English Translation of a Report and Financial Statements Originally Issued in Chinese

TAISHIN SECURITIES CO., LIMITED

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

Address: No. 44, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104016, Taiwan (R.O.C.)
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Notice to Readers

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

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REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2025 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

Taishin Securities Co., Limited

Chairman: Chia-hung, Kuo

February 24, 2026

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To Taishin Securities Co., Limited

Opinion

We have audited the accompanying consolidated balance sheets of Taishin Securities Co., Limited and its subsidiaries as of December 31, 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively referred to as "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2025, and its consolidated financial performance and cash flows for the years ended December 31, 2025, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards, International Accounting Standards, Interpretations developed by International Financial Reporting Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on the reports of our audits, 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 2025 consolidated financial statements. 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.

Recognition of Brokerage Handling Fee Revenue

Brokerage handling fee revenue of Taishin Securities Co., Limited and its subsidiaries arises from entrusted trading of securities and other financial products, as well as margin trading services. The income has a significant impact on the consolidated financial statements of Taishin Securities Co., Limited and its subsidiaries; therefore, we considered the recognition of brokerage handling fee revenue from the trading of securities and futures contracts as a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policies for recognizing brokerage handling fee revenue; understanding and testing the effectiveness of management's internal controls over the recognition of brokerage handling fee revenue; performing analytical review procedures; selecting samples for testing of brokerage handling fee revenue transactions, including verifying relevant transaction documents and recalculating recognized income amounts; and examining transaction documents before and after the balance sheet date to ensure brokerage handling fee revenue is recorded in the correct accounting period. We also evaluated the adequacy of disclosures related to brokerage handling fee revenue recognized by Taishin Securities Co., Limited and its subsidiaries. Please refer to Notes 4 and 6 of the consolidated financial statements.

Other Matters – Prior Period Audited by Other Independent Auditors

The consolidated financial statements of Taishin Securities Co., Limited and its subsidiaries for the year ended December 31, 2024 were audited by other independent auditors, and an unqualified audit report was issued on February 19, 2025.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards, International Accounting Standards, Interpretations developed by International Financial Reporting Committee, or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's 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 auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries 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 consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's 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.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2025.

Hsu, Jung-Huang

Kuo, Shao-Pin

Ernst & Young, Taiwan
February 24, 2026

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

English Translation of Consolidated Financial Statement Originally Issued in Chinese
TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Assets			December 31, 2025		December 31, 2024	
Code	Items	Notes	Amount	%	Amount	%
110000	Current assets					
111100	Cash and cash equivalents	6(1)	$1,693,409	2	$1,980,260	3
112000	Current financial assets at fair value through profit or loss (FVTPL)	6(2), 6(3)	26,120,870	32	21,623,133	30
114030	Margin loans receivable	6(6)	16,936,765	21	16,823,354	23
114040	Refinancing margin		9,966	-	1,244	-
114050	Refinancing collateral receivable		8,259	-	1,036	-
114066	Receivables of money lending - any use	6(6)	5,265,243	7	9,535,469	13
114070	Customer margin account	6(5)	5,780,885	7	3,974,822	6
114100	Security borrowing margin		266,545	-	56,544	-
114130	Accounts receivable	6(6)	16,443,588	20	8,210,433	11
114170	Other receivables	6(6)	49,520	-	38,999	-
114200	Other current financial assets	6(7)	640,000	1	550,000	1
114600	Current tax assets		7,591	-	4,672	-
119000	Other current assets	6(8)	1,098,042	1	1,172,003	2
	Total current assets		74,320,683	91	63,971,969	89
120000	Non-current assets					
122000	Non-current financial assets at FVTPL	6(2)	666,172	1	425,436	1
123200	Non-current financial assets at fair value through other comprehensive income (FVTOCI)	6(4)	4,763,698	6	5,069,434	7
125000	Property and equipment	6(9)	851,086	1	880,576	1
125800	Right-of-use assets	6(10)	168,939	-	187,518	-
126000	Investment property	6(11)	92,673	-	95,534	-
127000	Intangible assets		236,408	-	232,592	1
128000	Deferred tax assets	6(21)	23,609	-	9,552	-
129070	Non-current net defined benefit asset	6(18)	20,595	-	-	-
129990	Other non-current assets	6(12)	596,396	1	705,255	1
	Total non-current assets		7,419,576	9	7,605,897	11
	Total assets		$81,740,259	100	$71,577,866	100

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
Code	Items	Notes	Amount	%	Amount	%
210000	Current liabilities					
211100	Current borrowings	6(13)	$950,000	1	$950,000	1
211200	Commercial paper payable	6(14)	25,599,764	31	24,879,840	35
212000	Current financial liabilities at FVTPL	6(2), 6(3)	4,455,502	6	5,475,828	8
214010	Liabilities for bonds with attached repurchase agreements	6(15)	8,523,298	11	8,970,695	12
214040	Securities financing refundable deposits		954,482	1	1,044,849	1
214050	Deposits payable for securities financing		1,087,896	1	1,169,962	2
214080	Futures traders' equity	6(5)	5,765,360	7	3,961,866	6
214130	Notes and accounts payable	6(16)	16,236,251	20	7,612,868	11
214170	Other payables		1,118,294	1	889,868	1
214600	Current tax liabilities	6(21)	200,215	-	265,825	-
216000	Current lease liabilities	6(10)	71,065	-	61,388	-
219000	Other current liabilities		655,118	1	881,328	1
	Total current liabilities		65,617,245	80	56,164,317	78
220000	Non-current liabilities					
221100	Bonds payable	6(17)	3,300,000	4	3,300,000	5
226000	Non-current lease liabilities	6(10)	101,775	-	127,576	-
228000	Deferred tax liabilities	6(21)	48,173	-	34,855	-
229030	Guarantee deposits received		1,009	-	829	-
229070	Non-current net defined benefit liability	6(18)	-	-	18,602	-
	Total non-current liabilities		3,450,957	4	3,481,862	5
	Total liabilities		69,068,202	84	59,646,179	83
300000	Equity attributable to owners of parent	6(19)				
301000	Capital					
301010	Common stock		6,924,125	8	6,924,125	10
302000	Capital surplus		895,825	1	895,825	1
304000	Retained earnings					
304010	Legal reserve		813,250	1	575,563	1
304020	Special reserve		1,938,376	2	1,343,992	2
304040	Unappropriated earnings		2,443,045	3	2,376,872	3
	Total retained earnings		5,194,671	6	4,296,427	6
305000	Other equity		(342,564)	1	(184,690)	-
	Total equity		12,672,057	16	11,931,687	17
	Total liabilities and equity		$81,740,259	100	$71,577,866	100

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the years ended December 31			
			2025	%	2024	%
	Revenue	6(20)				
401000	Brokerage handling fee revenue		$3,467,324	49	$3,476,790	50
403000	Income from securities lendings		83,176	1	74,385	1
404000	Revenues from underwriting business		683,065	10	439,992	6
410000	Gain on sale of operating securities		2,000,203	28	2,854,785	41
421100	Revenue from providing agency service for stock affairs		185,136	3	168,228	2
421200	Interest revenue		961,320	14	1,047,416	15
421300	Dividend revenue		382,852	5	324,227	5
421500	Valuation gain (loss) on operating securities at FVTPL		910,846	13	(319,714)	(5)
421600	Loss on covering of borrowed securities and bonds with resale agreements - short sales		(16,155)	-	(128,885)	(2)
421610	Valuation (loss) gain on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss		(127,260)	(2)	171,596	2
421750	Realized gain on financial assets measured at FVTOCI - bonds		32,814	-	72,047	1
422200	Loss from issuance of call (put) warrants		(49,689)	(1)	(59,355)	(1)
424400	Loss from derivatives - futures		(566,989)	(8)	(688,040)	(10)
424500	Loss from derivatives - OTC		(803,058)	(11)	(379,339)	(5)
425300	Impairment loss		1,356	-	(3,412)	-
428000	Other operating loss		(57,319)	(1)	(34,129)	-
400000	Total revenue		7,087,622	100	7,016,592	100
	Expenditure and expenses	6(18), 6(20)				
501000	Brokerage handling fee expense		(381,508)	(5)	(367,840)	(5)
502000	Proprietary handling fee expense		(16,672)	-	(18,451)	-
503000	Refinancing processing fee expenses		(761)	-	(445)	-
521200	Finance costs		(617,587)	(9)	(696,713)	(10)
521640	Loss from securities borrowing transactions		(116,437)	(2)	(79,109)	(1)
524100	Futures commission expense		(21,116)	-	(13,377)	-
524300	Expense of clearing and settlement		(55,575)	(1)	(46,025)	(1)
528000	Other operating expenditure		(117,630)	(2)	(77,295)	(1)
531000	Employee benefits expense		(1,853,681)	(26)	(1,923,644)	(28)
532000	Depreciation and amortization expense		(242,094)	(3)	(221,957)	(3)
533000	Other operating expense		(1,128,581)	(16)	(1,041,061)	(15)
500000	Total expenditures and expenses		(4,551,642)	(64)	(4,485,917)	(64)
599999	Total operating income		2,535,980	36	2,530,675	36

