balance, could have been settled if those cash flows had occurred at the measurement date. 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from settlement are recognized in profit or loss in the period in which they arise. Exchange differences on monetary items arising from translation are recognized in profit or loss in the period in which they arise except items that qualify as hedging instruments in a cash flow hedge are recognized initially in other comprehensive income to the extent that the hedge is effective.

Exchange differences arising on the retranslation of non-monetary assets (such as equity investment) or liabilities measured at fair value are included in profit or loss for the period at the rates prevailing at the end of reporting period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy but different from the presentation currency are translated into the presentation currency using the following procedures:

a. Assets and liabilities are translated at the closing rate at the date of the consolidated balance sheets;

b. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used; and

c. All resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from the above procedures are recognized as "Exchange differences from translation of foreign operation" in equity. Exchange differences arising from net investments in foreign operation and hedge of a monetary item regarded as part of the net investments are recognized as other comprehensive income. When the foreign operation or part of the foreign operation is disposed of, exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and translated at the closing rate.

Cash and Cash Equivalents

Cash and cash equivalents are cash in vault, cash in banks, short-term time deposits and short-term financial instruments that must be readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Investment in Associates

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

The Group uses the equity method to recognize the investment 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 its share in the changes in the equity of associates.

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 by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

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 recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of IAS 36 "Impairment of Assets" endorsed by the FSC are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with the FSC-endorsed IAS 36 "Impairment of Assets" to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Property and Equipment

Property and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss. Cost is capitalized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values 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 in accordance with the FSC-endorsed IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation and are not owned by other corporations in the Group. Investment properties include office buildings or land held for operating lease.

The investment properties comprise a portion that is self-used by the Group and another portion that is held to earn rentals or for capital appreciation. If a portion of a property owned by the Group can be sold separately, the Group accounts for that portion separately. For self-used properties, the FSC-endorsed IAS 16 is adopted. Investment properties held to earn rentals or/and for capital appreciation are under the regulation of the FSC-endorsed IAS 40. If portions of a property cannot be sold separately, the property is investment property only if an insignificant portion is held as self-used asset.

Investment properties are measured initially 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 so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the asset. Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

Intangible Assets (Except Goodwill)

a. Intangible assets acquired separately

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 their estimated useful lives. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis which is in accordance with the FSC-endorsed IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

b. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss.

c. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Impairment of Non-financial Assets (Except Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets, excluding goodwill, 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment loss is recognized in profit or loss.

When an impairment loss subsequently is 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 that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Bonds and Securities Purchased/Sold under Specific Agreements

Bonds and securities purchased under resell agreements recorded at purchase price and bonds and securities sold under repurchase agreements recorded at sale price are all accounted for as financing transactions. Interest revenue and expenses recognized from the transactions mentioned above are recorded on accrual basis.

Financial Instruments

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

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

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL and at amortized cost and investments in debt instruments and equity instruments at FVTOCI. The categories are based on the contractual cash flows on the initial recognition of the financial assets and the Group’s business model.

For the Group’s debt instruments that have contractual cash flows that are solely for repayments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

1) For debt instruments, if they are held within a business model whose objective is to collect contractual cash flows, the financial assets (including cash and cash equivalents, margin loans receivable, refinancing margin, refinancing collateral receivable, receivables of money lending - any use, customer margin account, security borrowing collateral price, security borrowing margin, accounts receivable, other receivables, other current financial assets, other current assets - restricted current assets and pledged time deposit, other non-current assets - operating guarantee deposits, clearing and settlement funds, guarantee deposits paid and overdue receivables) are measured at amortized cost and are assessed for impairment continuously with any impairment loss recognized in profit or loss. Interest income is recognized in profit or loss by using the effective interest method; and

2) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at FVTOCI and are assessed for impairment. Interest income is recognized in profit or loss by using the effective interest method, and other gains or losses shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Fair value is determined in the manner described in Note 30.

Except for the above, all other financial assets are measured at FVTPL. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividends income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss. Fair value is determined in the manner described in Note 30.

Except for the above, on initial recognition, the Group may make an irrevocable election to designate investments in equity instruments at FVTOCI. Designation 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.

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 investments.

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. Fair value is determined in the manner described in Note 30.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets other than investments in equity instruments that are measured at FVTOCI and financial assets at FVTPL.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the ECLs 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 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.

For purchased or originated credit-impaired financial assets, the Group takes into account the ECLs on initial recognition in the credit-adjusted effective interest rate. Subsequently, any changes in ECLs are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss even if lifetime ECLs are lower than the ECLs on initial recognition.

The Group recognizes an impairment loss or a gain on the reversal of impairment in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount 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 does not reduce the carrying amount of the respective financial asset.

c. Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

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.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

a. Subsequent measurement

Except the following situations, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

1) It has been acquired principally for the purpose of repurchasing it in the near term; or

2) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

3) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

2) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and whose performance is 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.

In addition, if a contract contains one or more embedded derivatives, the entire combined contract (asset or liability) can be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on the financial liabilities.

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. However, in the case of avoiding an accounting mismatch or the amount of changes in fair value is due to loan commitments and financial guarantee contracts, all changes in fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 30.

b. Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

Derivatives 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 unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge 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.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Modification of financial instruments

When a contractual cash flow of financial instrument is renegotiated or modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Group elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Group first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

Financial assets and financial liabilities offsetting

Financial assets and financial liabilities are only allowed to be offset and expressed in net amount in consolidated balance sheets when amounts to be offset are 1) objects of legally enforceable right to offset, and 2) objects of intended net settlement, i.e., liquidation of assets for discharge of liabilities.

Futures

Margin paid on futures contracts purchased or sold is recorded as futures margin - own funds under financial assets at FVTPL-current, and the gain (loss) on open positions and on maturity or early settlement of contracts at the balance sheet date based on the settlement price announced by each futures exchange is recorded as profit (loss) for the current period, and the carrying amount of the margin is adjusted.

Securities Trading Margin Purchase and Short Sale

Margin loans extended to customers by the Group conducting securities trading margin purchases and short sale business are recognized as receivables from margin loans. Customers provide all the stocks purchased in trading margin operations as collateral, which the Group records by using memorandum entries. Stocks are returned when customers pay back money.

Margins received from short-selling customers by the Group conducting securities trading margin purchases and short sales are recognized as short sale margins. In addition, short sale proceeds (less securities transaction taxes, handling fees for execution of customer orders and short sale handling fees) received as collateral from short-selling customers by the Group conducting securities trading margin purchases and short sales are recognized as payable for short sale collateral received. The interest on the payable for short sale collateral received and short sale margins under the preceding paragraph is accrued and paid to customers. The stocks lent to customers are recorded using memorandum entries. Short sale margins and payables for short sale collateral received are reimbursed when customers return their stocks.

Warrants

When warrants are issued, the issuance amount is recorded as warrant liabilities; when warrants are bought back, the buy-back amount is recorded as a deduction of warrant redeemed from the warrant liabilities. Both are measured at fair value on the balance sheet date. The net gain (loss) on stock warrants issued is recognized. When the warrants redeemed are sold, the costs are calculated using the moving average method, and the gain or loss on sale is also recorded as net gain (loss) on stock warrants issued.

Customer Margin Accounts and Futures Traders' Equity

When the Group collects margin from futures traders according to the contracts, it is recorded in the customer margin accounts and futures traders' equity; and the difference is adjusted according to the daily closing price. When a futures trader incurs an excess loss resulting in a debit balance in the futures trader's equity, it is recorded as futures exchange margins receivable.

Customer margin accounts are bank deposits opened by futures firms at banks for the deposit of margin and premiums of futures traders.

The balance of a futures clearing house is the balance after a futures dealer with membership transfers the margin and premiums of futures traders to a futures clearing house.

Securities Lending

The sources of lending securities for the securities lending business of the Group are (1) its own securities; (2) securities borrowed from Taiwan Stock Exchange's Securities Borrowing and Lending (TWSE SBL) system; (3) collateral securities acquired from financing customers' acquisitions and short-sales; (4) securities borrowed from clients; and (5) from other securities corporations or securities financing companies which operate securities lending businesses or margin purchases and short sales businesses.

When the Group lends their self-owned securities, such securities account shall be reclassified to "lending stock" and measured at fair value on the valuation date. When borrowing securities from securities lending system, clients, and other securities lending and securities financing brokerages or institutions, the Group shall record such transactions through memo entries. If the collateral securities obtained through financing operation belong to a client's deposit, the Group shall not recognize the collateral securities as its assets when lending, but the Group shall monitor them individually by client type. The Group's financial statements shall disclose the outgoing transfers of the latter two types of securities.

The collateral securities obtained through securities lending are recorded separately for each client, and the transaction related to the collateral shall be recorded one by one. Cash collaterals are recorded as "securities lending refundable deposits" under current liabilities. When the value of collateral is insufficient, the Group shall inform the lenders to pay the difference to increase the total value of the collateral.

Revenues and service fees from securities lending are recognized as "income from securities lendings".

Income Recognition

The following are the points of the income recognition policy of the Group:

a. Brokerage commission, gain (loss) on sale of trading securities: Recognized on the transaction date.

b. Interest income and interest expense on margin loans and short sales of securities are recognized over the loan period, short selling period and trading period based on an accrual basis.

c. Underwriting commission: Subscription fee income is recognized when paid; underwriting commission is recognized when the service is completed.

Leasing

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

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.

   Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

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 an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and 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, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, 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. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. The amount from other remeasurement of the lease liability adjusted to the right-of-use assets. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Retirement Benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Reserve for employee benefits recognized in the consolidated balance sheets represents the present value of the defined benefit obligation and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Net defined benefit liability (asset) remeasurement comprises 1) actuarial gains and losses on the defined benefit obligation; 2) return on plan assets, excluding the net interest on the net defined benefit liability (asset); and 3) any changes in the effect of the limit involving surplus in a defined benefit plan, excluding the net interest on the net defined benefit liability (asset). Moreover, the net defined benefit liability (asset) remeasurements are recognized in other comprehensive income; these remeasurements should be transferred immediately to retained earnings and will not be reclassified to profit or loss. Significant unrecognized past service cost is immediately recognized retrospectively in profit or loss. If the defined benefit retirement plan is curtailed or settled, the gain or loss on curtailment or settlement is recognized.

Share-based Payment Arrangements

<u>Equity-settled share-based payment</u>

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

The grant date of employee share options, which are reserved when the Company issues new shares, is the date when the number of employee subscription is confirmed. The Company recognized an expense and capital surplus at the fair value of the share options determined at the grant date.

<u>Cash-settled share-based payment</u>

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

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 according to the applicable tax laws of each tax jurisdiction.

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

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

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

A deferred tax asset shall be recognized for the unused loss carry forward and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Deferred tax assets and liabilities 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.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities relating to Pillar Two income taxes.

The Group does not offset deferred tax assets and deferred tax liabilities from different tax authorities.

c. Current and deferred tax for the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Since 2011, the Company, its parent company Taishin Financial Holding, and its more than 90% owned subsidiaries adopt the linked-tax system for tax filings. Differences between current and deferred income tax expenses on consolidated entity basis and those on nonconsolidated entity basis are adjusted in Taishin Financial Holding’s income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables.

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group’s accounting policies, accounting assumptions and estimates have significant impact on the consolidated financial statements. Accordingly, the management exercised appropriate professional judgment in the preparation of the consolidated financial statements.

The assumptions and estimates involve significant risks that significant adjustments might result in changes in the carrying amounts of assets and liabilities in the next fiscal year. The assumptions and estimates made were the best estimates based on the FSC-endorsed IFRS Accounting Standards. The estimates and assumptions are based on historical experience and other factors, including future expectations and are continuously assessed. The Group considers the economic implications of market interest rate fluctuations when making its material accounting estimates.

7. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 430	$ 430
Checking accounts and demand deposits	1,222,794	774,310
Cash equivalents (investment with original maturities of less than three months)		
Time deposits	59,029	-
Short-term notes	698,007	-
	$ 1,980,260	$ 774,740

The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on cash and cash equivalents as of December 31, 2024 and 2023.

8. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2024	**2023**
Current financial assets		
Financial assets mandatorily classified as at FVTPL		
Lent securities	$ 51,797	$ -
Open-end funds and money market instruments	69,296	-
Operating securities	20,179,675	23,430,177
Futures margin - own funds	879,765	856,317
Derivative assets - OTC	442,600	286,066
	$ 21,623,133	$ 24,572,560
Non-current financial assets		
Financial assets mandatorily measured as at FVTPL		
Stocks other than listed and traded over the counter	$ 152,150	$ 99,115
Funds	273,286	190,515
	$ 425,436	$ 289,630

(Continued)

	December 31	
	2024	2023
Current financial liabilities		
Financial liabilities designated as at FVTPL		
Structured instruments	$ 3,064,794	$ 3,623,817
Held for trading		
Warrant liabilities	35,855	18,504
Liabilities on sale of borrowed securities - hedged	1,140,112	5,201,530
Derivative liabilities - OTC	1,235,067	1,194,382
	2,411,034	6,414,416
	$ 5,475,828	$ 10,038,233

(Concluded)

a. Lent securities

	December 31	
	2024	2023
Lent securities		
Listed stocks	$ 48,222	$ -
Stocks traded over the counter	7,765	-
	55,987	-
Valuation adjustment	(4,190)	-
	$ 51,797	$ -

b. Securities held for operations

	December 31	
	2024	2023
Operating securities - proprietary		
Domestic		
Listed stocks	$ 4,868,580	$ 3,814,116
Stocks traded over the counter	771,740	714,866
Emerging stocks	2,034,836	831,728
Convertible bonds	544,443	619,466
Bonds	1,107,395	1,801,135
Funds	2,163,332	7,352,592
Others	498	470
Foreign		
Bonds	28,050	28,050
Funds	-	6,998
Valuation adjustment - proprietary	(167,120)	130,500
	11,351,754	15,299,921

(Continued)

	December 31	
	2024	2023
Operating securities - underwriting		
Domestic		
Listed stocks	$ -	$ 45,425
Stocks traded over the counter	24,000	-
Convertible bonds	1,879,325	1,390,953
Valuation adjustment - underwriting	86,977	87,625
	1,990,302	1,524,003
Operating securities - hedging		
Domestic		
Listed stocks	414,824	327,595
Stocks traded over the counter	33,701	20,967
Warrant	18,421	5,297
Convertible bonds	6,239,815	6,136,298
Funds	76,213	57,401
Valuation adjustment - hedging	54,645	58,695
	6,837,619	6,606,253
	$ 20,179,675	$ 23,430,177

(Concluded)

Refer to Note 33 for information relating to the mortgage guarantee status of securities in business on December 31, 2024 and 2023.

c. Liabilities on sale of borrowed securities

	December 31	
	2024	2023
Liabilities on sale of borrowed securities - hedged		
Listed stocks	$ 6,746	$ 8,769
Listed funds	607,517	1,548,247
Stocks traded over the counter	-	949
Funds traded over the counter	504,617	3,450,737
	1,118,880	5,008,702
Valuation adjustment	21,232	192,828
	$ 1,140,112	$ 5,201,530

d. Refer to Note 9 for derivative instruments held by the Group as of December 31, 2024 and 2023.

9. DERIVATIVE FINANCIAL INSTRUMENTS

Details of derivative instruments held by the Group as of December 31, 2024 and 2023 were as follows:

	December 31	
	2024	2023
Derivative assets		
Futures margin - own funds	$ 879,765	$ 856,317
Derivative assets - OTC		
Asset swap IRS contracts	172,009	90,824
Asset swap option contracts	252,149	160,252
Currency swap	-	8,632
Interest rate swap contracts	18,442	26,358
	$ 1,322,365	$ 1,142,383
Derivative liabilities		
Structured instruments	$ 3,064,794	$ 3,623,817
Derivative liabilities - OTC		
Asset swap IRS contracts	89,660	45,885
Asset swap option contracts	1,126,557	1,121,474
Currency swap	2,436	-
Interest rate swap contracts	16,414	27,023
	$ 4,299,861	$ 4,818,199

The nominal principal amounts of outstanding derivative instruments were as follows:

	Nominal Principal Amount	
	December 31	
	2024	2023
Equity-linked products	$ 35,000	$ 10,000
Credit-linked products	52,400	66,400
Principal-guaranteed note	2,960,000	3,540,000
Asset swap IRS contracts	5,494,400	4,710,200
Asset swap option contracts	3,830,600	3,043,900
Futures	7,685,874	7,610,715
Currency swap	249,634	424,346
Interest rate swap contracts	4,800,000	8,750,000

a. Structured instruments

The Group issued structured notes, approved by the Taipei Exchange, including principal guaranteed notes, equity-linked notes, fund-linked notes and credit-linked products. According to the contracts of principal guaranteed notes, equity-linked notes and fund-linked notes, the Group receives contract principal or agreed amount of proceeds from investors and will pay the settlement amount based on the contractual terms at maturity. The structured notes contain debt obligation and embedded options components and the Group will earn profit arising from credit spread or market spread. The credit-linked products contain credit spread of convertible corporate bonds which are from dealing or asset-swap and combined with fixed-income products sold to investors; the Group receives contract principal from investors and pays dividends in fixed cycle. The credit-linked products provide more options for convertible assets and decrease the risks of holding convertible bonds of investors.

The Group engages in the structured note transactions in order to diversify its financial instruments, to increase the source of profits and to provide other hedge positions in assets and advance the income stability and to decrease the credit risk on asset holdings.

The nominal principal amounts and fair value of outstanding structured instrument were as follows:

	December 31, 2024		
	Nominal Principal Amount	**Pay (Collect) of the Price**	**Fair Value**
Derivative liabilities			
Equity-linked products	$ 35,000	$ (35,000)	$ 35,422
Credit-linked products	52,400	(52,400)	52,413
Principal-guaranteed note	2,960,000	(2,960,000)	2,976,959

	December 31, 2023		
	Nominal Principal Amount	**Pay (Collect) of the Price**	**Fair Value**
Derivative liabilities			
Equity-linked products	$ 10,000	$ (10,000)	$ 10,141
Credit-linked products	66,400	(66,400)	66,446
Principal-guaranteed note	3,540,000	(3,540,000)	3,547,230

b. Warrants

	December 31	
	2024	**2023**
Warrant liabilities	$ 2,887,313	$ 1,819,075
Gain on change in fair value of warrant liabilities	(476,704)	(244,890)
	2,410,609	1,574,185
Warrant redeemed	2,749,587	1,784,580
Loss on change in fair value of warrant redeemed	(374,833)	(228,899)
	2,374,754	1,555,681
Net of warrant liabilities	$ 35,855	$ 18,504

The warrants which were issued by the Group are exercisable within six to eight months from the date listed on market, and will be settled in cash or in securities.

The fair value of warrants was accounted using the closing price on the last transaction day of the balance sheet date.

c. Futures and options

As of December 31, 2024 and 2023, the Group's margin balances for futures transactions were $879,765 thousand and $856,317 thousand, respectively. The Group's outstanding futures and options transactions are listed as follows:

		December 31, 2024			
		Open Position		Contract Amount/ Premium Paid	
Item	Instrument Type	Buyer/Seller	Volume	(Received)	Fair Value
Futures	Stock futures	Buyer	318	$ 657,225	$ 656,263
	Stock futures	Seller	1,346	269,726	271,883
	Financial futures	Buyer	19	40,559	39,999
	TE	Seller	1	5,181	5,127
	TX	Seller	1,006	4,647,301	4,636,465
	ETF	Seller	2,183	706,272	702,646
	SXF	Seller	103	42,914	41,892
	UNF	Seller	13	13,728	13,909
	TY	Buyer	40	143,125	142,654
	UB	Buyer	104	405,353	405,539
	FV	Seller	14	49,064	48,806
	Commodity futures	Buyer	5	11,760	11,760
	Commodity futures	Seller	163	400,161	401,877
	Currency futures	Buyer	3	7,938	7,883
	Currency futures	Seller	10	34,887	35,515
	SCN	Seller	9	4,014	3,974
	FMCH-MSCI	Seller	128	107,359	107,124
	HSI	Seller	1	4,239	4,242
	HHI	Buyer	20	30,749	30,740
	JTI	Seller	1	5,756	5,852
	YM	Seller	2	14,474	14,060
	NQ	Buyer	5	71,634	69,610
	SSI	Seller	3	12,455	12,375

		December 31, 2023			
		Open Position		Contract Amount/ Premium Paid	
Item	Instrument Type	Buyer/Seller	Volume	(Received)	Fair Value
Futures	Stock futures	Buyer	1,244	$ 978,614	$ 994,338
	Stock futures	Seller	424	75,636	76,216
	Financial futures	Seller	17	29,071	29,230
	TE	Seller	35	123,087	124,859
	TX	Seller	1,364	4,815,903	4,874,930
	ETF	Buyer	39	51,945	52,865
	TU	Buyer	40	250,425	252,978
	TU	Seller	3	18,805	18,853
	UB	Buyer	108	443,074	442,947
	FV	Buyer	76	253,432	253,906
	TN	Seller	18	62,498	65,245

(Continued)

		December 31, 2023			
		Open Position		Contract Amount/ Premium Paid	
Item	Instrument Type	Buyer/Seller	Volume	(Received)	Fair Value
	Commodity futures	Buyer	33	$ 71,561	$ 72,622
	Commodity futures	Seller	57	143,760	143,569
	Currency futures	Seller	18	53,529	53,070
	ES	Seller	8	59,279	59,217
	FMCH-MSCI	Buyer	7	4,431	4,611
	HHI	Seller	13	14,809	14,811
	HMCA	Seller	3	4,052	4,180
	HSI	Buyer	2	6,723	6,735
	JTI	Seller	6	30,608	30,839
	MNQ	Seller	11	11,331	11,503
	NQ	Buyer	3	31,512	31,372
	RTY	Seller	5	15,658	15,723
	SCN	Seller	13	4,474	4,590
	SSI	Seller	14	50,712	50,813
	YM	Seller	1	5,786	5,837

(Concluded)

10. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2024	2023
Non-current		
Debt instruments	$ 4,103,244	$ 4,921,675
Equity instruments	966,190	127,451
	$ 5,069,434	$ 5,049,126

a. Debt instruments

	December 31	
	2024	2023
Non-current		
Domestic investments		
Corporate bonds	$ 2,741,911	$ 2,607,351
Financial bonds	-	99,985
Foreign investments		
Government bonds	1,361,333	2,214,339
	$ 4,103,244	$ 4,921,675

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

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired
Balance, January 1, 2024	$ 2,595	$ -	$ -
Recognized	289	-	-
Balance, December 31, 2024	$ 2,884	$ -	$ -
Balance, January 1, 2023	$ 2,537	$ -	$ -
Recognized	58	-	-
Balance, December 31, 2023	$ 2,595	$ -	$ -

b. Equity instruments

	December 31	
	2024	2023
Non-current		
Domestic investments		
Listed (OTC) stocks	$ 826,586	$ -
Unlisted (OTC) stocks	139,604	127,451
	$ 966,190	$ 127,451

Because some equity instruments are held by the Group for long-term purpose, which is reasonably reflected in the operating performance, equity instruments are classified as at fair value through other comprehensive income.

11. CUSTOMER MARGIN ACCOUNTS/FUTURES TRADERS' EQUITY

	December 31	
	2024	2023
Bank deposits	$ 1,832,326	$ 1,148,712
Futures clearing houses	1,912,451	1,088,938
Other futures brokers	230,045	43,707
Customer margin accounts	3,974,822	2,281,357
Add: Commission expenses of counterparties for transfer	2,625	338
Others	-	20
Less: Handling fee for transfer	(7,646)	(1,453)
Net interest income for transfer	(6,810)	(189)
Futures tax to be transferred out	(590)	(279)
Temporary receipts	(482)	(3,496)
Others	(53)	-
Futures traders' equity	$ 3,961,866	$ 2,276,298

The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no allowance for loss on customer margin accounts as of December 31, 2024 and 2023.

12. MARGIN LOANS RECEIVABLES, RECEIVABLES

	December 31	
	2024	2023
Margin loans receivables	$ 16,823,354	$ 11,533,240

The Group was allowed to start the margin trading and short selling business since 2010. Receivables from margin loans are secured by stocks purchased with margin trading. The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no allowance for loss on margin loans receivables as of December 31, 2024 and 2023.

	December 31	
	2024	2023
Receivables of money lending - any use	$ 9,535,469	$ 4,498,566

The Group conducts securities lending business, and uses the securities purchased or held by the customers as collaterals, and calculates the collaterals and the maintenance guarantee ratio in accordance with related guidelines. The maintenance guarantee ratio of the Group should not be less than 130%.

	December 31	
	2024	2023
Accounts receivable		
Accounts receivable for settlement	$ 6,749,809	$ 7,635,363
Settlement price	532,214	1,234,910
Margin loans interest receivable	271,335	165,963
Others	657,130	681,163
Less: Loss allowance	(55)	(56)
	$ 8,210,433	$ 9,717,343
Other receivable	$ 39,002	$ 63,025
Less: Loss allowance	(3)	(3)
	$ 38,999	$ 63,022
Overdue receivables	$ 3,295	$ 1,450
Less: Loss allowance	(3,295)	(1,450)
	$ -	$ -

Aging analysis of receivable of money and accounts receivable was as follows:

	December 31 2024	December 31 2023
0-180 days	$ 17,742,958	$ 14,204,615
Over 180 days	2,999	11,350
	$ 17,745,957	$ 14,215,965

The Group's policy is to deal only with sound financial customers and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss due to default. The Group uses available financial information and historical transaction to evaluate customers. The Group continuously monitors credit risk and the creditworthiness of counterparties, and manages credit risk through counterparty credit limits that are reviewed and approved by management annually.