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
For the years ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the years ended December 31			
			2025	%	2024	%
602000	Other gains and losses	6(20)	158,424	2	122,526	2
902001	Income before income tax		2,694,404	38	2,653,201	38
701000	Income tax expense	6(21)	(249,104)	(3)	(293,620)	(4)
902005	Net income		2,445,300	35	2,359,581	34
	Other comprehensive income					
805500	Components of other comprehensive income that will not be reclassified to profit or loss					
805510	Gain on remeasurements of defined benefit plans		39,066	-	21,184	-
805540	Unrealized (loss) gain from investments in equity instruments measured at FVTOCI, net		(255,269)	(4)	(135,816)	(2)
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(7,813)	-	(4,236)	-
805600	Components of other comprehensive income that may be reclassified to profit or loss					
805610	Exchange differences on translation of foreign financial statements		(2,750)	-	4,170	-
805615	Unrealized gain on investments in debt instruments at FVTOCI, net		73,067	1	30,132	-
805699	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(6,430)	-	(17,152)	-
805000	Other comprehensive income, net		(160,129)	(3)	(101,718)	(2)
902006	Total comprehensive income		$2,285,171	32	$2,257,863	32
913000	Net income attributable to:					
913100	Owners of parent		$2,445,300		$2,359,581	
914000	Total comprehensive income attributable to:					
914100	Owners of parent		$2,285,171		$2,257,863	
975000	Basic earnings per share (NTD):	6(22)				
975010	Net income		$3.53		$3.41	
985000	Diluted earnings per share (NTD):	6(22)				
985010	Net income		$3.53		$3.41	

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese

TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		Capital	Capital surplus			Retained earnings				Other equity		
Code	Item	Common stock	Capital surplus-additional paid-in capital	Capital surplus-employee share options	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised losses on financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance, January 1, 2024	$6,924,125	$894,611	$1,214	$895,825	$418,550	$1,112,442	$1,570,129	$3,101,121	$(252)	$(65,429)	$10,855,390
	Appropriations and distribution of 2023 retained earnings:											
B1	Legal reserve	-	-	-	-	157,013	-	(157,013)	-	-	-	-
B3	Special reserve	-	-	-	-	-	231,550	(231,550)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(1,181,566)	(1,181,566)	-	-	(1,181,566)
D1	Net income for the year ended December 31, 2024	-	-	-	-	-	-	2,359,581	2,359,581	-	-	2,359,581
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	16,948	16,948	4,170	(122,836)	(101,718)
D5	Total comprehensive income	-	-	-	-	-	-	2,376,529	2,376,529	4,170	(122,836)	2,257,863
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	343	343	-	(343)	-
Z1	Balance, December 31, 2024	$6,924,125	$894,611	$1,214	$895,825	$575,563	$1,343,992	$2,376,872	$4,296,427	$3,918	$(188,608)	$11,931,687
A1	Balance, January 1, 2025	$6,924,125	$894,611	$1,214	$895,825	$575,563	$1,343,992	$2,376,872	$4,296,427	$3,918	$(188,608)	$11,931,687
	Appropriations and distribution of 2024 retained earnings:											
B1	Legal reserve	-	-	-	-	237,687	-	(237,687)	-	-	-	-
B3	Special reserve	-	-	-	-	-	594,384	(594,384)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(1,544,801)	(1,544,801)	-	-	(1,544,801)
D1	Net income for the year ended December 31, 2025	-	-	-	-	-	-	2,445,300	2,445,300	-	-	2,445,300
D3	Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	31,253	31,253	(2,750)	(188,632)	(160,129)
D5	Total comprehensive income	-	-	-	-	-	-	2,476,553	2,476,553	(2,750)	(188,632)	2,285,171
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	(33,508)	(33,508)	-	33,508	-
Z1	Balance, December 31, 2025	$6,924,125	$894,611	$1,214	$895,825	$813,250	$1,938,376	$2,443,045	$5,194,671	$1,168	$(343,732)	$12,672,057

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
TAISHIN SECURITIES CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	2025 Amount	2024 Amount
AAAA	Cash flows from operating activities:		
A10000	Income before income tax	$2,694,404	$2,653,201
A20000	Adjustments		
A20010	Adjustments for reconciliation of profit or loss		
A20100	Depreciation	185,906	172,385
A20200	Amortization	56,188	49,572
A20300	Expected credit impairment losses or (gains) on reversal	(1,356)	3,412
A20400	Net valuation (gain) loss on operating securities at FVTPL	(910,846)	319,714
A20400	Net valuation loss (gain) on borrowed securities and bonds with resale agreements - short sales at FVTPL	127,260	(171,596)
A20900	Finance costs	617,587	696,713
A21200	Interest income	(961,320)	(1,047,416)
A21300	Dividend income	(382,852)	(324,227)
A22500	Gains on disposals of property and equipment	-	(380)
A23100	Gains on disposals of investments	(32,814)	(72,047)
A23300	Net loss (gain) on non-operating financial instruments at fair value	3,272	(13,502)
A29900	Other lease loss (income)	300	(11)
A60000	Change in operating assets and liabilities		
A61110	(Increase) decrease in financial assets at fair value through profit or loss	(3,830,899)	2,507,409
A61150	Increase in margin loans receivable	(113,411)	(5,290,114)
A61160	(Increase) decrease in refinancing margin	(8,722)	19,392
A61170	(Increase) decrease in refinancing collateral receivable	(7,223)	16,073
A61180	Decrease (increase) in receivables of money lending - any use	4,270,226	(5,036,903)
A61190	Increase in customer margin account	(1,806,063)	(1,693,465)
A61210	Decrease in security borrowing collateral price	-	397
A61220	(Increase) decrease in security borrowing margin	(210,001)	491,709
A61250	(Increase) decrease in accounts receivable	(8,296,752)	1,628,280
A61270	(Increase) decrease in prepayments	(9,538)	15,342
A61280	Increase in net defined benefit asset	(20,595)	-
A61290	(Increase) decrease in other receivable	(11,319)	3,340
A61365	Decrease (increase) in financial assets at FVTOCI	161,416	(54,234)
A61370	Decrease (increase) in other current assets	83,499	(532,447)
A61990	Increase in other non-current assets	(531)	(3,109)
A62110	Decrease in liabilities for bonds with attached repurchase agreements	(447,397)	(2,793,737)
A62130	Decrease in financial liabilities at FVTPL	(1,147,587)	(4,390,809)
A62160	(Decrease) increase in securities financing refundable deposits	(90,367)	188,021
A62170	(Decrease) increase in deposits payable for securities financing	(82,066)	239,997
A62200	Increase in futures traders' equity	1,803,494	1,685,568
A62230	Increase (decrease) in notes and accounts payable	8,623,721	(731,764)
A62260	(Decrease) increase in receipts under custody	(754,721)	545,978
A62270	Increase in other payable	228,232	94,244
A62290	Increase (decrease) in net defined benefit liability	20,464	(1,607)
A62320	Increase (decrease) in other current liabilities	528,481	(10,834)
A33000	Cash provided by (used in) operating activities	278,070	(10,837,455)

Code	Items	2025 Amount	2024 Amount
A33100	Interest received	1,021,736	926,032
A33200	Dividends received	383,650	344,910
A33300	Interest paid	(637,777)	(735,226)
A33500	Income tax paid	(332,615)	(190,547)
	Net cash provided by (used in) operating activities	713,064	(10,492,286)
BBBB	Cash flows from investing activities:		
B02700	Acquisition of property and equipment	(76,896)	(97,571)
B02800	Disposal of property and equipment	-	380
B03300	Increase in operation guarantee	-	(20,000)
B03500	Increase in deposits settlement fund	-	(42,904)
B03600	Decrease in deposits settlement fund	7,937	-
B03800	Decrease in refundable deposits	101,555	1,376
B04500	Acquisition of intangible assets	(41,802)	(58,557)
B06500	Increase in other financial assets	(90,000)	(354,679)
B07100	Increase in prepayments for business facilities	(18,835)	(14,590)
	Net cash used in investing activities	(118,041)	(586,545)
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	-	500,000
C00700	Increase in commercial papers payable	740,000	13,032,000
C03000	Increase in guarantee deposits received	180	1
C04020	Payments of lease liabilities	(74,503)	(70,254)
C04500	Cash dividends	(1,544,801)	(1,181,566)
	Net cash (used in) provided by financing activities	(879,124)	12,280,181
DDDD	Effects of exchange rate changes	(2,750)	4,170
EEEE	(Decrease) increase in cash and cash equivalents	(286,851)	1,205,520
E00100	Cash and cash equivalents, beginning of the period	1,980,260	774,740
E00200	Cash and cash equivalents, end of the period	$1,693,409	$1,980,260

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

1. History and Organization

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, 2025, 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 TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) (“TS Financial Holding”), which both held 100% of the ordinary shares of the Company at December 31, 2025 and 2024.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements of the Group were approved and authorized for issue in accordance with a resolution of the Board of Directors on February 24, 2026.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by IASB which are endorsed by FSC, but not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 17 "Insurance Contracts"	January 1, 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

A. IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
(b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
(c) Clarify the treatment of non-recourse assets and contractually linked instruments.
(d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1
The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7
The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(d) Amendments to IFRS 9
The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term "transaction price".

(e) Amendments to IFRS 10
The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7
The amendments remove a reference to "cost method" in paragraph 37 of IAS 7.

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) Clarify the application of the 'own-use' requirements.
(b) Permit hedge accounting if these contracts are used as hedging instruments.
(c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

(Note) On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(a) Clarify that when the entity’s functional currency is that of a non hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

(b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.

(c) When the entity’s functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (2), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of Material Accounting Policies

(1) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms (“the Regulations”), Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards, International Accounting Standards, Interpretations developed by International Financial Reporting Committee, or the former Standing Interpretations Committee as endorsed and became effective by FSC of the ROC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, the payables arising from cash-settled share-based payments and the net defined benefit liabilities recognized as the present value of defined benefit obligations less the fair value of plan assets, that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise stated.

(3) General Description of Reporting Entities

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

A. Power over the investee, i.e. the Company has existing right that gives the ability to direct the relevant activities;
B. Exposure or rights to variable returns from its involvement with the investee; and
C. The ability to use its power over the investee to affect the amount of the investor’s returns.

When the Company holds voting rights or similar rights less than majority, it considers all relevant factors and situations to evaluate whether it has power over the investee, including:

A. Contractual arrangements with other investors that holds voting rights over the investee;
B. Rights arising from other contractual arrangements;
C. Voting rights and potential voting rights.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

The Company reassesses its control over an investee when change in one or more of the elements occurs.

Subsidiaries are fully consolidated from the date of acquisition (the date on which the Company obtains control), and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Account balances, transactions, and unrealized gains or losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of subsidiaries is attributed to the owners of the parent company and to non-controlling interests even the later having a deficit balance.

If the Company loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of a subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. recognizes any surplus or deficit in profit or loss; and
F. reclassifies the parent company’s share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are as follows:

			Percentage of ownership	
Investor	Name of subsidiaries	Primary business	December31, 2025	December31, 2024
Taishin Securities	Taishin Securities Venture Capital Co.	Investment start-up	100.00%	100.00%
Taishin Securities	Taishin Capital	Investments and consultancy services	100.00%	100.00%
Taishin Securities	Taishin Futures	Futures brokerage	100.00%	100.00%
Taishin Capital	Taishin Health Investment	Investments	100.00%	100.00%

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NTD), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the subsidiaries at their respective local functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of the reporting date. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost are translated using the exchange rates at the date of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Group holds the asset primarily for the purpose of trading
C. The Group expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other asset are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle
B. The Group holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial assets: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as margin loans receivable, refinancing margin, refinancing collateral receivable, receivables of money lending - any use, customer margin account, security borrowing margin, accounts receivable, other receivables, other financial assets, restricted assets, operating guarantee deposits, clearing and settlement funds, guarantee deposits paid and overdue receivables, etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Collateralized Securities Transactions

Collateralized securities transactions are recorded at cost. Under the financing method, securities purchased under agreements to resell and securities sold under agreements to repurchase are recorded at the amount of cash paid or received at the time of the transaction under "Investment in bonds with reverse repurchase agreements" or "Liabilities for bonds with repurchase agreements" accounts. The difference between the recorded cost and the amount, at which the securities will be resold or reacquired, as specified in the respective agreements, is accrued as interest expense or income.

When bonds purchased under resale agreements are short sold to third party for financing purpose, they are recorded in the account of "Investment in bonds with reverse repurchase agreements-short sales", which is grouped under current liabilities in the balance sheet. At the balance sheet date, such items are recorded by the fair value method on the gross basis. When such items are covered, the resulting gains or losses are recorded in the account of "Gains/(losses) on covering of securities borrowing and short sales of bonds with reverse repurchase agreements-net".

(11) 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.

(12) Futures Transactions

These represent margins paid for the trading in futures and options by cash or securities are recognized as futures trading margins-proprietary funds/securities through evaluating day by day; options premium paid to the Taiwan Future Exchange upon purchase of options for trading is recognized as “purchase of options-futures”; options premium received upon sale of options is recognized as “liability on sale of options-futures”.

Realized gains or losses are recognized when the futures and options contracts are fulfilled. The difference between the average cost and market value is evaluated on the balance sheet date, and the unrealized gains and losses are recognized as “gains/(losses) on derivative financial product- futures”.

Margins paid for the futures over the original ones are recognized as “cash and cash equivalents”.

(13) Customer Margin Accounts and Futures Customers’ Equity

Customer margin accounts

Receiving margin deposits from customers for futures transactions as requirements is in accordance with the regulations. Customer margin account balances are calculated daily by marking to market the open positions of each customer and determining the required margin levels, recognized as current assets in the balance sheet.

Futures customers’ equity

Margin deposits received from customers for futures transactions and futures customers’ equity calculated daily by marking to market, recognized as current liabilities in the balance sheet. Futures customers’ equity cannot be offset unless these accounts pertain to the same customers. The debit balance of “futures customers’ equity”, which results from losses on futures transactions in excess of the margin deposits, is recorded as “futures commission merchant receivable.

(14) Securities Borrowing Transactions

When the Company enters into securities borrowing transactions, the amount of sales of borrowed securities are recorded in the account of "Liabilities for securities and bonds borrowed", which are adjusted to market value at the balance sheet date. "Market value" refers to the closing price at the balance sheet date. When the borrowed securities are returned, the resulting difference between actual cost of securities returned and the amount of "Liabilities for securities and bonds borrowed" is recorded as "Gains/(losses) on covering of securities borrowing and short sales of bonds with reverse repurchase agreements-net".

(15) 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.

(16) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	31-55 years
Equipment	4-7 years
Leasehold improvements	3-5 years
Others	5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(17) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	35-55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(18) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(19) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The Group's intangible assets primarily consist of computer software costs, which are amortized on a straight-line basis over the estimated economic lives of 3 to 7 years.

(20) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(21) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(22) 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.

(23) Post-employment benefits

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(24) Share-based Payment Transaction

Equity-settled share-based payment

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.

Cash-settled share-based payment

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.

(25) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

Linked-tax system

Since 2011, the Company, its parent company TS 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 TS Financial Holding’s income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

None.

(2) Estimates and Assumptions

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques. When valuation techniques are used to determine fair value, the Group selects appropriate valuation models in accordance with its valuation procedures, with a preference for models that utilize observable inputs whenever possible. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

B. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

6. Contents of Significant Accounts

(1) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 430	$ 430
Checking accounts and demand deposits	1,633,228	1,222,794
Cash equivalents (investment with original maturities of less than three months)		
Time deposits	59,751	59,029
Short-term notes	-	698,007
Total	$ 1,693,409	$ 1,980,260

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, 2025 and 2024.

(2) Financial Instruments at FVTPL

	December 31, 2025	December 31, 2024
Current financial assets		
Financial assets mandatorily classified as at FVTPL		
Lent securities	$ 3,800	$ 51,797
Open-end funds and money market instruments	-	69,296
Trading securities	24,111,188	20,179,675
Futures margin - own funds	1,452,550	879,765
Derivative assets - OTC	553,332	442,600
Total	$ 26,120,870	$ 21,623,133
Non-current financial assets		
Financial assets mandatorily measured as at FVTPL		
Stocks other than listed and traded over the counter	$ 318,453	$ 152,150
Funds	347,719	273,286
Total	$ 666,172	$ 425,436

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

	December 31, 2025	December 31, 2024
Current financial liabilities		
Financial liabilities designated as at FVTPL		
Structured products	$ 91,530	$ 3,064,794
Held for trading		
Liabilities for issuance of call (put) warrants, net	82,970	35,855
Liabilities on sale of borrowed securities - hedged	3,089,963	1,140,112
Derivative liabilities - OTC	1,191,039	1,235,067
Subtotal	4,363,972	2,411,034
Total	$ 4,455,502	$ 5,475,828

A. Lent securities

	December 31, 2025	December 31, 2024
Lent securities		
Listed stocks	$ 3,927	$ 48,222
Stocks traded over the counter	-	7,765
Subtotal	3,927	55,987
Valuation adjustment	(127)	(4,190)
Total	$ 3,800	$ 51,797

B. Securities held for operations

	December 31, 2025	December 31, 2024
Trading securities - dealing		
Domestic		
Listed stocks	$ 3,810,027	$ 4,868,580
Stocks traded over the counter	1,564,915	771,740
Emerging stocks	1,226,427	2,034,836
Convertible bonds	842,573	544,443
Bonds	657,395	1,107,395
Funds	4,208,895	2,163,332
Others	683	498
Foreign		
Bonds	-	28,050
Valuation adjustment - dealing	390,056	(167,120)
Subtotal	12,700,971	11,351,754

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

	December 31, 2025	December 31, 2024
Trading securities - underwriting		
Domestic		
Listed stocks	590,104	-
Stocks traded over the counter	104,799	24,000
Convertible bonds	1,794,453	1,879,325
Valuation adjustment - underwriting	501,331	86,977
Subtotal	2,990,687	1,990,302
Trading securities - hedging		
Domestic		
Listed stocks	1,386,290	414,824
Stocks traded over the counter	223,771	33,701
Warrant	14,052	18,421
Convertible bonds	6,211,712	6,239,815
Funds	22,386	76,213
Valuation adjustment - hedging	561,319	54,645
Subtotal	8,419,530	6,837,619
Total	$ 24,111,188	$ 20,179,675

Refer to Note 8 for information relating to the mortgage guarantee status of securities in business on December 31, 2025 and 2024.