The Group recognizes an allowance for losses on receivables based on lifetime ECLs. The lifetime ECLs is based on the customer's default history and current financial condition.

If there is evidence that the counterparty is in serious financial difficulty and the Group cannot reasonably expect to recover the amount, the Group writes off the related receivables directly, but continues the recovery activities and recognizes the amount recovered in profit or loss as a result of the recovery.

a. The Group's allowance for loss on measurement of receivables was as follows:

December 31, 2024

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Total
Expected credit loss rate	0.04%	0.00%	0.27%	
Carrying amount	$ 15,078	$ 33,362,970	$ 1,233,560	$ 34,611,608
Loss allowance	(6)	(52)	(3,295)	(3,353)
Amortized cost	$ 15,072	$ 33,362,918	$ 1,230,265	$ 34,608,255

December 31, 2023

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Total
Expected credit loss rate	0.03%	0.00%	0.05%	
Carrying amount	$ 29,275	$ 23,014,992	$ 2,769,413	$ 25,813,680
Loss allowance	(10)	(34)	(1,465)	(1,509)
Amortized cost	$ 29,265	$ 23,014,958	$ 2,767,948	$ 25,812,171

b. The changes in the allowance for losses were as follows:

December 31, 2024

	For the Year Ended December 31				
	Receivables from Margin Loans	**Accounts Receivable**	**Other Receivable**	**Overdue Receivables**	**Total**
Beginning balance	$ -	$ 56	$ 3	$ 1,450	$ 1,509
Impairment loss recognized	-	14	-	3,109	3,123
Amounts written off	-	(15)	-	(1,264)	(1,279)
Ending balance	$ -	$ 55	$ 3	$ 3,295	$ 3,353

December 31, 2023

	For the Year Ended December 31				
	Receivables from Margin Loans	**Accounts Receivable**	**Other Receivable**	**Overdue Receivables**	**Total**
Beginning balance	$ -	$ 64	$ 14	$ 35,019	$ 35,097
Impairment loss recognized	-	13	-	1,047	1,060
Amounts written off	-	(21)	(11)	(34,616)	(34,648)
Ending balance	$ -	$ 56	$ 3	$ 1,450	$ 1,509

13. OTHER CURRENT FINANCIAL ASSETS

	December 31	
	2024	**2023**
Time deposit with original maturity more than 3 months	$ 550,000	$ 160,000
Trading guarantee	-	35,321
	$ 550,000	$ 195,321

The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no allowance for loss on other current financial assets as of December 31, 2024 and 2023.

14. OTHER CURRENT ASSETS

	December 31	
	2024	2023
Temporary payment	$ 5,956	$ 1,214
Restricted assets - pledged time deposit (Note 33)	75,000	75,000
Pending delivery and agency receipts	1,041,798	514,092
Prepayments	49,249	64,592
	$ 1,172,003	$ 654,898

The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there were no allowance for loss on restricted assets - pledged time deposit and pending delivery and agency receipts as of December 31, 2024 and 2023.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	December 31	
	2024	2023
Associates that are not individually material	$ -	$ -

As the Group and its parent company, Taishin Financial Holding and sibling companies held 51% ownership interest in Credidi Inc. ("Credidi"), the Group had significant influence and control over Credidi and recognized 25% ownership interest as an associate accounted for using the equity method. After the liquidation, statements have been ratified by the shareholders in their special meeting held on November 21, 2023, and the liquidator of responsibility, the parent company, Taishin Financial Holding, lost its significant influence and control. In compliance with parent company policy, the Group discontinued the use of the equity method from the date on which the Company ceases to have significant influence and control over the associate. Additionally, reversal of impairment loss of $336 thousand was recognized due to receiving liquidation distributions.

16. PROPERTY AND EQUIPMENT

	Land	Buildings	Equipment	Leasehold Improvement	Others	Total
Cost						
Balance, January 1, 2024	$ 454,960	$ 138,192	$ 585,437	$ 185,832	$ 23,322	$ 1,387,743
Additions	-	-	88,320	7,421	1,830	97,571
Disposals	-	-	(244,915)	(117,086)	(15,358)	(377,359)
Reclassification	10,379	16,299	-	1,740	2,197	30,615
Balance, December 31, 2024	$ 465,339	$ 154,491	$ 428,842	$ 77,907	$ 11,991	$ 1,138,570

(Continued)

	Land	Buildings	Equipment	Leasehold Improvement	Others	Total
Accumulated depreciation						
Balance, January 1, 2024	$ -	$ 38,000	$ 339,971	$ 138,396	$ 15,308	$ 531,675
Depreciation	-	3,712	70,654	20,745	3,006	98,117
Disposals	-	-	(244,915)	(117,086)	(15,358)	(377,359)
Reclassification	-	3,364	-	-	2,197	5,561
Balance, December 31, 2024	$ -	$ 45,076	$ 165,710	$ 42,055	$ 5,153	$ 257,994
Carrying amount at January 1, 2024	$ 454,960	$ 100,192	$ 245,466	$ 47,436	$ 8,014	$ 856,068
Carrying amount at December 31, 2024	$ 465,339	$ 109,415	$ 263,132	$ 35,852	$ 6,838	$ 880,576
Cost						
Balance, January 1, 2023	$ 454,960	$ 138,192	$ 450,873	$ 146,976	$ 17,861	$ 1,208,862
Additions	-	-	125,596	38,856	5,461	169,913
Reclassification	-	-	8,968	-	-	8,968
Balance, December 31, 2023	$ 454,960	$ 138,192	$ 585,437	$ 185,832	$ 23,322	$ 1,387,743
Accumulated depreciation						
Balance, January 1, 2023	$ -	$ 34,721	$ 283,129	$ 120,777	$ 11,653	$ 450,280
Depreciation	-	3,279	56,829	17,632	3,655	81,395
Reclassification	-	-	13	(13)	-	-
Balance, December 31, 2023	$ -	$ 38,000	$ 339,971	$ 138,396	$ 15,308	$ 531,675
Carrying amount at January 1, 2023	$ 454,960	$ 103,471	$ 167,744	$ 26,199	$ 6,208	$ 758,582
Carrying amount at December 31, 2023	$ 454,960	$ 100,192	$ 245,466	$ 47,436	$ 8,014	$ 856,068

(Concluded)

The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	31-55 years
Equipment	4-7 years
Leasehold improvements	2-5 years
Others	5 years

No impairment assessment was performed because there was no indication of impairment for the years ended December 31, 2024 and 2023. Refer to Note 33 for the property and equipment pledged as collateral for loan.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31 2024	December 31 2023
Carrying amount		
Buildings	$ 187,426	$ 148,797
Equipment	92	-
	$ 187,518	$ 148,797

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets		
Buildings	$ 110,029	$ 34,950
Equipment	155	-
	$ 110,184	$ 34,950
Depreciation charge for right-of-use assets		
Buildings	$ 71,343	$ 69,246
Equipment	63	-
	$ 71,406	$ 69,246

Except for the addition in assets and recognition of depreciation expense, the Group had no material sublease and impairment loss on its right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 61,388	$ 51,421
Non-current	$ 127,576	$ 100,312

	For the Year Ended December 31	
	2024	2023
Financial cost - lease liabilities	$ 2,031	$ 1,239

Lease terms and range of discount rate for lease liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Lease Terms	Range of Discount Rate
December 31, 2024		
Buildings	2-5 years	0.56%-1.40%
Equipment	2 years	1.08%
December 31, 2023		
Buildings	1-5 years	0.53%-1.40%

c. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 8,654	$ 226
Expenses relating to low-value asset leases	$ 186	$ 210
Total cash outflow for leases	$ 81,125	$ 71,686

18. INVESTMENT PROPERTY

	Land	Buildings	Total
Cost			
Balance, January 1, 2024	$ 30,929	$ 133,757	$ 164,686
Transfer to property and equipment	(10,379)	(16,299)	(26,678)
Balance, December 31, 2024	$ 20,550	$ 117,458	$ 138,008
Accumulated depreciation			
Balance, January 1, 2024	$ -	$ 42,976	$ 42,976
Depreciation	-	2,862	2,862
Transfers to property and equipment	-	(3,364)	(3,364)
Balance, December 31, 2024	$ -	$ 42,474	$ 42,474
Carrying amount at January 1, 2024	$ 30,929	$ 90,781	$ 121,710
Carrying amount at December 31, 2024	$ 20,550	$ 74,984	$ 95,534
Cost			
Balance, January 1, 2023	$ 30,929	$ 133,757	$ 164,686
Balance, December 31, 2023	$ 30,929	$ 133,757	$ 164,686
Accumulated depreciation			
Balance, January 1, 2023	$ -	$ 39,681	$ 39,681
Depreciation	-	3,295	3,295
Balance, December 31, 2023	$ -	$ 42,976	$ 42,976
Carrying amount at January 1, 2023	$ 30,929	$ 94,076	$ 125,005
Carrying amount at December 31, 2023	$ 30,929	$ 90,781	$ 121,710

Investment property is classified as property and equipment at its carrying amount on the date it transfers to owner-occupation.

Other than the recognized depreciation expenses, there were no significant changes in the value and impairment of the investment properties held by the Group for the years ended December 31, 2024 and 2023.

The investment properties are depreciated over the following estimated useful lives using the straight-line method as follows:

Buildings	35-55 years

The Group's investment properties, which were leased out under operating leases, had lease terms for 2-5.5 years.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	**2023**
Year 1	$ 3,552	$ 3,889
Year 2	2,992	3,221
Year 3	1,509	2,660
Year 4	374	1,109
Year 5	374	-
	$ 8,801	$ 10,879

The rental income and direct operating expenses generated from investment properties for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	**2023**
Rental income	$ 4,177	$ 4,119
Direct operating expenses from investment properties		
Generating rental income	$ 2,285	$ 2,026
Not generating rental income	577	1,269
	$ 2,862	$ 3,295

The fair values of the Group's investment properties as of December 31, 2024 and 2023 were $139,774 thousand and $163,017 thousand. The fair values were determined by the Group's management based on the valuation models measured by the third level input value generally used by the market participants.

Please refer to Note 33 for the investment properties pledged as collateral for the loan amount.

19. OTHER NON-CURRENT ASSETS

	December 31	
	2024	**2023**
Operating guarantee deposits	$ 360,000	$ 340,000
Clearing and settlement fund	191,507	148,603
Guarantee deposits paid	127,450	128,826
Prepayment for equipment	26,298	19,508
	$ 705,255	$ 636,937

a. As stipulated in the Regulations Governing Securities Firms, Regulations Governing Futures Commission Merchants, and Regulations Governing the Operation of Futures Introducing Broker Business by Securities Firms, the Group should make operating deposits in designated one financial institution by type of business.

b. The clearing and settlement funds are for brokerage and proprietary securities trading business operated by a brokerage firm; the Group should deposit reserve legal fund in Taiwan Stock Exchange and the Over-the-Counter (OTC) exchange before or after the commencement of business in accordance with the regulations, and before handling the delivery and settlement business or after the business starts, the clearing and settlement fund is the amount deposited in the Taiwan Futures Exchange.

c. The loss allowance was measured at an amount equal to lifetime ECLs per historical experience and forward-looking information; there was no loss allowance on operating guarantee deposits, clearing and settlement funds and guarantee deposits paid as of December 31, 2024 and 2023.

20. CURRENT BORROWINGS

	December 31	
	2024	2023
Unsecured borrowings		
Banks loans	$ 950,000	$ 450,000

The range of weighted average effective interest rates of bank loans was 1.88%-1.97% and 1.65%-1.70% per annum at December 31, 2024 and 2023, respectively.

21. COMMERCIAL PAPER ISSUED

	December 31	
	2024	2023
China Bills Finance Corporation	$ 4,620,000	$ 1,805,000
Mega Bills Finance Co., Ltd.	4,100,000	1,090,000
Grand Bills Finance Corporation	2,600,000	1,703,000
Taipei Fubon Commercial Bank Co., Ltd.	2,550,000	2,590,000
International Bills Finance Corporation	2,150,000	780,000
CTBC Bank Co., Ltd.	1,800,000	400,000
Bank SinoPac Co., Ltd.	1,600,000	1,100,000
KGI Bank Co., Ltd.	1,450,000	-
Sunny Bank Ltd.	1,000,000	500,000
Taiwan Finance Corporation	950,000	420,000
Union Bank of Taiwan Co., Ltd.	700,000	650,000
Taiwan Cooperative Bills Finance Corporation	600,000	50,000
Yuanta Commercial Bank Co., Ltd.	500,000	300,000
Ta Ching Bills Finance Corporation	300,000	500,000
Less: Discounts on commercial paper issued	(40,160)	(6,541)
	$ 24,879,840	$ 11,881,459

As of December 31, 2024 and 2023, the interest rates of commercial paper issued were 1.55%-2.01% and 1.35%-1.60% per annum, respectively.