C. Liabilities on sale of borrowed securities - hedged

	December 31, 2025	December 31, 2024
Liabilities on sale of borrowed securities - hedged		
Listed stocks	$ 403,520	$ 6,746
Listed funds	888,551	607,517
Stocks traded over the counter	127	-
Funds traded over the counter	1,656,443	504,617
Subtotal	2,948,641	1,118,880
Valuation adjustment	141,322	21,232
Total	$ 3,089,963	$ 1,140,112

Refer to Note 6(3) for derivative instruments held by the Group as of December 31, 2025 and 2024.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(3) Derivative Financial Instruments

Details of derivative instruments held by the Group as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Derivative assets		
Futures margin - own funds	$ 1,452,550	$ 879,765
Derivative assets - OTC		
Asset swap IRS contracts	136,999	172,009
Asset swap option contracts	412,872	252,149
Interest rate swap contracts	3,461	18,442
Total	$ 2,005,882	$ 1,322,365
Derivative liabilities		
Structured products	$ 91,530	$ 3,064,794
Derivative liabilities - OTC		
Asset swap IRS contracts	63,249	89,660
Asset swap option contracts	1,125,265	1,126,557
Currency swaps	531	2,436
Interest rate swap contracts	1,994	16,414
Total	$ 1,282,569	$ 4,299,861

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

	Nominal principal amount	
	December 31, 2025	December 31, 2024
Equity-linked products	$ -	$ 35,000
Credit-linked products	87,900	52,400
Guarantee products	4,000	2,960,000
Asset swap IRS contracts	4,881,000	5,494,400
Asset swap option contracts	5,115,700	3,830,600
Futures	8,261,531	7,685,874
Currency swaps	155,997	249,634
Interest rate swap contracts	1,900,000	4,800,000

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

A. Structured products

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, 2025		
	Nominal principal amount	Pay (collect) of the price	Fair Value
Derivative liabilities			
Credit-linked products	$ 87,900	$ (87,900)	$ 87,529
Guarantee products	4,000	(4,000)	4,001

	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
Guarantee products	2,960,000	(2,960,000)	2,976,959

B. Call (put) warrants

	December 31, 2025	December 31, 2024
Call (put) warrants issued	$ 2,667,256	$ 2,887,313
Loss (gain) on change in fair value	2,319,603	(476,704)
Subtotal	4,986,859	2,410,609
Repurchased call (put) warrants	2,657,519	2,749,587
Gain (loss) on change in fair value	2,246,370	(374,833)
Subtotal	4,903,889	2,374,754
Liabilities for issuance of call (put) warrants, net	$ 82,970	$ 35,855

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

The call (put) 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 call (put) warrants was calculated using the closing price on the last transaction day of the balance sheet date.

C. Futures and options

As of December 31, 2025 and 2024, the Group's margin balances for futures transactions were $1,452,550 thousand and $879,765 thousand, respectively. The Group's outstanding futures and options transactions are listed as follows:

December 31, 2025

Item	Instrumenttype	Openposition Buyer/Seller	Openposition Volume	Contractamount/ Premiumpaid (received)	FairValue
Futures	Stockfutures	Buyer	165	$ 80,754	$ 86,185
	Stockfutures	Seller	8,213	3,945,801	4,336,401
	TX	Buyer	2	2,892	2,901
	TX	Seller	293	1,653,010	1,700,301
	ETF	Buyer	189	47,700	49,780
	ETF	Seller	2,215	623,400	633,444
	SXF	Seller	59	34,990	34,071
	UB	Buyer	155	575,778	575,184
	FV-5	Buyer	40	137,148	137,497
	Commodityfutures	Buyer	53	94,958	95,704
	Commodityfutures	Seller	307	757,237	742,887
	Currencyfutures	Buyer	3	7,678	7,569
	DX	Seller	6	18,623	18,500
	MES	Seller	31	33,333	33,597
	MNQ	Buyer	20	31,775	32,023
	MNQ	Seller	12	19,422	19,214
	FMCH-MSCI	Seller	11	11,693	11,701
	HSI	Buyer	1	5,179	5,181
	HHI	Buyer	16	28,848	28,777
	ES	Buyer	1	10,937	10,838
	RTY	Buyer	2	8,016	7,856
	NQ	Seller	7	112,032	112,079
	SSI	Seller	4	20,329	20,264

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

December 31, 2024

Item	Instrument type	Open position: Buyer/Seller	Open position: Volume	Contract amount/ Premium paid (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

(4) Financial Assets at FVTOCI

	December 31, 2025	December 31, 2024
Non-current		
Debt instruments	$ 3,456,422	$ 4,103,244
Equity instruments	1,307,276	966,190
Total	$ 4,763,698	$ 5,069,434

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

A. Debt instruments

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Corporate bonds	$ 2,398,094	$ 2,741,911
Foreign investments		
Government bonds	1,058,328	1,361,333
Total	$ 3,456,422	$ 4,103,244

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, 2025	$ 2,884	$ -	$ -
Recognized	(1,856)	-	-
Balance, December 31, 2025	$ 1,028	$ -	$ -
Balance, January 1, 2024	$ 2,595	$ -	$ -
Recognized	289	-	-
Balance, December 31, 2024	$ 2,884	$ -	$ -

B. Equity instruments

	December 31, 2025	December 31, 2024
Non-current		
Domestic investments		
Listed (OTC) stocks	$ 874,054	$ 826,586
Unlisted (OTC) stocks	433,222	139,604
Total	$ 1,307,276	$ 966,190

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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(5) Customer Margin Accounts/Futures Traders' Equity

	December 31, 2025	December 31, 2024
Bank deposits	$ 2,792,483	$ 1,832,326
Futures clearing houses	2,782,917	1,912,451
Other futures brokers	205,485	230,045
Customer margin accounts	5,780,885	3,974,822
Add: commission expenses of counterparties for transfer	2,572	2,625
Others	210	-
Less: handling fee for transfer	(7,306)	(7,646)
Net interest income for transfer	(9,366)	(6,810)
Futures tax to be transferred out	(688)	(590)
Temporary receipts	(730)	(482)
Others	(217)	(53)
Futures traders' equity	$ 5,765,360	$ 3,961,866

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, 2025 and 2024.

(6) Margin Loans Receivables, Receivables

	December 31, 2025	December 31, 2024
Margin loans receivables	$ 16,936,765	$ 16,823,354

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, 2025 and 2024.

	December 31, 2025	December 31, 2024
Receivables of money lending - any use	$ 5,265,243	$ 9,535,469

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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, 2025	December 31, 2024
Accounts receivable		
Accounts receivable for settlement	$ 13,917,001	$ 6,749,809
Settlement price	1,523,023	532,214
Margin loans interest receivable	239,357	271,335
Others	764,232	657,130
Less: loss allowance	(25)	(55)
Net amount	$ 16,443,588	$ 8,210,433
Other receivable	$ 49,523	$ 39,002
Less: loss allowance	(3)	(3)
Net amount	$ 49,520	$ 38,999
Overdue receivables	$ 846	$ 3,295
Less: loss allowance	(846)	(3,295)
Net amount	$ -	$ -

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

	December 31, 2025	December 31, 2024
0-180 days	$ 21,704,224	$ 17,742,958
Over 180 days	4,632	2,999
Total	$ 21,708,856	$ 17,745,957

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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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.

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

December 31, 2025

	12-month ECLs	Lifetime ECLs (group assessment)	Lifetime ECLs (individual assessment)	Total
Expected credit loss rate	0.02%	0.00%	0.04%	
Carrying amount	$ 11,619	$ 36,419,018	$ 2,265,353	$ 38,695,990
Loss allowance	(3)	(25)	(846)	(874)
Amortized cost	$ 11,616	$ 36,418,993	$ 2,264,507	$ 38,695,116

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

The changes in the allowance for losses were as follows:

December 31, 2025

	Receivables from margin loans	Accounts receivable	Other receivable	Overdue receivables	Total
Beginning balance	$ -	$ 55	$ 3	$ 3,295	$ 3,353
Impairment loss (reversal) recognized	-	(30)	-	530	500
Amounts written off	-	-	-	(2,979)	(2,979)
Ending balance	$ -	$ 25	$ 3	$ 846	$ 874

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

December 31, 2024

	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

(7) Other Current Financial Assets

	December 31, 2025	December 31, 2024
Time deposit with original maturity more than 3 months	$ 640,000	$ 550,000

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, 2025 and 2024.

(8) Other Current Assets

	December 31, 2025	December 31, 2024
Temporary payment	$ 8,922	$ 5,956
Restricted assets - pledged time deposit (Note 8)	75,000	75,000
Pending delivery and agency receipts	955,333	1,041,798
Prepayments	58,787	49,249
Total	$ 1,098,042	$ 1,172,003

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, 2025 and 2024.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(9) Property and Equipment

	Land	Buildings	Equipment	Leasehold improvement	Others	Total
Cost						
Balance, January 1, 2025	$ 465,339	$ 154,491	$ 428,842	$ 77,907	$ 11,991	$ 1,138,570
Additions	-	-	64,465	12,431	-	76,896
Disposals	-	-	(25,089)	(31,723)	(2,201)	(59,013)
Balance, December 31, 2025	$ 465,339	$ 154,491	$ 468,218	$ 58,615	$ 9,790	$ 1,156,453
Accumulated depreciation						
Balance, January 1, 2025	$ -	$ 45,076	$ 165,710	$ 42,055	$ 5,153	$ 257,994
Depreciation	-	3,713	82,714	17,685	2,274	106,386
Disposals	-	-	(25,089)	(31,723)	(2,201)	(59,013)
Balance, December 31, 2025	$ -	$ 48,789	$ 223,335	$ 28,017	$ 5,226	$ 305,367
Carrying amount at January 1, 2025	$ 465,339	$ 109,415	$ 263,132	$ 35,852	$ 6,838	$ 880,576
Carrying amount at December 31, 2025	$ 465,339	$ 105,702	$ 244,883	$ 30,598	$ 4,564	$ 851,086
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
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

No impairment assessment was performed because there was no indication of impairment for the years ended December 31, 2025 and 2024. Refer to Note 8 for the property and equipment pledged as collateral for loan.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(10) Lease Arrangements

A. Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amount		
Buildings	$ 168,933	$ 187,426
Equipment	6	92
Total	$ 168,939	$ 187,518

	For the years ended December 31	
	2025	2024
Additions to right-of-use assets		
Buildings	$ 58,380	$ $110,029
Equipment	-	155
Total	$ 58,380	$ $110,184
Depreciation charge for right-of-use assets		
Buildings	$ 76,572	$ $71,343
Equipment	87	63
Total	$ 76,659	$ $71,406

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

B. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount		
Current	$ 71,065	$ 61,388
Non-current	$ 101,775	$ 127,576

	For the years ended December 31	
	2025	2024
Financial cost - lease liabilities	$ 2,228	$ 2,031

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

Lease terms and range of discount rate for lease liabilities for the years ended December 31, 2025 and 2024 were as follows:

	Lease terms	Range of discount rate
December 31, 2025		
Buildings	2-5 years	0.59%-1.69%
Equipment	2 years	1.08%
December 31, 2024		
Buildings	2-5 years	0.56%-1.40%
Equipment	2 years	1.08%

C. Other lease information

	For the years ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 10,577	$ 8,654
Expenses relating to low-value asset leases	$ 153	$ 186
Total cash outflow for leases	$ 87,461	$ 81,125

(11) Investment Property

	Land	Buildings	Total
Cost			
Balance, January 1, 2025	$ 20,550	$ 117,458	$ 138,008
Balance, December 31, 2025	$ 20,550	$ 117,458	$ 138,008
Accumulated depreciation			
Balance, January 1, 2025	$ -	$ 42,474	$ 42,474
Depreciation	-	2,861	2,861
Balance, December 31, 2025	$ -	$ 45,335	$ 45,335
Carrying amount at January 1, 2025	$ 20,550	$ 74,984	$ 95,534
Carrying amount at December 31, 2025	$ 20,550	$ 72,123	$ 92,673

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

	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

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, 2025 and 2024.

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, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Year 1	$ 4,000	$ 3,552
Year 2	2,098	2,992
Year 3	374	1,509
Year 4	374	374
Year 5	-	374
Total	$ 6,846	$ 8,801

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

The rental income and direct operating expenses generated from investment properties for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Rental income	$ 3,849	$ 4,177
Direct operating expenses		
From investment properties generating rental income	$ 2,006	$ 2,285
From investment properties not generating rental income	856	577
Total	$ 2,862	$ 2,862

The fair values of the Group's investment properties as of December 31, 2025 and 2024 were $142,305 thousand and $139,774 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 8 for the investment properties pledged as collateral for the loan amount.

(12) Other Non-Current Assets

	December 31, 2025	December 31, 2024
Operating guarantee deposits	$ 360,000	$ 360,000
Clearing and settlement fund	183,571	191,507
Guarantee deposits paid	25,895	127,450
Prepayment for equipment	26,930	26,298
Total	$ 596,396	$ 705,255

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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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, 2025 and 2024.

(13) Short-Term Borrowings

	December 31, 2025	December 31, 2024
Credit loans	$ 950,000	$ 950,000
Interest rate	1.78%~1.90%	1.88%~1.97%

(14) Commercial papers issued

Guarantee or acceptance institutions	December 31, 2025	December 31, 2024
Mega Bills Finance Co., Ltd.	$3,880,000	$4,100,000
China Bills Finance Corporation	3,220,000	4,620,000
Taipei Fubon Commercial Bank Co., Ltd.	3,070,000	2,550,000
Yuanta Commercial Bank Co., Ltd.	3,000,000	500,000
E.SUN Commercial Bank, Ltd.	2,830,000	-
International Bills Finance Corporation	2,360,000	2,150,000
Taiwan Finance Corporation	1,800,000	950,000
Union Bank of Taiwan Co., Ltd.	1,450,000	700,000
Bank SinoPac Co., Ltd.	1,300,000	1,600,000
Sunny Bank Ltd.	1,200,000	1,000,000
Grand Bills Finance Corporation	600,000	2,600,000
CTBC Bank Co., Ltd.	500,000	1,800,000
Taiwan Cooperative Bills Finance Corporation	450,000	600,000
KGI Bank Co., Ltd.	-	1,450,000
Ta Ching Bills Finance Corporation	-	300,000
Subtotal	25,660,000	24,920,000
Less: discounts on commercial papers issued	(60,236)	(40,160)
Total	$ 25,599,764	$ 24,879,840
Interest rate ranges	1.49%~2.00%	1.55%~2.01%

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(15) Liabilities for Bonds Sold under Repurchase Agreements

	December 31, 2025	December 31, 2024
Convertible bonds	$ 4,495,742	$ 4,066,759
Corporate bonds	2,344,363	2,771,533
Foreign bonds	1,007,405	1,293,925
International bonds	675,788	838,478
Total	$ 8,523,298	$ 8,970,695
Interest rate (per annum %)	1.47%-4.15%	1.49%-4.98%

As of December 31, 2025 and 2024, 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 $8,538,449 thousand and $8,978,652 thousand, respectively.

(16) Notes and Accounts Payable

	December 31, 2025	December 31, 2024
Notes payable	$ 260	$ 240
Settlement price	3,380,344	1,534,734
Accounts payable for settlement	12,213,420	5,609,889
Brokerage fee payable discount	533,629	411,185
Others	108,598	56,820
Total	$ 16,236,251	$ 7,612,868

(17) Bonds Payable

	December 31, 2025	December 31, 2024
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 unsecured subordinated corporate bonds - 2020 (I) on January 10, 2020. The total issuance amount was $3,300,000 thousand and the issuance period is 10 years. A one-time repayment of principal will be made in full upon maturity on January 10, 2030, and interest will be repaid annually at a fixed coupon rate of 1.35%.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(18) 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, 2025	December 31, 2024
Discount rate used in determining present values	1.250%	1.500%
Expected rate of salary increase	2.750%	2.750%

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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

	For the years ended December 31	
	2025	2024
Current service costs	$ 343	$ 270
Interest cost, net	262	502
Total	$ 605	$ 772

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, 2025	December 31, 2024
Present value of funded defined benefit obligation	$ 209,932	$ 229,676
Fair value of plan assets	(230,527)	(211,074)
Pension (assets) liability	$ (20,595)	$ 18,602

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

	For the years ended December 31	
	2025	2024
Opening defined benefit obligation	$ 229,676	$ 233,264
Current service cost	343	270
Interest cost	3,445	2,916
Remeasurement		
Actuarial loss (gain) - changes in financial assumptions	4,396	(5,254)
Actuarial (gain) loss - experience adjustments	(25,039)	3,167
Payments from the plan	(2,889)	(4,687)
Closing defined benefit obligation	$ 209,932	$ 229,676

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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

	For the years ended December 31	
	2025	2024
Opening fair value of plan assets	$ 211,074	$ 191,871
Interest revenue	3,183	2,414
Remeasurement		
Expected return on plan assets	18,423	19,097
Contributions from the employer	736	2,379
Payments from the plan	(2,889)	(4,687)
Closing fair value of plan assets	$ 230,527	$ 211,074

For information about the categories and percentages, etc. of the composition of the fair value of plan assets as of December 31, 2025 and 2024, 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, 2025	December 31, 2024
Discount rate used in determining present value	Increase 0.25%	(2.09)%	(2.22)%
	Decrease 0.25%	2.15%	2.29%
Expected rate of salary increase	Increase 0.25%	2.09%	2.22%
	Decrease 0.25%	(2.04)%	(2.17)%

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, 2025 and 2024, the Group expects to make a contribution of $549 thousand and $2,270 thousand to the defined benefit plans within one year, respectively, and the weighted average duration of the defined benefit plans is 8.7 years and 9.2 years, respectively.

(19) Equity

A. Ordinary shares

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	3,000,000	1,000,000
Shares authorized	$ 30,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	692,413	692,413
Capital shares issued and outstanding	$ 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, 2025	December 31, 2024
Issuance of ordinary shares	$ 894,611	$ 894,611
Employee share options	1,214	1,214
Total	$ 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 6.(20)L.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

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 (4) for the information relating to special reserves.