22. LIABILITIES FOR BONDS SOLD UNDER REPURCHASE AGREEMENTS

	December 31 2024	December 31 2023
Convertible bonds	$ 4,066,759	$ 5,263,880
Corporate bonds	2,771,533	3,352,259
Foreign bonds	1,293,925	2,033,844
International bonds	838,478	934,449
Bonds - ETF	-	180,000
	$ 8,970,695	$ 11,764,432
Interest rate (per annum %)	1.49%-4.98%	1.31%-6.10%

As of December 31, 2024 and 2023, liabilities for bonds with repurchase agreements were due within six months. Under the agreements, bonds will be repurchased at agreed-upon prices plus interest on the specific dates after transactions. The total repurchase prices are $8,978,652 thousand and $11,845,957 thousand, respectively

23. NOTES AND ACCOUNTS PAYABLE

	December 31 2024	December 31 2023
Notes payable	$ 240	$ 220
Settlement price	1,534,734	723,987
Accounts payable for settlement	5,609,889	7,105,973
Brokerage fee payable discount	411,185	467,295
Others	56,820	52,612
	$ 7,612,868	$ 8,350,087

24. BONDS PAYABLE

	December 31 2024	December 31 2023
Unsecured subordinate corporate bonds	$ 3,300,000	$ 3,300,000

To strengthen the Group's capital structure and meet the demand for medium- and long-term working capital, the board of directors resolved on October 25, 2019 to approve the management's proposal to issue unsecured ordinary corporate bonds within the limit of $4,000,000 thousand. Following the board resolution, the Group then issued its first 10-year unsecured subordinate corporate bonds on January 10, 2020, with a total issuance amount of $3,300,000 thousand at a fixed coupon rate of 1.35% per annum. The subordinate debt will pay interests annually and will mature on January 10, 2030 with a bullet repayment.

25. POST-EMPLOYMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The Group also has a defined benefit plan under the Labor Standards Act (LSA). Under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of six months before retirement. The Group has also implemented a special retention bonus plan, applicable to certain employees. The Group contributes amounts equal to 2.29% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the 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 plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Enforcement Rules of the Labor Pension Act, the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The Group's plan assets and present values of defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of actuarial valuations were as follows:

	December 31	
	2024	**2023**
Discount rate used in determining present values	1.500%	1.250%
Expected rate of salary increase	2.750%	2.750%

Amounts recognized in profit or loss in respect of these defined benefit plans were as follows:

	For the Year Ended December 31	
	2024	**2023**
Current service cost	$ 270	$ 302
Interest cost, net	502	1,016
	$ 772	$ 1,318

The amount included in the consolidated balance sheets arising from the Group's obligation in respect of its defined benefit plans was as follows:

	December 31	
	2024	2023
Present value of funded defined benefit obligation	$ 229,676	$ 233,264
Fair value of plan assets	(211,074)	(191,871)
Pension liability	$ 18,602	$ 41,393

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2024	2023
Opening defined benefit obligation	$ 233,264	$ 260,111
Current service cost	270	302
Interest cost	2,916	3,902
Remeasurement		
Actuarial (gain) loss - changes in financial assumptions	(5,254)	5,472
Actuarial loss (gain) - experience adjustments	3,167	(30,806)
Benefits paid	(4,687)	(5,717)
Closing defined benefit obligation	$ 229,676	$ 233,264

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2024	2023
Opening fair value of plan assets	$ 191,871	$ 191,041
Interest revenue	2,414	2,886
Remeasurement		
Expected return on plan assets	19,097	1,166
Contributions from the employer	2,379	2,495
Benefits paid	(4,687)	(5,717)
Closing fair value of plan assets	$ 211,074	$ 191,871

For information about the categories and percentages, etc. of the composition of the fair value of plan assets as of December 31, 2024 and 2023, please refer to the authorities' public information about Labor Pension Funds.

The significant actuarial assumptions used in the sensitivity analysis of the present value of the defined benefit obligation were as follows:

	Impact on the Present Value of the Defined Obligation		
	Change in Actuarial Assumptions %	December 31	
		2024	2023
Discount rate used in determining present value	Increase 0.25%	(2.22%)	(2.35%)
	Decrease 0.25%	2.29%	2.42%
Expected rate of salary increase	Increase 0.25%	2.22%	2.34%
	Decrease 0.25%	(2.17%)	(2.28%)

The sensitivity analysis presented above assumes that only a single actuarial assumption changes and other actuarial assumptions remain unchanged. Practically, the assumptions may not occur in isolation as the assumptions may be correlated. The calculation of the present value of defined benefit obligation adopted the projected unit credit method.

For the years ended December 31, 2024 and 2023, the Group expects to make a contribution of $2,270 thousand and $2,459 thousand to the defined benefit plans within one year, respectively, and the weighted average duration of the defined benefit plans is 9.2 years and 9.5 years, respectively.

26. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	1,000,000	1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	692,413	692,413
Shares issued	$ 6,924,125	$ 6,924,125

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
Issuance of ordinary shares	$ 894,611	$ 894,611
Employee share options	1,214	1,214
	$ 895,825	$ 895,825

The capital surplus arising from issuance of ordinary shares may be used to offset a deficit. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital at a limited percentage of the Company's capital surplus once a year. The capital surplus from employee share options may not be used for any purpose.

c. Appropriation of earnings and dividend policy

In accordance with the Company's Articles of Incorporation, the Company's profit for each fiscal year shall first offset losses of previous years, set aside 10% of the remaining profit as legal reserve, and 20% of the remaining balance as special reserve. If there is any undistributed earnings, it shall be distributed by resolution of the shareholder. The Company's articles on the distribution of compensation to employees is described in Note 27(l2).

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

Refer to d. for the information relating to special reserves.

The appropriations of earnings for 2023 and 2022 were approved by the Company's board of directors in its meetings (on behalf of the shareholder) on June 11, 2024 and May 12, 2023. The appropriation and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Legal reserve appropriated	$ 157,013	$ 58,141
Special reserve appropriated	231,550	252,394
Cash dividends	1,181,565	270,875

d. Special reserves

Under the Regulation Governing Securities Firms, a special reserve must be set aside every year at 20% of net income until the reserve equals the Company's paid-in capital. Special reserve may be used to offset deficit. If the Company has no deficit and the special reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital.

The Company appropriated special reserves in accordance with Order No. 1100365484 issued by the FSC and the Q&As on "Question and Answer for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards".

The Company appropriated and reversed special reserves in accordance with Order No. 10500278285 and No. 1080321644 issued by the FSC for the development of financial technology and protection of the securities firm employees' rights.

The Company appropriated to special reserves an amount equal to the increase in retained earnings that resulted from recognizing gain on bargain purchase through acquisition in accordance with Order No. 1030053166 issued by the FSC.

e. Other equity

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

	For the Year Ended December 31	
	2024	2023
Beginning balance	$ (252)	$ (220)
Recognized during the year		
Exchange differences on translation of foreign financial statements	4,170	(32)
Other comprehensive income	4,170	(32)
Ending balance	$ 3,918	$ (252)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Beginning balance	$ (65,429)	$ (147,936)
Recognized during the year		
Unrealized gain (loss)		
Debt instruments	102,179	98,785
Equity instruments	(135,816)	7,776
Income tax related to profit or loss of debt instruments	(17,152)	-
Reclassification adjustments		
Disposal of investments in debt instruments	(72,047)	(20,100)
Other comprehensive income recognized for the year	(122,836)	86,461
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(343)	(3,954)
Ending balance	$ (188,608)	$ (65,429)

27. BREAKDOWN OF ITEMS ON THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

a. Brokerage handling fee revenue

	For the Year Ended December 31	
	2024	2023
Handling fee revenue from listed securities	$ 1,803,319	$ 1,289,039
Handling fees from over-the-counter (OTC) securities	612,642	429,823
Handling fee revenue from futures	258,888	148,310
Sub-brokerage	775,378	557,642
Handling fees from securities financing	14,575	11,557
Others	11,988	11,248
	$ 3,476,790	$ 2,447,619

b. Revenue from underwriting business

	For the Year Ended December 31	
	2024	2023
Revenues from underwriting securities on a firm commitment basis	$ 111,199	$ 96,534
Processing fee revenue from underwriting operations	267,160	173,394
Revenue from underwriting consultation	37,220	27,000
Financial advisory and arrangement	23,110	37,088
Others	1,303	2,777
	$ 439,992	$ 336,793

c. Gain on sale of trading securities

	For the Year Ended December 31	
	2024	2023
Trading securities - proprietary	$ 2,062,427	$ 1,598,634
Trading securities - underwriting	149,525	394,271
Trading securities - hedging	642,833	238,754
	$ 2,854,785	$ 2,231,659

d. Interest revenue

	For the Year Ended December 31	
	2024	2023
Margin loans interest revenue	$ 723,485	$ 453,211
Bond interest revenue	140,589	164,679
Unrestricted loans interest revenue	181,206	75,719
Others	2,136	2,668
	$ 1,047,416	$ 696,277

e. Valuation (loss) gain on operating securities at FVTPL

	For the Year Ended December 31	
	2024	2023
Trading securities - proprietary	$ (315,016)	$ 369,064
Trading securities - underwriting	(648)	38,964
Trading securities - hedging	(4,050)	647,249
	$ (319,714)	$ 1,055,277

f. Loss from issuance of call (put) warrants

	For the Year Ended December 31	
	2024	**2023**
Gain on changes in fair value of call (put) warrant liabilities	$ 6,954,935	$ 2,835,548
Loss on exercise of call (put) warrants before maturity	(138,268)	(26,235)
Loss on changes in fair value of redeemed call (put) warrants	(6,843,340)	(2,835,012)
Expenses arising from issuance of call (put) warrants	(32,682)	(15,332)
	$ (59,355)	$ (41,031)

g. Loss from derivatives - futures

	For the Year Ended December 31	
	2024	**2023**
Futures	$ (687,990)	$ (783,192)
Options	(50)	-
	$ (688,040)	$ (783,192)

h. Loss from derivatives - OTC

	For the Year Ended December 31	
	2024	**2023**
Interest rate swaps due to asset swap	$ 72,267	$ 22,450
Asset swap options	(373,741)	(718,556)
Structured instruments	(52,737)	(47,300)
Currency swaps	(26,086)	(15,344)
Interest rate swap	958	(553)
	$ (379,339)	$ (759,303)

i. Other operating loss

	For the Year Ended December 31	
	2024	**2023**
Foreign exchange loss	$ (44,554)	$ (52,797)
Others	10,425	12,122
	$ (34,129)	$ (40,675)

j. Finance costs

	For the Year Ended December 31	
	2024	**2023**
Interest expense	$ 671,013	$ 478,503
Interest of lease liability	2,031	1,239
Others	23,669	10,014
	$ 696,713	$ 489,756

k. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 1,842,783	$ 1,592,722
Post-employment benefits (Note 25)		
Defined contribution plans	58,641	53,088
Defined benefit plans	772	1,318
	59,413	54,406
Share-based payments		
Cash-settled share-based payments	5,464	14,876
Others	15,984	15,212
	$ 1,923,644	$ 1,677,216

Taishin Financial Holding issued share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the qualified people at the date of exercise.

The SAR expenses recognized by the Group in 2024 and 2023 were $5,464 thousand and $14,876 thousand, respectively, and the related liabilities recognized as of December 31, 2024 and 2023 were $14,567 thousand and $18,027 thousand, respectively.

l. Compensation of employees

The Company accrued compensation of employees at the rate of 0.01% of net profit before income tax and before deduction of the compensation for employees. The estimated appropriations for compensation of employees for 2024 and 2023 were $265 thousand and $171 thousand, respectively, which would be distributed in cash.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will make adjustments next year.