The appropriations of earnings for 2024 and 2023 were approved by the Company's board of directors in its meetings (on behalf of the shareholder) on June 17, 2025 and June 11, 2024. The appropriation and dividends per share were as follows:

	Appropriation of earnings	
	2024	2023
Legal reserve appropriated	$ 237,687	$ 157,013
Special reserve appropriated	594,384	231,550
Cash dividends	1,544,801	1,181,566

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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

E. Other equity

(a) Exchange differences on translation of the financial statements of foreign operations

	For the years ended December 31	
	2025	2024
Beginning balance	$ 3,918	$ (252)
Recognized during the year		
Exchange differences on translation of foreign financial statements	(2,750)	4,170
Other comprehensive income	(2,750)	4,170
Ending balance	$ 1,168	$ 3,918

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

	For the years ended December 31	
	2025	2024
Beginning balance	$ (188,608)	$ (65,429)
Recognized during the year		
Unrealized gain (loss)		
Debt instruments	105,881	102,179
Equity instruments	(255,269)	(135,816)
Income tax related to profit or loss of debt instruments	(6,430)	(17,152)
Reclassification adjustments		
Disposal of investments in debt instruments	(32,814)	(72,047)
Other comprehensive income recognized for the year	(188,632)	(122,836)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	33,508	(343)
Ending balance	$ (343,732)	$ (188,608)

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(20) Breakdown of Items on the Consolidated Statements of Comprehensive Income

A. Brokerage handling fee revenue

	For the years ended December 31	
	2025	2024
Handling fee revenue from listed securities	$ 1,750,039	$ 1,803,319
Handling fees from over-the-counter (OTC) securities	623,194	612,642
Handling fee revenue from futures	304,118	258,888
Sub-brokerage	764,743	775,378
Handling fees from securities financing	14,139	14,575
Others	11,091	11,988
Total	$ 3,467,324	$ 3,476,790

B. Revenue from underwriting business

	For the years ended December 31	
	2025	2024
Revenues from underwriting securities on a firm commitment basis	$ 111,035	$ 111,199
Processing fee revenue from underwriting operations	522,302	267,160
Revenue from underwriting consultation	29,490	37,220
Financial advisory and arrangement	18,907	23,110
Others	1,331	1,303
Total	$ 683,065	$ 439,992

C. Gain on sale of trading securities

	For the years ended December 31	
	2025	2024
Trading securities - dealing	$ 841,095	$ 2,062,427
Trading securities - underwriting	138,243	149,525
Trading securities - hedging	1,020,865	642,833
Total	$ 2,000,203	$ 2,854,785

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

D. Interest revenue

	For the years ended December 31	
	2025	2024
Margin loans interest revenue	$ 702,452	$ 723,485
Bond interest revenue	85,006	140,589
Unrestricted loans interest revenue	173,809	181,206
Others	53	2,136
Total	$ 961,320	$ 1,047,416

E. Valuation (loss) gain on trading securities at FVTPL

	For the years ended December 31	
	2025	2024
Trading securities - dealing	$ (11,752)	$ (315,016)
Trading securities - underwriting	414,354	(648)
Trading securities - hedging	508,244	(4,050)
Total	$ 910,846	$ (319,714)

F. Loss from issuance of call (put) warrants

	For the years ended December 31	
	2025	2024
Gain on changes in fair value of call (put) warrant liabilities	$ 4,745,129	$ 6,954,935
Loss on exercise of call (put) warrants before maturity	(10,817)	(138,268)
Loss on changes in fair value of redeemed call (put) warrants	(4,759,975)	(6,843,340)
Expenses arising from issuance of call (put) warrants	(24,026)	(32,682)
Total	$ (49,689)	$ (59,355)

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

G. Loss from derivatives - futures

	For the years ended December 31	
	2025	2024
Futures	$ (568,419)	$ (687,990)
Options	1,430	(50)
Total	$ (566,989)	$ (688,040)

H. Loss from derivatives - OTC

	For the years ended December 31	
	2025	2024
Interest rate swaps due to asset swap	$ 32,046	$ 72,267
Asset swap options	(793,093)	(373,741)
Structured products	(38,147)	(52,737)
Currency swaps	(3,740)	(26,086)
Interest rate swap	(124)	958
Total	$ (803,058)	$ (379,339)

I. Other operating loss

	For the years ended December 31	
	2025	2024
Foreign exchange loss	$ (64,652)	$ (44,554)
Others	7,333	10,425
Total	$ (57,319)	$ (34,129)

J. Finance costs

	For the years ended December 31	
	2025	2024
Interest expense	$ 586,861	$ 671,013
Interest of lease liability	2,228	2,031
Others	28,498	23,669
Total	$ 617,587	$ 696,713

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

K. Employee benefits expense

	For the years ended December 31	
	2025	2024
Short-term benefits	$ 1,762,336	$ 1,842,783
Post-employment benefits (Note 6.(18))		
Defined contribution plans	59,458	58,641
Defined benefit plans	605	772
Subtotal	60,063	59,413
Share-based payments		
Cash-settled share-based payments	14,221	5,464
Others	17,061	15,984
Total	$ 1,853,681	$ 1,923,644

TS 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 2025 and 2024 were $14,221 thousand and $5,464 thousand, respectively, and the related liabilities recognized as of December 31, 2025 and 2024 were $21,079 thousand and $14,567 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 for the years ended December 31, 2025 and 2024 are as follows:

	For the years ended December 31	
	2025	2024
Compensation of employees	$ 267	$ 265

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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

The employee compensation for the years ended December 31, 2024 and 2023 were approved by the Board of Directors on February 19, 2025, and February 20, 2024, respectively, as follows:

	For the years ended December 31	
	2024	2023
Compensation of employees	$ 265	$ 171

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, 2024 and 2023.

Information on the compensation of employees resolved by the Company’s board of directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

M. Depreciation and amortization expense

	For the years ended December 31	
	2025	2024
Depreciation expense		
Property and equipment	$ 106,386	$ 98,117
Right-of-use assets	76,659	71,406
Investment properties	2,861	2,862
Subtotal	185,906	172,385
Amortization expense	56,188	49,572
Total	$ 242,094	$ 221,957

N. Other gains and losses

	For the years ended December 31	
	2025	2024
Processing income	$ 138	$ 157
Financial income	114,180	80,777
Dividend revenue	22,931	5,427
Evaluation and disposal (loss) gain of financial asset at FVTPL	(3,272)	13,502
Market-making incentive income	7,600	13,261
Other incentive income	10,974	6,369
Rent income	3,960	4,293
Proceeds from disposal of property and equipment	-	380
(Loss) gain on lease modification	(300)	11
Others	2,213	(1,651)
Total	$ 158,424	$ 122,526

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(21) Income Tax

A. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the years ended December 31	
	2025	2024
Current tax		
In respect of the current period	$ 272,382	$ 295,535
Adjustments for prior years	(8,296)	(3,134)
Deferred tax		
In respect of the current period	(14,982)	1,219
Income tax expense recognized in profit or loss	$ 249,104	$ 293,620

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

	For the years ended December 31	
	2025	2024
Income before income tax	$ 2,694,404	$ 2,653,201
Income tax expense calculated at the statutory rate (20%)	538,881	529,884
Tax impact of adjustments		
Nondeductible expenses in determining taxable income	692	1,657
Tax-exempt income	(384,765)	(288,702)
Additional income tax under the Alternative Minimum Tax Act	73,850	53,938
Temporary differences	28,742	(23)
Adjustments to prior years' tax	(8,296)	(3,134)
Income tax expense recognized in profit or loss	$ 249,104	$ 293,620

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

	For the years ended December 31	
	2025	2024
Deferred tax		
Fair value changes of financial assets at FVTOCI	$ 6,430	$ 17,152
Actuarial gain and loss on defined benefit plan	7,813	4,236
Income tax expense recognized in other comprehensive income	$ 14,243	$ 21,388

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

C. Deferred tax assets and liabilities

For the year ended December 31, 2025

Deferred tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Provisions	$ 9,552	$ 26	$ -	$ 9,578
FVTOCI financial assets	-	14,031	-	14,031
Total	$ 9,552	$ 14,057	$ -	$ 23,609

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
FVTPL financial assets	$ (951)	$ 951	$ -	$ -
FVTOCI financial assets	(17,152)	-	(6,430)	(23,582)
Gain from issuance of warrants	(10,175)	-	-	(10,175)
Defined contribution retirement benefit plans	(6,577)	(26)	(7,813)	(14,416)
Total	$ (34,855)	$ 925	$ (14,243)	$ (48,173)

For the year ended December 31, 2024

Deferred tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Provisions	$ 9,497	$ 55	$ -	$ 9,552

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
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)
Total	$ (12,193)	$ (1,274)	$ (21,388)	$ (34,855)

D. Income tax return assessed

As of December 31, 2025, the assessment of the income tax returns of the Group is as follows:

	Assessment information
The Company	Assessed through 2019
Subsidiary - Taishin Securities Venture Capital	Assessed through 2023
Subsidiary - Taishin Capital	Assessed through 2023
Subsidiary - Taishin Futures	Assessed through 2023
Sub-subsidiary - Taishin Health Investment	Assessed through 2023

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

	December 31, 2025	December 31, 2024
Payable to TS Financial Holding (recorded under current tax liability)	$ 162,627	$ $246,879

(22) Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	For the years ended December 31	
	2025	2024
Net income for the period (in thousand NTD)	$ 2,445,300	$ 2,359,581
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	692,412	692,412
Basic earnings per share (NTD)	$ 3.53	$ 3.41

B. Diluted earnings per share

	For the years ended December 31	
	2025	2024
Net income for the period (in thousand NTD)	$ 2,445,300	$ 2,359,581
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	692,412	692,412
Effect of dilution:		
Employee compensation－stock (in thousands)	17	17
Weighted average number of ordinary shares outstanding after dilution (in thousands)	692,429	692,429
Diluted earnings per share (NTD)	$ 3.53	$ 3.41

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect 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.

(23) 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 TS 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.

7. 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:

(1) Related party name and category

Related party name	Related party category
TS Financial Holding	Parent Company
Taishin International Bank Co., Ltd. (“Taishin Bank”)	Other
Taishin Securities Investment Advisory Co., Ltd. (“Taishin Securities Investment Advisory”)	Other
Taishin Securities Investment Trust Co., Ltd. (“Taishin Securities Investment Trust”)	Other
Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”)	Other
Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”)	Other
Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”)	Other
Shin Kong Investment Trust Co., Ltd. (“Shin Kong Investment Trust”)	Other (dissolved after the merger with other related parties on November 24, 2025)
Shin Kong Insurance Co., Ltd.(“Shin Kong Insurance”)	Other
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Other
Acbel Polytech Inc. (“Acbel”)	Other
Ubright Optronics Corporation (“Ubright Optronics”)	Other
EZconn Corporation (“EZconn”)	Other
BES Engineering Corporation (“BES Engineering”)	Other
CyberPower Field Services Corporation (“CyberPower”)	Other
UNITRAVEL SERVICES CO., LTD. (“UNITRAVEL”)	Other
Wowprime Corp. (“Wowprime”)	Other
Nan Shan Life Insurance Company, Ltd. (Nan Shan Life Insurance)	Other
Sercomm Corporation (“Sercomm”)	Other (became a non-related party on June 27, 2025)
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Other (became a non-related party on June 1, 2025)

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(2) Material transactions with related partie

Item	Related party name	For the years ended December 31 2025	For the years ended December 31 2024
Revenue			
Brokerage handling fee revenue	Taishin Bank	$ 16,409	$ 12,035
Brokerage handling fee revenue	Shin Kong Life Insurance	6,876	13,297
Brokerage handling fee revenue	Taishin Life Insurance	5,203	5,403
Brokerage handling fee revenue	Nan Shan Life Insurance	5,646	-
Share Agent Revenue securities	TS Financial Holding	26,004	20,222
Expenses and fees			
Advertising fees	Taishin Bank	24,214	19,546
Advertising fees	Taishin Sports Entertainment	7,700	9,200
Professional fees	Taishin Securities Investment Advisory	16,338	16,098
Insurance expense	Shin Kong Life Insurance	7,775	7,849
Other gains and losses			
Financial income	Taishin Bank	30,136	30,849
Financial income	Yuanta Bank	10,428	14,679

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

(3) Liability contracts with related parties

Item	Related party name	December 31, 2025	December 31, 2024
Cash and cash equivalents	Taishin Bank	$ 1,616,510	$ 1,135,524
Customer margin account	Taishin Bank	984,328	444,773
Customer margin account	Yuanta Bank	-	1,172,864
Other financial assets - current	Taishin Bank	10,000	-
Other financial assets - current	Yuanta Bank	-	350,000
Other current assets - underwriting share proceeds collected on behalf of customers and amounts held for settlement	Taishin Bank	940,407	995,094
Other current assets - prepayments	Taishin Sports Entertainment	5,460	4,760
Other noncurrent assets - operating guarantee deposits	Taishin Bank	360,000	360,000
Other noncurrent assets - guarantee deposits paid	Taishin Bank	12,206	12,194

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

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(4) Property transactions

Related party name	For the years ended December 31 2025	2024
Acquisition of property and equipment		
Equipment		
CyberPower	$ 10,838	$ 902

All transactions with related parties are made under arm's length terms, which are consistent with normal policies, and full payment has been repaid.

(5) Lease arrangements

Related party name	For the years ended December 31 2025	2024
Acquired right-of-use assets		
Buildings		
Taishin Bank	$ 8,082	$ 107,398
Shin Kong Life Insurance	24,209	-

Item	Related party name	December 31, 2025	December 31, 2024
Lease liabilities	Taishin Bank	$ 120,962	$ 162,143
	Shin Kong Life Insurance	19,259	-

Related party name	For the years ended December 31 2025	2024
Interest expense		
Taishin Bank	$ 1,397	$ $1,615
Shin Kong Life Insurance	297	-
Lease expense		
Taishin Bank	8,582	8,174

(6) Loans from related parties

Related party name	December 31, 2025	December 31, 2024
Current borrowings		
Yuanta Bank	$ -	$ 300,000
Commercial papers payable		
Yuanta Bank	-	499,640

Interest expense

Related party name	For the years ended December 31 2025	2024
Yuanta Bank	$ 3,549	$ 6,921

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

(7) Other related party transactions

Financial assets at FVTPL - current

Item	Related party name	December 31, 2025 Ending stocks (in thousands)	December 31, 2025 Ending balance	December 31, 2024 Ending Stocks (in thousands)	December 31, 2024 Ending balance
Open-ended funds, monetary market instruments	Taishin Securities Investment Trust	-	$ -	3,000	$ 29,940
Trading securities - dealing	Shin Kong Insurance	317	37,248	780	83,070
Trading securities - dealing	Shin Kong Investment Trust	-	-	2,152	28,509
Trading securities - dealing	Taishin Securities Investment Trust	10,612	144,429	1,211	19,467
Trading securities - dealing	ASUSTEK	24	13,152	-	-
Trading securities - dealing	Wowprime	72	7,747	-	-
Trading securities - dealing	Shin Kong Synthetic Fibers	194	2,910	620	9,145
Trading securities - dealing	BES Engineering	6	75	549	5,847
Trading securities - dealing	Ubright Optronics	29	1,708	74	5,039
Trading securities - dealing	UNITRAVEL	82	6,457	-	-
Trading securities - underwriting	Sercomm	-	-	2,699	298,240
Trading securities - underwriting	EZconn	2,649	490,805	955	126,824
Trading securities - underwriting	Acbel	45	5,085	-	-
Trading securities - hedging	Wowprime	564	60,686	-	-
Trading securities - hedging	EZconn	550	77,063	-	-

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

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(8) Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2025 and 2024 included the following:

	For the years ended December 31	
	2025	2024
Short-term benefits	$ 144,479	$ 145,173
Post-employment benefits	2,058	1,984
Stock-based payments		
Cash-settled share-based payment	8,303	2,988
Total	$ 154,840	$ $150,145

8. Pledged Assets

The following assets were provided as collateral for credit facilities and overdraft facilities from financial institutions:

Item	Content	December 31, 2025	December 31, 2024
Current financial assets at FVTPL			
Trading securities - dealing	Preferred share	$ 220,830	$ 355,960
Trading securities - underwriting	Convertible bond	161,745	456,750
Other current assets			
Restricted assets	Time deposit	75,000	75,000
Property and equipment	Land and buildings	571,041	574,754
Investment property	Land and buildings	92,673	95,534
Total		$ 1,121,289	$ 1,557,998

The maturity periods of restricted assets are as follows:

Items	December 31, 2025	December 31, 2024
Time deposits	August 2, 2026 to August 22, 2026	August 2, 2025 to August 22, 2025

9. Contingent Liabilities and Commitments

(1) As of December 31, 2025, the remaining capital commitments for the contracted private equity fund of the Group was $130,777 thousand.

Certain former employees of the Group have been accused of fraudulent behavior involving soliciting investments privately. Between January and December 2025, the Group received six civil complaints (five of which were criminal cases with civil claims attached), with the plaintiffs claiming joint civil compensation from the Group in the amount of approximately $402,536 thousand. As of December 31, 2025, the aforementioned six cases are still in the judicial process, pending the final outcome from a definitive court ruling. the Group assesses that there is currently no need to recognize a liability provision for the aforementioned cases.

Among the six cases, one received a first-instance judgment in February 2026, in which the Group partially lost. the Group is currently evaluating whether to file an appeal for the second instance.

As of December 31, 2025, the Group in applying for credit facilities from its related party, Taishin Bank, has arranged for other financial institutions to provide guarantee letters as collateral for the credit facilities totaling $1,100,000 thousand. Additionally, due to the demand for securities lending business, the Group has requested other financial institutions to issue guarantee letters amounting to $600,000 thousand.

10. Significant Disaster Losses

None.

11. Significant Subsequent Events

(1) On September 12, 2025, the Company passed a resolution through the board of directors acting on behalf of the shareholders in an extraordinary meeting to merge with MasterLink Securities Corporation (“MasterLink Securities”). After the merger, the Company will be the surviving company, while MasterLink Securities will be the extinguished company. From the merger reference date, all assets, liabilities, and all rights and obligations that remain valid as of the merger reference date of MasterLink Securities will be legally assumed by the Company.

On October 21, 2025, the Company' board of directors resolved to jointly issue new shares with MasterLink Securities, whereby the Company will pay the consideration by issuing new shares, exchanging 1 share of MasterLink Securities for 1.1264 shares of the Company, with a total expected issuance of 1,812,995 thousand common shares. The Financial Supervisory Commission issued a press release on January 13, 2026, approving the Company's merger with MasterLink Securities, and officially issued the consent letter on January 16, 2026.

On September 12, 2025, the subsidiary Taishin Futures, passed a resolution through the board of directors acting on behalf of the shareholders in an extraordinary meeting to merge with MasterLink Futures Corporation (“MasterLink Futures”). After the merger, Taishin Futures will be the surviving company, while MasterLink Futures will be the extinguished company. From the merger reference date, all assets, liabilities, and all rights and obligations that remain valid as of the merger reference date of MasterLink Futures will be legally assumed by Taishin Futures.

On October 23, 2025, Taishin Futures' board of directors resolved to jointly issue new shares with MasterLink Futures, whereby Taishin Futures will pay the consideration by issuing new shares along with cash, exchanging 1 share of MasterLink Futures for 2.1028 shares of Taishin Futures plus cash of $3.5714, with a total expected issuance of 147,195 thousand common shares. The Financial Supervisory Commission issued a press release on January 13, 2026, approving the merger of Taishin Futures with MasterLink Futures, and officially issued the consent letter on January 22, 2026.