There is no difference between the actual amounts of compensation of employees and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

m. Depreciation and amortization expense

	For the Year Ended December 31	
	2024	2023
Depreciation expense		
Property and equipment	$ 98,117	$ 81,395
Right-of-use assets	71,406	69,246
Investment property	2,862	3,295
	172,385	153,936
Amortization expense	49,572	37,100
	$ 221,957	$ 191,036

n. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Processing income	$ 157	$ 125
Financial income	80,777	41,745
Dividend revenue	5,427	6,599
Evaluation and disposal gain of financial asset at FVTPL	13,502	28,342
Market-making incentive income	13,261	16,807
Other incentive income	6,369	4,374
Rent income	4,293	4,304
Proceeds from disposal of property and equipment	380	-
Gain on lease modification	11	90
Reversal of impairment loss on equity-method investments	-	336
Others	(1,651)	2,708
	$ 122,526	$ 105,430

28. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current period	$ 295,535	$ 171,806
Adjustments for prior years	(3,134)	(6,987)
Offshore income tax expense	-	90
	292,401	164,909
Deferred tax		
In respect of the current period	1,219	235
Income tax expense recognized in profit or loss	$ 293,620	$ 165,144

Reconciliation of profit before income tax and income tax was as follows:

	For the Year Ended December 31	
	2024	2023
Income before income tax	$ 2,653,201	$ 1,710,119
Income tax expense calculated at the statutory rate (20%)	$ 529,884	$ 342,024
Tax impact of adjustments		
Nondeductible expenses in determining taxable income	1,657	1,887
Tax-exempt income	(288,702)	(255,714)
Offshore income tax expense	-	90
Additional income tax under the Alternative Minimum Tax Act	53,938	44,198

(Continued)

	For the Year Ended December 31	
	2024	2023
Temporary differences	$ (23)	$ 39,646
Adjustments to prior years' tax	(3,134)	(6,987)
Income tax expense recognized in profit or loss	$ 293,620	$ 165,144

(Concluded)

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current period:		
Fair value changes of financial assets at FVTOCI	$ 17,152	$ -
Actuarial gain and loss on defined benefit plan	4,236	5,300
Income tax expense recognized in other comprehensive income	$ 21,388	$ 5,300

c. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities were as follows:

	For the Year Ended December 31, 2024			
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred tax assets				
Temporary differences				
Provisions	$ 9,497	$ 55	$ -	$ 9,552
Deferred tax liabilities				
Temporary differences				
FVTPL financial assets	$ -	$ (951)	$ -	$ (951)
FVTOCI financial assets	-	-	(17,152)	(17,152)
Gain from issuance of warrants	(10,175)	-	-	(10,175)
Defined contribution retirement benefit plans	(2,018)	(323)	(4,236)	(6,577)
	$ (12,193)	$ (1,274)	$ (21,388)	$ (34,855)

	For the Year Ended December 31, 2023			
	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred tax assets				
Temporary differences				
Provisions	$ 9,497	$ -	$ -	$ 9,497
Defined contribution retirement benefit plans	3,517	(235)	(3,282)	-
	$ 13,014	$ (235)	$ (3,282)	$ 9,497
Deferred tax liabilities				
Temporary differences				
Gain from issuance of warrants	$ (10,175)	$ -	$ -	$ (10,175)
Defined contribution retirement benefit plans	-	-	(2,018)	(2,018)
	$ (10,175)	$ -	$ (2,018)	$ (12,193)

d. Income tax assessments

The Company's income tax returns through 2018 had been assessed by the tax authorities. Taishin Securities Venture Capital's income tax returns through 2022 had been assessed by the tax authorities. Taishin Capital's income tax returns through 2022 had been assessed by the tax authorities. Taishin Futures's income tax returns through 2022 has been assessed by the tax authorities. Taishin Health Investment's income tax returns through 2022 had been assessed by the tax authorities.

e. The estimated payables to Taishin Financial Holding due to the adoption of the linked-tax system were as follows:

	December 31	
	2024	2023
Payable to Taishin Financial Holding (recorded under current tax liability)	$ 246,879	$ 156,111

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 3.41	$ 2.23
Diluted earnings per share	$ 3.41	$ 2.23

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Income for the Period

	For the Year Ended December 31	
	2024	**2023**
The average amounts of shares for calculating the net profit of EPS	$ 2,359,581	$ 1,544,975

Weighted Average Number of Ordinary Shares Outstanding

Unit: Number of Shares in Thousands

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares in computation of basic earnings per share	692,412	692,412
Effect of dilutive potential ordinary shares:		
Employees' bonuses	17	12
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	692,429	692,424

Since the Group offered to settle compensation or bonuses paid to employees in cash or stocks, the Group assumed the entire amount of the compensation or bonuses would be settled in stocks and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Summary

Fair value is the exchange price in an orderly transaction between market participants and is the amount to be received on the sale of an asset or the amount to be paid on the transfer of a liability.

Financial instruments are initially measured at fair value. In many cases, the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Group will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

2) The definition of the three levels of fair value

   a) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets must have the following attributes:

      i. Assets or liabilities traded in the market are identical;

      ii. The market is principal (or most advantageous), providing ease in finding buyers and sellers that are both able and willing to transact an asset sale or liability transfer; and

      iii. Pricing information is readily available on an ongoing basis to the public.

   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 price) or indirectly (i.e., value derived from price), in the active markets.

      i. Quoted prices of similar financial instruments in active market are the Company’s fair value of financial instruments if based on recent quoted price for similar financial instruments. Similar financial instruments should be decided in accordance with characteristics and transaction conditions of these instruments. Fair value of financial instruments will vary depending on factors specific to the similar asset or liability. The factors include: Prices are not current, price quotations vary substantially, transaction price between related parties, relevance of quoted price of similar instruments and the quoted price of financial instruments.

      ii. Quoted prices for identical or similar assets or liabilities in markets that are not active.

      iii. Valuation models are used to measure fair value, and the inputs (e.g. interest rate, yield curve, and volatilities) are based on accessible data from the markets (the observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data).

      iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

   c) Level 3 inputs are inputs that are not available in the market. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not represent current market participants’ expectations about future volatility.

3) Financial instruments measured at fair value

   a) Information on fair value hierarchy

      The financial instruments measured at fair value of the Group are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Financial Instruments of Fair Value Measurement	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Non-derivative assets and liabilities				
Assets				
Financial assets at FVTPL				
Stocks and beneficiary certificates	$ 10,819,984	$ 9,178,822	$ 1,218,426	$ 422,736
Bond investments	9,886,824	8,939,370	947,454	-
Others	19,396	19,396	-	-
Financial assets at FVTOCI				
Stock investments	966,190	826,586	-	139,604
Bond investments	4,103,244	2,089,006	2,014,238	-
Liabilities				
Financial liabilities at FVTPL	1,140,112	1,140,112	-	-
Derivative assets and liabilities				
Assets				
Financial assets at FVTPL	1,322,365	879,765	442,600	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,064,794	-	3,064,794	-
Financial liabilities held for trading	1,270,922	35,855	1,235,067	-

Financial Instruments of Fair Value Measurement	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Non-derivative assets and liabilities				
Assets				
Financial assets at FVTPL				
Stocks and beneficiary certificates	$ 13,623,668	$ 12,824,306	$ 526,232	$ 273,130
Bond investments	10,090,359	8,692,142	1,398,217	-
Others	5,780	5,780	-	-
Financial assets at FVTOCI				
Stock investments	127,451	-	-	127,451
Bond investments	4,921,675	2,820,490	2,101,185	-
Liabilities				
Financial liabilities at FVTPL	5,201,530	5,201,530	-	-
Derivative assets and liabilities				
Assets				
Financial assets at FVTPL	1,142,383	856,317	286,066	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,623,817	-	3,623,817	-
Financial liabilities held for trading	1,212,886	18,504	1,194,382	-

b) The transfer between Level 1 and Level 2

The Group held emerging stocks and have transferred between levels 1 and 2 and observes the annual turnover rate to determine whether the investment is in an active market for equity instruments.

c) Reconciliation of Level 3 financial assets

For the Year Ended December 31, 2024								
		Valuation Gain (Loss)		Increase		Decrease		
Item	Beginning Balance	In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial assets at FVTPL	$ 273,130	$ 11,250	$ -	$ 310,020	$ -	$ (152,216)	$ (19,448)	$ 422,736
Financial assets at FVTOCI	127,451	-	12,153	-	-	-	-	139,604
Total	$ 400,581	$ 11,250	$ 12,153	$ 310,020	$ -	$ (152,216)	$ (19,448)	$ 562,340

Note: Financial assets transferred from Level 3 since observable inputs has became available.

For the Year Ended December 31, 2023								
		Valuation Gain (Loss)		Increase		Decrease		
Item	Beginning Balance	In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial assets at FVTPL	$ 122,592	$ (8,338)	$ -	$ 246,330	$ -	$ -	$ (87,454)	$ 273,130
Financial assets at FVTOCI	119,773	-	7,754	-	-	(76)	-	127,451
Total	$ 242,365	$ (8,338)	$ 7,754	$ 246,330	$ -	$ (76)	$ (87,454)	$ 400,581

Note: Financial assets transferred from Level 3 since observable inputs has became available.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amount of $11,250 thousand and $(6,559) thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2024 and 2023, respectively.

Above-mentioned valuation gains (losses) recognized in other comprehensive income in the amount of $12,153 thousand and $7,767 thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2024 and 2023, respectively.

d) Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

Most of the Level 3 fair value attributed to the Group only has single significant unobservable input.

The quantification information of significant unobservable inputs was as follows:

	Fair Value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Stock investments	$ 152,150	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
Private equity funds	270,586	Assets method	Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value
Financial assets at FVTOCI					
Stock investments	139,604	Assets method	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	10%	The higher the non-controlling interest discount, the lower the fair value.

	Fair Value on December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Stock investments	$ 99,115	Market method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
Private equity funds	174,015	Assets method	Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value
Financial assets at FVTOCI					
Stock investments	127,451	Assets method	Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	10%	The higher the non-controlling interest discount, the lower the fair value.

e) The assessment of fair value based on Level 3 inputs

The risk management department of the Group is responsible for independently verifying fair value, using an impartial, reliable source of information, so that the evaluation results reflect market status closely, same with other resources and representing executable price, calibrating the assessment model regularly, and updating input values, information and any other information needed to ensure that the assessment model results are reasonable.

The Group targets in equity instruments which obtain financial information audited or reviewed recently from invested company and collect information acquired from public market for the purpose of valuation in proper method.

The risk management department of the Group sets assessment policies and procedures for determining the fair values of financial instruments and ensure that these policies and procedures are in compliance with IFRS.

4) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

With standard terms and conditions, active market trading of financial assets and financial liabilities at fair value uses the quoted market price for making decision. If quoted market prices are not available, then valuation technique is used. The Group's valuation techniques and assumptions are those generally used by market participants to price financial instruments.

5) Credit risk value adjustments

The Group's credit risk value adjustments are mainly classified into credit value adjustments (CVA) and debit value adjustments (DVA), which refer to adjustment to the valuation of derivative contracts at the Taipei Exchange. In order to reflect the possibility that the counterparty (CVA) or the Group (DVA) may default, and that the Group may not pay the full market value of the transactions.

The Group would calculate CVA by assessing probability of default (PD) and loss given default (LGD) of the counterparty before multiplying by exposure at default (EAD) of the counterparty. On the contrary, DVA is computed by applying probability of default of the Group and considering loss given default of the Group before being multiplied by exposure at default of the Group.

After learning from scholars' suggestions and the experiences of foreign financial institutions, the Group adopted 60% as the default loss rate, and the default risk amount was assessed by the market value of derivative instruments as the default risk amount. In addition, in calculating the fair values of financial instruments, the Group took credit risk rating adjustments into consideration to reflect competitors' credit risk and the Group's credit quality.

b. Transfer of financial assets

The Group treats debt securities under repurchase agreements as transferred financial assets that do not qualify for full derecognition; thus, the Group will recognize debts on the transferred financial assets to be bought back at a confirmed price because of the transfer of cash on the debt security contracts. In addition, the Group should not use, sell or pledge the transferred financial assets during the transaction validity period. However, the Group still bears interest and credit risks although the financial assets will not be fully derecognized. The following table shows the amounts of the financial assets that did not qualify for full derecognition and information on the related financial liabilities.

December 31, 2024		
Financial Assets	**Transferred Financial Assets - Carrying Amount**	**Related Financial Liabilities - Carrying Amount**
Financial assets at FVTPL repurchase agreement	$ 5,411,531	$ 4,973,116
Financial assets at FVTOCI repurchase agreement	4,098,308	3,997,579

December 31, 2023		
Financial Assets	**Transferred Financial Assets - Carrying Amount**	**Related Financial Liabilities - Carrying Amount**
Financial assets at FVTPL repurchase agreement	$ 7,864,861	$ 6,971,404
Financial assets at FVTOCI repurchase agreement	4,860,901	4,793,028

c. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Financial assets at amortized cost (Note 1)	$ 41,926,118	$ 30,342,413
Financial assets at FVTPL		
Financial assets mandatorily measured at FVTPL	22,048,569	24,862,190
Financial assets at FVTOCI		
Debt instruments	4,103,244	4,921,675
Equity instruments	966,190	127,451
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	52,780,777	40,604,979
Financial liabilities at FVTPL		
Financial liabilities held for trading	2,411,034	6,414,416
Financial liabilities designated as at FVTPL	3,064,794	3,623,817

Note 1: Financial assets at amortized cost include cash and cash equivalents, margin loans receivable, refinancing margin, refinancing collateral receivable, receivables of money lending - any use, customer margin account, security borrowing collateral price, security borrowing margin, accounts receivable, other receivables, other current financial assets, restricted current assets, operating guarantee deposits, clearing and settlement funds, guarantee deposits paid and overdue receivables.

Note 2: Financial liabilities measured at amortized cost include current borrowings, commercial paper payable, liabilities for bonds with attached repurchase agreements, deposits payable for securities financing, securities financing refundable deposits, futures trader's equity, notes and accounts payable, other payables, bonds payable and guarantee deposits.

d. Financial risk management objectives and policies

1) Summary

The Group's goal in risk management is to balance the risks and returns by giving consideration to business operation, overall risk taken, and external legal restrictions. The major risks the Group sustains includes market risks (including interest rate and equity security prices), credit risks, liquidity risks and climate-related risks.

The Group has rules for risk management policies and risk control procedures, which had been approved by the board of directors or Risk Management Committee, in order to effectively identify, measure, supervise and control credit risks, market risks and liquidity risks. Climate-related risk is not an independent risk type that will directly or indirectly aggravate the impact of the above-mentioned existing risks through the economic environment and various businesses. The Group has established climate risk management principles in response to the impacts.

2) Organizational structure of risk management function

The board of directors is the highest level in the risk management function in the Group, its responsibility and authority are the approval of the Group's risk management policies and risk limits and takes the full responsibility for risk management issues and to examine policies and standards and establish risk management system. The chairman of Risk Management Committee takes charge of risk management and reports to the board of directors periodically.

Risk management department is independent of business department and identifies, assesses, and controls various risks according to risk management standards. And the internal auditing department performs independent review of the Company's various businesses.

3) Market risk

a) The source and definition of market risk

Market risk is the uncertainty of changes in fair value of in and off-balance sheets financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices, credit spreads and commodity prices.

The major market risks of the Group are price risks of equity securities, interest rate and exchange rate. The main position of equity securities risk includes domestic and foreign public, OTC, and convertible bonds, warrants, stock index futures and options. The main position of interest rate risk includes government bond and convertible bonds. The main position of exchange rate risk includes transactions in foreign currency.

Effect of interest rate benchmark reform

The Group is exposed to USD LIBOR which is subject to interest rate benchmark reform. The exposures arise on derivatives and non-derivative financial assets and liabilities. SOFR (Secured Overnight Financing Rate) has replaced USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is “forward looking”, which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a “backward-looking” rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

The Group has completed the USD LIBOR transition plans, and all the affected financial instruments were transitioned to SOFR.

December 31, 2023

	Effect of Interest Rate Benchmark Reform
Interest Rate Benchmark	**Synthetic USD LIBOR**
	Whole Period
Type	**Maturity Date after September 30, 2024**
Non-derivative financial assets - carrying amount	$ 30,693
Financial assets at FVTPL	30,693

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: The due date for all LIBOR currencies and terms have been officially completed. The due date for the Synthetic USD LIBOR 1 month, 3 months and 6 months is September 30, 2024.

b) Market risk management policy

The Group’s risk management policy was approved by the board of directors; it is the highest guidance and principle of risk management.

Risk management policy clearly defines the risk management procedures for risk identifying, risk measuring, risk controlling and risk reporting, which are executed by risk management department independent of trading and other departments. The risk management department conducts risk limits, stress testing and other market risk management procedures for various businesses and financial assets in accordance with the risk management policy.

c) Market risk management procedures

i. Identifying risks and measuring possible effects

The Group’s risk management department identifies the exposures of positions or new financial instruments to market risks and measures the gains and losses on positions held due to changes in market risk factors based on standards.

The risk management department calculates price sensitivity and gains and losses on positions are recorded in trading books daily; it calculates the maximum potential losses recorded in each trading book monthly. The Group wants to avoid tremendous losses that will harm the Group's operations due to overwhelming changes in market risk factors.

If objective market prices, such as trading prices, exist in the market for each financial instrument, gains and losses on positions are valued in accordance with the market prices; if fair value information is not available, estimates are made using valuation methods. The estimates and assumptions used by the Group in applying valuation methods are consistent with those used by market participants as estimates and assumptions in pricing financial instruments, and such information is available to the Group.

ii. Controlling of risk and reporting of issues

The Group controls market risk by managing risk limits. In order to control market risks, the risk management department sets risk limits for various investment portfolio based on trading strategies, category of trading products and annual profit targets, which are approved by the board of directors and implemented to control exposure to risks on positions and losses.

The risk management department calculates exposures and estimated gains and losses on positions daily to make sure that the positions held and losses do not exceed the limits approved by the board of directors and prepares reports to the high-level management and the board of directors periodically for their sufficient understanding of the implementation of the market risk management work and, if necessary, issuance of additional guidance.

The risk management department reports important market risk issues, such as discovery of possible loss on positions in each trading book or identification of weakness in the market risk management system, to the Risk Management Committee in order to improve the effectiveness of the market risk management.

d) Market risk measuring methods

i. Stress testing

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions' tolerance to extreme market volatility.

The risk management unit is required to execute the stress test at least once a month to calculate stress loss for trading portfolios. The stress circumstance which is reviewed semi-annually, should reflect the fluctuation of market according to the various market risk factors. If any adjustments are made, it should be approved by the Risk Management Committee.

The risk management unit should confirm that overall trading book loss does not exceed the stress loss limit and should make a report to the high-level management as reference for adjusting positions or resource distribution. The amount of stress loss as of December 31, 2024 and 2023 was $563,487 thousand and $366,588 thousand, respectively.

ii. Sensitivity analysis

If the other risk factors remain unchanged, a 1 basis point change in spot prices of equity securities as of December 31, 2024 and 2023 is estimated to result in changes of $84,616 thousand and $76,225 thousand in profit or loss, respectively, and in other comprehensive income by $7,252 thousand and $0, respectively. For interest rate risk exposure, a 1 basis point change in yield is estimated to result in changes of $345 thousand and $569 thousand in profit or loss, respectively, and in other comprehensive income $699 thousand and $1,267 thousand, respectively. For foreign exchange risk exposure, a 1 basis point change in foreign currency prices is estimated to result in changes of $3,049 thousand and $2,987 thousand, respectively. Other risk factors are not significant and are not analyzed here.

iii. Value at Risk (VaR)

VaR is the potential highest loss for a period within certain confidence interval. For the years ended December 31, 2024, Taishin Securities' VaR factors were as follows:

Unit: Thousands of Dollars

	For the Year Ended December 31, 2024			
	Average	**Highest**	**Lowest**	**Ending Balance**
Value at risk (VaR)	$ 72,282	$ 122,190	$ 40,209	$ 105,699

	For the Year Ended December 31, 2023			
	Average	**Highest**	**Lowest**	**Ending Balance**
Value at risk (VaR)	$ 101,370	$ 169,201	$ 45,096	$ 58,649

4) Credit risk

a) Source and definition

Credit risk means the possible loss due to failure of debtors or counterparties to fulfill their contractual obligations or their ability to fulfill contractual obligations is impaired. Credit risk arises from the operation, on- and off-balance-sheet items, including securities trading, securities trading margin purchase and short sale, securities investment and derivative transactions. Credit risk is often generated with other risks that affect one another. For example, the margin purchase and short sale is subject to fluctuations in the price of collateral, and the convertible bonds are affected by fluctuations in market liquidity or the price of underlying securities.

Credit risk can be divided into the following categories based on the object and nature of business:

i. Issuer (guarantor) risk of the underlying issue

It is the credit risk that stock issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.

ii. Counterparty risk

It is the credit risk that the counterparty undertaking OTC derivatives or RP/RS transactions are unable to fulfill settlement obligations. Counterparty risk is also divided into settlement risk and pre-settlement risk.

i) Settlement risk

It is the loss resulting from the counterparty failing to deliver goods or other money on the settlement date when the Group had fulfilled settlement obligations.

ii) Pre-settlement risk

It is the loss resulting from the counterparty failing to fulfill settlement or pay the obligations and from changes in market prices before the settlement date.

iii. Risk of default in customer margin purchase and short sale business

When the customer engages in margin purchase and short sale transactions, there is risk that the customer is unable to repay the price of the margin purchase or the underlying stock of the short sale at the end of the contracted period, or is unable to cover the value of the collateral when the guarantee maintenance ratio is insufficient, resulting in losses borne by the Group.

iv. Other credit risks

Country risk, custodian risk and brokers risk, etc.

b) Credit risk management policies

To ensure its credit risk is under control within the tolerable range, the Group has stipulated in the guidelines for risk management that for all the businesses conducted, including all on- and off-balance-sheet transactions should make detailed analyses to identify existing and potential credit risks, in order to operate in coordination with the Group's business development and Taishin Financial Holding's overall risk appetite. Before launching new products or businesses, the Group ensures compliance with all applicable rules and regulations and identifies relevant credit risks.

The measurement and management procedures of credit risks in the Group's main businesses are as follows:

i. Issuer credit risk management

In order to effectively utilize resources by the Group, the same standard of internal credit rating is used for issuers/guarantors of securities, supplemented by external credit ratings of debt instruments/issuers/guarantors by external credit rating agencies, and regional/country status oriented management. The credit rating is based on the single-issuer portion of each credit rating.

ii. Counterparty credit risk management

In order to avoid the pre-settlement risk of non-performance by counterparties, pre-settlement risk limits are set for each counterparty and are evaluated daily at market prices to ensure that the risk of each counterparty is within the acceptable range of the Group.

iii. Concentration risk management

To avoid overconcentration of investment targets, the risk management sets single-file stock part limits and sector limits for the main business, and sorts the same person (enterprise) and the same related enterprise (group), and then submits them to the Group. Concentration risk management aims to avoid credit risk caused by large part concentration.

iv. Risk management of brokerage business

The opening of credit accounts is handled in accordance with the Group's internal control, and has been set up to strictly manage customer credit risks; the trading of customer securities margin purchase and short sale business is regulated in accordance with the guidelines for securities margin purchase and short sale management, and the maintenance rate is controlled, and the authority of each authorized supervisor is set at different levels to effectively manage customer credit trading risks.

v. Country risk management

In order to avoid the concentration of overseas risks undertaken by the Group in specific countries, its scope includes brokerage credit business, and investment business (including stocks, bonds, securitized commodities, derivative financial assets and liabilities for non-hedging purposes, other investments, etc.).

c) Distribution of internal credit ratings

The distribution of internal credit ratings of the Group's financial assets as of December 31, 2024 and 2023 is as follows:

Distribution of Internal Credit Ratings						
Internal Credit Ratings	December 31, 2024			December 31, 2023		
	Convertible Bond	Bonds	%	Convertible Bond	Bonds	%
1	$ 1,039,932	$ 2,705,474	26.77	$ 942,322	$ 4,194,275	34.22
2	2,499,656	1,018,031	25.14	2,281,151	1,103,666	22.55
3	1,798,701	683,442	17.74	2,250,187	1,004,571	21.67
4	2,722,146	393,174	22.27	1,715,501	-	11.43
5	432,663	449,417	6.31	804,607	448,456	8.35
Less than or equal to 6	247,432	-	1.77	267,298	-	1.78
Total	$ 8,740,530	$ 5,249,538	100.00	$ 8,261,066	$ 6,750,968	100.00

Note: This table excludes central government bonds and Exchange Traded Debt.

d) Credit risk concentration - industry

Industry Type	Distribution of Industry Type			
	December 31, 2024		December 31, 2023	
	Convertible Bond	%	Convertible Bond	%
01 Cement industry	$ 104,265	1.19	$ -	-
03 Plastic industry	-	-	5,024	0.06
04 Textile industry	290,194	3.32	44,712	0.54
05 Electrical machinery	281,410	3.22	257,280	3.11
06 Electric cable	12,154	0.14	5,589	0.07
10 Ferrous industry	235,087	2.69	141,742	1.72
11 Rubber Industry	95,933	1.10	104,690	1.27
12 Automotive industry	72,697	0.83	23,259	0.28
13 Electronics industry	294,194	3.37	122,530	1.48
14 Building materials construction	679,933	7.78	426,067	5.16
15 Shipping	296,131	3.39	587,864	7.12
16 Tourist industry	84,745	0.97	12,239	0.15
17 Finance and insurance	-	-	58,751	0.71
18 Department	61,543	0.70	107,821	1.30
20 Others	1,233,952	14.12	1,567,571	18.98
21 Chemical industry	97,937	1.12	247,517	3.00
22 Biotechnology and medicine industry	432,957	4.95	505,310	6.12
24 Semiconductor industry	372,637	4.26	623,733	7.55
25 Computer peripherals	629,317	7.20	257,701	3.12
26 Opto-electronics industry	434,259	4.97	766,100	9.27
27 Communication network industry	613,354	7.02	469,893	5.69
28 Electronic parts and components	1,707,019	19.53	1,175,110	14.22
29 Electronic channel industry	212,292	2.43	307,201	3.72
30 Information service industry	40,480	0.46	77,871	0.94
31 Other electronic industry	450,233	5.15	343,127	4.15
32 Cultural and creative industries	1,819	0.02	-	-
33 Agri-technologies industry	-	-	15,959	0.19
34 Electronic commerce Industry	5,988	0.07	6,405	0.08
Total	$ 8,740,530	100.00	$ 8,261,066	100.00

5) Liquidity risk

a) The source and definition of liquidity risk

Funds liquidity risk is the potential loss that the Group may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Market liquidity risk is due to market factors, i.e., the risk of significant changes in market prices when dealing with or offsetting the holdings.

b) Liquidity risk management policy

The Group's funding liquidity risk management incorporates funding sources, funding application and gap management. Key control points are as follows:

i. Funding sources: Other than ensuring stability and risk diversification of funding sources, the Group maintains sufficient credit limits in order to cope with volatility risk from unexpected funding supply.

ii. Funding application: When assessing investment income, the Group ensures its liquidity and safety in order to cope with liquidity risk from unexpected funding needs.

iii. Gap management: The Group implements funding gap management of various term structures in order to efficiently control unexpected fund dispatching.

c) Market liquidity risk management policy

Market liquidity risk includes on- and off-balance-sheet transactions. To make sure that market liquidity of positions with low liquidity is within tolerable range, the Group stipulated in its risk management rules that it should carefully analyze and efficiently identify existing and potential market liquidity risk in order to operate in coordination with the Group's business development and the Group's overall risk appetite. Before promoting new products and business, the Group should also scrutinize related operation rules and confirm related market liquidity risk.

The market liquidity management procedures and measuring methods of the Group's major business are as follows:

i. When closeout of a position with low amount of market transactions and low liquidity occurs, impairment is generated due to increase of bid-ask premium and extension of covered time. Therefore, liquidity reserve is drawn based on product categories in internal assessment to avoid biased assessment.

ii. The proportion limit is calculated as the sum of position, which is the amount of quoted and OTC stocks over one-day average volume, of the investment portfolio. The ratio is set to implement control.

iii. The volume of holding a single stock and the volume of accounting for investment portfolio is limited to a certain amount in order to implement control.

iv. The proportion of the volume of a single convertible bond issued to the volume of outstanding portfolio is limited to a certain amount in order to implement control.

d) Maturity analysis of non-derivative financial liabilities

The Group's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date were as follows:

Financial Instruments Item	December 31, 2024					
	1-180 Days	181 Days - 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	$ 1,140,112	$ -	$ -	$ -	$ -	$ 1,140,112
Current borrowings	950,000	-	-	-	-	950,000
Commercial papers payable	24,920,000	-	-	-	-	24,920,000
Liabilities for bonds with attached repurchase agreements	8,970,695	-	-	-	-	8,970,695
Securities financing refundable deposits	1,044,849	-	-	-	-	1,044,849
Deposits payable for securities financing	1,169,962	-	-	-	-	1,169,962
Futures traders' equity	3,961,866	-	-	-	-	3,961,866
Notes and accounts payable	7,612,868	-	-	-	-	7,612,868
Other payable	854,723	28,826	96,514	89,100	44,550	1,113,713
Other current liabilities	881,328	-	-	-	-	881,328
Lease liabilities	33,616	31,305	103,031	26,276	-	194,228
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	163	666	-	-	829
Total	$ 51,540,019	$ 60,294	$ 200,211	$ 115,376	$ 3,344,550	$ 55,260,450

Financial Instruments Item	December 31, 2023					
	1-180 Days	181 Days - 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	$ 5,201,530	$ -	$ -	$ -	$ -	$ 5,201,530
Current borrowings	450,000	-	-	-	-	450,000
Commercial papers payable	11,888,000	-	-	-	-	11,888,000
Liabilities for bonds with attached repurchase agreements	11,764,432	-	-	-	-	11,764,432
Securities financing refundable deposits	856,828	-	-	-	-	856,828
Deposits payable for securities financing	929,965	-	-	-	-	929,965
Futures traders' equity	2,276,298	-	-	-	-	2,276,298
Notes and accounts payable	8,350,087	-	-	-	-	8,350,087
Other payable	779,386	10,179	96,773	89,100	89,100	1,064,538
Other current liabilities	343,534	-	-	-	-	343,534
Lease liabilities	27,401	24,948	71,868	29,494	-	153,711
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	75	164	589	-	828
Total	$ 42,867,461	$ 35,202	$ 168,805	$ 119,183	$ 3,389,100	$ 46,579,751

e) Maturity analysis of derivative financial liabilities

The Group disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	December 31, 2024					
	1-180 Days	181 Days - 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Derivative financial liabilities at FVTPL	$ 4,335,716	$ -	$ -	$ -	$ -	$ 4,335,716

Financial Instruments Item	December 31, 2023					
	1-180 Days	181 Days - 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Derivative financial liabilities at FVTPL	$ 4,836,703	$ -	$ -	$ -	$ -	$ 4,836,703

31. CAPITAL MANAGEMENT

a. Capital adequacy ratio calculation

In order to effectively absorb various risks and ensure the long-term and stable development of the Company's various businesses, the Group continues to actively maintain sufficient capital. Therefore, the Group conducts capital management in accordance with business development plans, relevant laws and regulations and the financial market environment to optimize capital allocation. At present, the Group calculates and declares the Group's capital adequacy ratio in accordance with the "Regulations Governing Securities Firms".

The Group's capital adequacy ratio is as follows:

Items	December 31 2024	December 31 2023
Eligible capital		
Tier I capital	$ 11,931,299	$ 10,832,876
Tier I capital - minus assets	1,381,169	950,077
Tier II capital - minus assets in excess of Tier II capital	-	-
Tier I capital, net	10,550,130	9,882,799

(Continued)

Items	December 31 2024	December 31 2023
Tier II capital	$ 3,309,533	$ 3,311,925
Tier II capital - minus assets	1,185,243	761,839
Tier II capital, net	2,124,290	2,550,086
Tier III capital	-	-
Total net of eligible capital	$ 12,674,420	$ 12,432,885
Equivalent amount of operating risk		
Equivalent amount of credit risk	$ 1,335,853	$ 1,097,713
Equivalent amount of operation risk	705,511	603,712
Equivalent amount of market risk	2,475,914	2,221,510
	$ 4,517,278	$ 3,922,935
Capital adequacy ratio	281%	317%

(Concluded)

- Capital adequacy ratio = Net of eligible capital ÷ Equivalent amount of operating risk
- Net of eligible capital = Tier I capital + Tier II capital + Tier III capital - Minus assets
- Equivalent amount of operating risk = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operation risk

b. Capital adequacy management

The Risk Management Department estimates the Group’s stress test loss and capital adequacy rate for each month of the year based on the business unit’s business development, transaction plan and profit and loss estimates, and the current market conditions, and regularly reports to the management for the Company’s operational planning.

The Risk Management Department performs monthly stress tests and submits them to the Risk Management Committee. The Group also has a stress test loss limit (Advisory Limit). If the stress test loss exceeds the limit, the risk management department must report to the management immediately and discuss the following matters in the risk management committee:

1) The possibility of occurrence and the impact intensity of a stressful event.

2) Identify the parts with higher loss and assess strategies when the event occurred.

3) Confirm that the Group’s capital is sufficient to withstand the impact of stressful events.

4) In order to reduce the impact, when necessary, risk-bearing units may be required to adjust their positions or discuss the possibility of strengthening capital.

5) If risks need to be adjusted in order to achieve operational strategic objectives, it should be reported to the board of directors.

Through the implementation of capital adequacy and stress testing on a regular basis, the Group can ensure its ability to cope with potential risks, establish sound business management in advance, and enhance assets allocation and capital measures.

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Taishin Financial Holding	Parent Company
Taishin International Bank Co., Ltd. (“Taishin Bank”)	Fellow subsidiaries
Taishin Securities Investment Advisory Co., Ltd. (“Taishin Securities Investment Advisory”)	Fellow subsidiaries
Taishin Securities Investment Trust Co., Ltd. (“Taishin Securities Investment Trust”)	Fellow subsidiaries
Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”)	Fellow subsidiaries
Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”)	Fellow subsidiaries
Shin Kong Financial Holding Co., Ltd. (“Shin Kong Financial Holding”)	Others
Shin Kong Insurance Co., Ltd.(“Shin Kong Insurance”)	Others
Shin Kong Investment Trust Co., Ltd. (“Shin Kong Investment Trust”)	Others
Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”)	Others
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Others
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Others
Sercomm Corporation (“Sercomm”)	Others
Darfon Electronics Corp. (“Darfon Electronics”)	Others
Acbel Polytech Inc. (“Acbel”)	Others
Ubright Optronics Corporation (“Ubright Optronics”)	Others
EZconn Corporation (“EZconn”)	Others
BES Engineering Corporation (“BES Engineering”)	Others

b. Material transactions with related parties

Item	Related Party Name	For the Year Ended December 31 2024	2023
Revenue			
Brokerage handling fee revenue	Taishin Financial Holding	$ 101	$ 12,887
Brokerage handling fee revenue	Taishin Bank	12,035	10,176
Brokerage handling fee revenue	Shin Kong Life Insurance	13,297	2,973
Brokerage handling fee revenue	Taishin Life Insurance	5,403	3,459
Share Agent Revenue securities	Taishin Financial Holding	20,222	17,423
Expenses and fees			
Advertising fees	Taishin Bank	19,546	18,171
Advertising fees	Taishin Sports Entertainment	9,200	2,100
Professional fees	Taishin Securities Investment Advisory	16,098	13,500
Insurance expense	Shin Kong Life Insurance	7,849	7,587
Other gains and losses			
Financial income	Taishin Bank	30,849	23,401
Financial income	Yuanta Bank	14,679	272

All transactions with related parties are made under arm's length terms, which are consistent with normal policies and were paid in full.

c. Liability contracts with related parties

Item	Related Party Name	December 31 2024	December 31 2023
Cash and cash equivalents	Taishin Bank	$ 1,135,524	$ 538,547
Customer margin account	Taishin Bank	444,773	801,953
Customer margin account	Yuanta Bank	1,172,864	238,403
Other current assets - underwriting share proceeds collected on behalf of customers and amounts held for settlement	Taishin Bank	995,094	511,666
Other current assets - prepayments	Taishin Sports Entertainment	4,760	5,460
Other financial assets - current	Taishin Bank	-	60,000
Other financial assets - current	Yuanta Bank	350,000	-
Other noncurrent assets - operating guarantee deposits	Taishin Bank	360,000	340,000
Other noncurrent assets - guarantee deposits paid	Taishin Bank	12,194	12,034

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

d. Lease arrangements

Acquired right-of-use assets

Related Party Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Buildings		
Taishin Bank	$ 107,398	$ 1,612

Item	Related Party Name	December 31 2024	December 31 2023
Lease liabilities	Taishin Bank	$ 162,143	$ 102,046

Related Party Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Interest expense		
Taishin Bank	$ 1,615	$ 767
Lease expense		
Taishin Bank	8,174	2

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

e. Loans from related parties

Related Party Name	December 31 2024	December 31 2023
Current borrowings		
Yuanta Bank	$ 300,000	$ 250,000
Commercial papers payable		
Yuanta Bank	499,640	299,800

Interest expense

Related Party Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Yuanta Bank	$ 6,921	$ 2,417

The Group obtained loans from related parties at rates comparable to market interest rates.

f. Other related party transactions

Financial assets at FVTPL - current

		December 31			
		2024		2023	
Item	Related Party Name	Ending Stocks (In Thousands)	Ending Balance	Ending Stocks (In Thousands)	Ending Balance
Open-ended funds, monetary market instruments	Taishin Securities Investment Trust	3,000	$ 29,940	-	$ -
Operating securities - proprietary	Shin Kong Insurance	780	83,070	755	51,416
Operating securities - proprietary	Shin Kong Investment Trust	2,152	28,509	2,015	42,397
Operating securities - proprietary	Taishin Securities Investment Trust	1,211	19,467	3,239	55,887
Operating securities - proprietary	Shin Kong Synthetic Fibers	620	9,145	131	2,037
Operating securities - proprietary	BES Engineering	549	5,847	-	-
Operating securities - proprietary	Ubright Optronics	74	5,039	37	2,098
Operating securities - proprietary	Sercomm	22	2,431	59	7,635
Operating securities - proprietary	Darfon Electronics	-	-	102	5,528
Operating securities - underwriting	Sercomm	2,699	298,240	3,000	330,900
Operating securities - underwriting	EZconn	955	126,824	-	-
Operating securities - underwriting	Acbel	-	-	418	45,060
Operating securities - hedging	Shin Kong Financial Holding	-	-	530	55,014

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

g. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2024 and 2023 included the following:

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 145,173	$ 132,012
Post-employment benefits	1,984	2,075
Stock-based payments		
Cash-settled share-based payment	2,988	5,586
	$ 150,145	$ 139,673

The remuneration of directors and other members of key management personnel are determined by the remuneration committee in accordance with individual performance and market trends.

33. PLEDGED ASSETS

		December 31	
Item	Content	2024	2023
Current financial assets at FVTPL			
Operating securities - proprietary	Preferred share	$ 355,960	$ 534,780
Operating securities - underwriting	Convertible bond	456,750	549,600
Other current assets			
Restricted assets	Time deposit	75,000	75,000
Property and equipment	Land and buildings	574,754	555,152
Investment property	Land and buildings	95,534	121,710
		$ 1,557,998	$ 1,836,242

34. CONTINGENT LIABILITIES AND COMMITMENTS

As of December 31, 2024, the remaining capital commitments for the contracted private equity fund of the Group was $216,201 thousand.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 41,356	32.79	$ 1,354,654
JPY	156,013	0.21	32,764
ZAR	18,008	1.75	31,547
AUD	1,469	20.40	29,955
HKD	5,906	4.22	24,945
Non-monetary items			
USD	76,276	32.79	2,501,348
JPY	41,224	0.21	8,657
HKD	1,327	4.22	5,605
Financial liabilities			
Monetary items			
USD	87,652	32.79	2,872,280
JPY	127,272	0.21	26,728
HKD	4,077	4.22	17,219
AUD	341	20.40	6,962

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 45,137	30.71	$ 1,385,581
ZAR	15,367	1.66	25,472
AUD	1,102	20.99	23,131
HKD	3,598	3.93	14,146
JPY	57,947	0.22	12,588
EUR	324	34.00	11,020
Non-monetary items			
USD	115,059	30.71	3,533,905
HKD	3,904	3.93	15,347
Financial liabilities			
Monetary items			
USD	120,730	30.71	3,708,202
JPY	53,930	0.22	11,716
HKD	2,027	3.93	7,970

As there are various types of foreign currency transactions involved, the individual disclosure of exchange gains and losses of material monetary items was not readily available. The Group's consolidated foreign exchange currency gains and losses (including realized and unrealized) for the years ended December 31, 2024 and 2023 are summarized as follows:

	For the Year Ended December 31	
	2024	**2023**
Net foreign exchange loss	$ (44,278)	$ (52,859)

36. FINANCIAL RATIO RESTRICTIONS BASED ON THE FUTURES TRADING ACT

The financial ratios of the subsidiary, Taishin Futures, which are all in compliance with the restrictions of the Futures Trading Act are summarized as follows:

	Calculation Formula	December 31, 2024 Equation	Ratio	Benchmark	Status of Compliance
a.	Stockholder's equity / Total liabilities less futures trader's equity	$882,081 / $46,946	=18.79	≧1	In compliance
b.	Current assets / Current liabilities	$5,402,988 / $4,728,658	=1.14	≧1	In compliance
c.	Stockholder's equity / Minimum paid-in capital	$882,081 / $818,000	=107.83%	≧60% ≧40%	In compliance
d.	Adjusted net capital / Amount of customers' margin accounts for open position of futures customers	$792,251 / $1,523,760	=51.99%	≧20% ≧15%	In compliance

	Calculation Formula	December 31, 2023 Equation	Ratio	Benchmark	Status of Compliance
a.	Stockholder's equity / Total liabilities less futures trader's equity	$354,575 / $31,016	=11.43	≧1	In compliance
b.	Current assets / Current liabilities	$3,023,826 / $2,850,271	=1.06	≧1	In compliance
c.	Stockholder's equity / Minimum paid-in capital	$354,575 / $400,000	=88.64%	≧60% ≧40%	In compliance
d.	Adjusted net capital / Amount of customers' margin accounts for open position of futures customers	$277,261 / $855,936	=32.39%	≧20% ≧15%	In compliance

37. SPECIFIC RISK FROM FUTURES DEALING

Futures brokering

When a customer entrusts the Group to engage in futures trading, a certain percentage of the transaction amount must be paid as a margin. Customer's gain or loss from the leverage resulting from the margin deposits may be significant. For the protection against harm arising from customers' huge losses, the margin accounts of customers are reevaluated daily on the basis of the market prices of the outstanding futures and option contracts. Customers immediately make additional margin deposits when their margin accounts fall below an agreed level (the "maintenance margin"). If the customers fail to do so, their position will be settled by writing off the contracts.

38. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH VARIOUS SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

In order to exploit economies of scale, collaborative marketing activities are conducted among Taishin Financial Holding and its subsidiaries. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or appropriately apportioned to the respective companies.

39. ADDITIONAL DISCLOSURES

a. The significant transactions:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Acquisition of individual real estates at costs of at least NT$300 million or 20% of the paid-in capital: None.

4) Disposal of individual real estates at prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Handling fee discounts on transactions with related parties amounting to 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 relationship and significant intercompany transactions: Table 1.

b. The related information on investees

Related information such as the name of the investee Company, the region where it is located, etc.: Table 2.

c. Information on established branch units or representative offices overseas

Information about locations, business items, etc. of foreign branches and representative offices: None.

d. Information of investment in mainland China

Related information such as the name of the investee company in mainland China, its main business items, etc.: None.

e. Major shareholder information

The Group's an unlisted (OTC) securities firm, and the Taishin Financial Holding holds 100% of the Group's common shares.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the operating performance of each company (segment). The business scope of each segment is as follows:

- Brokerage Department: The business of entrusted trading and listing, OTC securities, futures trading assistant business, and other business approved by regulatory authorities.

- Proprietary Investment Department: Buys and sells domestic and foreign securities, futures (options), derivatives, and other financial instruments approved by the regulatory authorities.

- Investment Banking Department: Provides advisory services for initial public offerings (IPOs) and OTC listings of domestic and international companies, capital raising, and securities underwriting, as well as financial advisory services for corporate planning and mergers and acquisitions.

- Taishin Futures: Engaged in domestic and international futures brokerage services, among other related activities.

- Other Investment Department: Includes the profit and loss of consolidated subsidiaries other than Taishin Futures, as well as recognition of profit or loss from equity method investments based on the shareholding ratio.

a. Departmental revenue and operating results

Unit: Thousands of New Taiwan Dollars

	The Brokerage Department	The Proprietary Investment Department	The Investment Banking Department	Taishin Futures	Other Investment Department	Other	Total
For the year ended December 31, 2024							
Revenue							
Revenue from external customers	$ 3,302,856	$ 641,747	$ 1,701,142	$ 260,643	$ 108,833	$ (8,504)	$ 6,006,717
Net interest revenue	526,218	56,588	(64,808)	-	-	529,418	1,047,416
Other revenue	27,586	(59,300)	1,380	(63)	8,667	(15,811)	(37,541)
Total revenue	3,856,660	639,035	1,637,714	260,580	117,500	505,103	7,016,592
Expenses							
Operating expenses	(314,387)	(447,737)	(1,935)	(122,807)	(1,361)	(411,028)	(1,299,255)
Depreciation expense	(119,425)	(12,571)	(24,790)	(14,378)	(1,221)	-	(172,385)
Amortization expense	(38,030)	(2,291)	(2,950)	(6,273)	(28)	-	(49,572)
Other expenses	(1,809,639)	(314,154)	(691,003)	(119,780)	(29,224)	(905)	(2,964,705)
Total expenditures and expenses	(2,281,481)	(776,753)	(720,678)	(263,238)	(31,834)	(411,933)	(4,485,917)
Other gains and losses	14,453	8,121	5,162	50,856	37,527	6,407	122,526
Operating department's pre-tax net profit (loss)	$ 1,589,632	$ (129,597)	$ 922,198	$ 48,198	$ 123,193	$ 99,577	$ 2,653,201

(Continued)

	The Brokerage Department	The Proprietary Investment Department	The Investment Banking Department	Taishin Futures	Other Investment Department	Other	Total
For the year ended December 31, 2023							
Revenue							
Revenue from external customers	$ 2,456,198	$ 1,192,412	$ 1,160,415	$ 44,884	$ 40,480	$ 13,084	$ 4,907,473
Net interest revenue	385,451	94,154	(32,707)	-	-	249,379	696,277
Other revenue (loss)	103,723	(18,211)	99	(4)	12,629	(140,029)	(41,793)
Total revenue	2,945,372	1,268,355	1,127,807	44,880	53,109	122,434	5,561,957
Expenses							
Operating expenses	(264,307)	(652,460)	(922)	(21,086)	(1,697)	(195,287)	(1,135,759)
Depreciation expense	(108,270)	(12,219)	(24,689)	(7,562)	(1,196)	-	(153,936)
Amortization expense	(30,666)	(2,512)	(2,638)	(1,256)	(28)	-	(37,100)
Other expenses	(1,497,437)	(489,734)	(575,831)	(60,115)	(20,427)	13,071	(2,630,473)
Total expenditures and expenses	(1,900,680)	(1,156,925)	(604,080)	(90,019)	(23,348)	(182,216)	(3,957,268)
Other gains and losses	8,343	16,635	1,625	8,352	12,792	57,683	105,430
Operating department's pre-tax net profit (loss)	$ 1,053,035	$ 128,065	$ 525,352	$ (36,787)	$ 42,553	$ (2,099)	$ 1,710,119

(Concluded)

b. Departmental assets and liabilities

The Group did not provide amounts of segment assets and liabilities to operating decision makers, according to regulations, so only information related to the department's profit and loss is disclosed.

c. Information of major customers

The Group does not have major customers contributing more than 10% of net revenue. Therefore, disclosure of major customer information is not required.

TABLE 1

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND MATERIAL TRANSACTIONS IN CONSOLIDATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Number (Note a)	Main Party	Counterparty	Relationship (Note b)	Transactions			
				Account	Amount	Terms	% of Consolidated Operating Revenue or Consolidated Total Assets (Note c)
0	Taishin Securities	Taishin Securities Venture Capital	1	Financial assets at FVTPL	$ 154,148	Under arm’s length terms	0.22
0	Taishin Securities	Taishin Futures	1	Futures commission revenue	21,324	Under arm’s length terms	0.31
1	Taishin Futures	Taishin Securities	2	Customer margin account	719,846	Under arm’s length terms	1.01
1	Taishin Futures	Taishin Securities	2	Futures traders’ equity	719,846	Under arm’s length terms	1.01

Note a: Business between the parent and subsidiaries is numbered as follows:

1. Parent: 0
2. Subsidiaries are numbered from 1 in order.

Note b: Relationship between the main party and the counterparty is numbered as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. One subsidiary to another subsidiary.

Note c: Percentage of consolidated operating revenue or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance into consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance into consolidated operating revenue.

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

RELATED INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Date of Incorporation	Financial Supervisory Commission Approved Date and Ref. No	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Operating Revenues of the Investee	Net Income (Loss) of the Investee	Share of Profit (Loss)	Cash Dividends	Note
						December 31, 2024	December 31, 2023	Shares	%	Carrying Amount					
The Company	Taishin Securities Venture Capital	Taipei	2013.12.31	2013.10.31 Jin-Guan-Zheng-Chuan Letter No. 1020043810	Investment start-up	$ 371,964	$ 171,964	37,328,117	100	$ 462,997	$ 108,833	$ 88,841	$ 88,841	$ -	Subsidiary (Note 1)
	Taishin Capital	Taipei	2019.08.30	2019.05.21 Jin-Guan-Zheng-Chuan Letter No. 1080313572	Investments and consultancy services	50,000	50,000	5,364,801	100	84,446	45,022	30,393	30,393	-	Subsidiary (Note 1)
	Taishin Futures	Taipei	2022.12.02	2022.10.21 Jin-Guan-Zheng-Chuan Letter No. 1110384664	Futures brokerage	901,600	400,000	81,800,000	100	882,082	260,581	25,658	25,658	-	Subsidiary (Note 1)
Taishin Capital	Taishin Health Investment	Taipei	2021.02.20	2021.01.04 Jin-Guan-Zheng-Chuan Letter No. 1090370485	Investments	16,000	16,000	-	100	56,936	36,819	36,355	36,355	-	Subsidiary (Note 1)
Taishin Health Investment	Taishin Health Limited Partnership (Taishin Health Fund)	Taipei	2021.05.27	2021.01.04 Jin-Guan-Zheng-Chuan Letter No. 1090370485	Investments	7,349	7,293	-	2	49,821	235,624	207,709	36,819	-	Other related party (Note 2)

Note 1: Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 2: Taishin Health Investment is the general partner and fund manager of Taishin Health Fund, and the carrying amount is recorded as FVTPL - non-current.