(2) On January 26, 2026, Taishin Futures received approval from the Financial Supervisory Commission to add proprietary futures trading to its business line.

12. Others

(1) Financial instruments

A. Fair value of financial instruments

(a) 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.

(b) The definition of the three levels of fair value

i. 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.

ii. 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).

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

iii. 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.

(c) Financial instruments measured at fair value

i. 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:

December 31, 2025

	Level 1	Level 2	Level 3	Total
Non-derivative assets and liabilities				
Assets				
Financial assets at FVTPL				
Stocks and beneficiary certificates	$ 13,804,390	$ 649,250	$ 666,172	$ 15,119,812
Bond investments	9,140,742	503,171	-	9,643,913
Others	17,435	-	-	17,435
Financial assets at FVTOCI				
Stock investments	874,054	-	433,222	1,307,276
Bond investments	1,617,274	1,839,148	-	3,456,422
Liabilities				
Financial liabilities at FVTPL	3,089,963	-	-	3,089,963
Derivative assets and liabilities				
Assets				
Financial assets at FVTPL	1,452,550	553,332	-	2,005,882
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	-	91,530	-	91,530
Financial liabilities held for trading	82,970	1,191,039	-	1,274,009

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

December 31, 2024

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

ii. 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.

iii. Reconciliation of Level 3 financial assets

The detailed schedule of changes in financial assets measured at fair value classified as Level 3 is as follows:

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

For the years ended December 31, 2025

		Valuation gain (loss)		Increase		Decrease		
	Beginning balance	In net income	In other comprehensive income	Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out (note)	Ending balance
Financial assets at FVTPL	$ 422,736	$ (23,625)	$ -	$ 529,119	$ 2,869	$ (260,927)	$ (4,000)	$ 666,172
Financial assets at FVTOCI	139,604	-	(131,392)	425,009	-	-	-	433,221
Total	$ 562,340	$ (23,625)	$ (131,392)	$ 954,128	$ 2,869	$ (260,927)	$ (4,000)	$ 1,099,393

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

For the years ended December 31, 2024

		Valuation gain (loss)		Increase		Decrease		
	Beginning balance	In net income	In other comprehensive income	Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out (note)	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.

Above-mentioned valuation (losses) gains recognized in current profits or losses in the amount of (23,625) thousand dollars and 11,250 thousand dollars were attributed to (losses) gains on assets owned for the years ended December 31, 2025 and 2024, respectively.

Above-mentioned valuation (losses) gains recognized in other comprehensive income in the amount of $(131,392) thousand and $12,153 thousand were attributed to (losses) gains on assets owned for the years ended December 31, 2025 and 2024, respectively.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

iv. 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:

December 31, 2025

	Fair value on December 31, 2025	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	$ 318,453	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	347,719	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	433,221	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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

December 31, 2024

	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.

v. 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.

(d) 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.

(e) 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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

December 31, 2025

Financial Assets	Transferred financial assets - carrying amount	Related financial liabilities - carrying amount
Financial assets at FVTPL Repurchase agreement	$ 5,817,194	$ 5,141,400
Financial assets at FVTOCI Repurchase agreement	3,456,422	3,381,898

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

C. Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortized cost (Note 1)	$ 47,738,646	$ 41,926,118
Financial assets at FVTPL		
Financial assets mandatorily measured at FVTPL	26,787,042	22,048,569
Financial assets at FVTOCI		
Debt instruments	3,456,422	4,103,244
Equity instruments	1,307,276	966,190
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 63,536,354	$ 52,780,777
Financial liabilities at FVTPL		
Financial liabilities held for trading	4,363,972	2,411,034
Financial liabilities designated as at FVTPL	91,530	3,064,794

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

(a) 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.

(b) 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.

(c) Market risk

i. 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.

ii. 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.

iii. 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.

iv. 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, 2025 and 2024 was 710,278 thousand dollars and 563,487 thousand dollars, respectively.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(ii) Sensitivity analysis

If the other risk factors remain unchanged, 1 basis point change in spot prices of equity securities as of December 31, 2025 and 2024 is estimated to result in changes of 89,593 thousand dollars and 84,616 thousand dollars in profit or loss, respectively, and in other comprehensive income by 8,741 thousand dollars and 7,252 thousand dollars, respectively. For interest rate risk exposure, a 1 basis point change in yield is estimated to result in changes of 348 thousand dollars and 345 thousand dollars in profit or loss, respectively, and in other comprehensive income 388 thousand dollars and 699 thousand dollars, respectively. For foreign exchange risk exposure, 1 basis point change in foreign currency prices is estimated to result in changes of 2,548 thousand dollars and 3,049 thousand dollars, 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, 2025, Taishin Securities' VaR factors were as follows:

Unit: Thousands of Dollars

	For the year ended December 31, 2025			
	Average	Highest	Lowest	Ending balance
Value at risk (VaR)	$ 128,474	$ 207,719	$ 73,497	$ 207,719

	For the year ended December 31, 2024			
	Average	Highest	Lowest	Ending balance
Value at risk (VaR)	$ 72,282	$ 122,190	$ 40,209	$ 105,699

(d) Credit risk

i. 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.

a. 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.

b. 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.

ii. 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 TS 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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(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.).

iii. Distribution of internal credit ratings

The distribution of internal credit ratings of the Group's financial assets as of December 31, 2025 and 2024 is as follows:

Distribution of internal credit ratings						
	December 31, 2025			December 31, 2024		
Internal credit ratings	Convertible bond	Bonds	%	Convertible bond	Bonds	%
1	$ 1,312,764	$ 2,263,771	27.21%	$ 1,039,932	$ 2,705,474	26.77%
2	3,187,812	640,311	29.13%	2,499,656	1,018,031	25.14%
3	1,212,407	516,054	13.15%	1,798,701	683,442	17.74%
4	2,268,930	498,097	21.06%	2,722,146	393,174	22.27%
5	738,486	-	5.62%	432,663	449,417	6.31%
Less than or equal to 6	303,207	200,484	3.83%	247,432	-	1.77%
Total	$ 9,023,606	$ 4,118,717	100.00%	$ 8,740,530	$ 5,249,538	100.00%

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

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

iv. Credit risk concentration – industry

Distribution of industry type				
	December 31, 2025		December 31, 2024	
Industry type	Convertible bond	%	Convertible bond	%
01 Cement industry	$ 126,011	1.40%	$ 104,265	1.19%
02 Food Industry	5,288	0.06%	-	-
04 Textile industry	323,290	3.58%	290,194	3.32%
05 Electrical machinery	312,562	3.46%	281,410	3.22%
06 Electric cable	14,775	0.16%	12,154	0.14%
07 Chemical, biotechnology, and medical	27,013	0.30%	-	-
10 Ferrous industry	112,951	1.25%	235,087	2.69%
11 Rubber Industry	49,225	0.55%	95,933	1.10%
12 Automotive industry	157,446	1.74%	72,697	0.83%
13 Electronics industry	545,750	6.05%	294,194	3.37%
14 Building materials construction	695,142	7.70%	679,933	7.78%
15 Shipping	191,455	2.12%	296,131	3.39%
16 Tourist industry	168,147	1.86%	84,745	0.97%
18 Department	72,730	0.81%	61,543	0.70%
20 Others	1,387,171	15.37%	1,233,952	14.12%
21 Chemical industry	243,093	2.69%	97,937	1.12%
22 Biotechnology and medicine industry	235,814	2.61%	432,957	4.95%
24 Semiconductor industry	498,505	5.52%	372,637	4.26%
25 Computer peripherals	692,598	7.70%	629,317	7.20%
26 Opto-electronics industry	403,752	4.47%	434,259	4.97%
27 Communication network industry	435,097	4.82%	613,354	7.02%
28 Electronic parts and components	1,749,990	19.40%	1,707,019	19.53%
29 Electronic channel industry	169,566	1.88%	212,292	2.43%
30 Information service industry	25,068	0.28%	40,480	0.46%
31 Other electronic industry	358,531	3.97%	450,233	5.15%
32 Cultural and creative industries	9,215	0.10%	1,819	0.02%
34 Electronic commerce Industry	10,804	0.12%	5,988	0.07%
37 Sports and Leisure	2,617	0.03%	-	-
Total	$ 9,023,606	100.00%	$ 8,740,530	100.00%

(e) Liquidity risk

i. 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.

ii. 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.

iii. 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:

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(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.

iv. 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:

	December 31, 2025					
Financial instruments item	1-180 Days	181 Days – 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	$ 3,089,963	$ -	$ -	$ -	$ -	$ 3,089,963
Current borrowings	950,000	-	-	-	-	950,000
Commercial papers payable	23,160,000	2,500,000	-	-	-	25,660,000
Liabilities for bonds with attached repurchase agreements	8,523,298	-	-	-	-	8,523,298
Securities financing refundable deposits	954,482	-	-	-	-	954,482
Deposits payable for securities financing	1,087,896	-	-	-	-	1,087,896
Futures traders' equity	5,765,360	-	-	-	-	5,765,360
Notes and accounts payable	16,236,251	-	-	-	-	16,236,251
Other payable	1,073,115	37,641	97,737	89,100	-	1,297,593
Other current liabilities	655,118	-	-	-	-	655,118
Lease liabilities	36,964	35,703	97,264	5,609	-	175,540
Bonds payable	-	-	-	3,300,000	-	3,300,000
Guarantee deposits	-	-	918	91	-	1,009
Total	$ 61,532,447	$ 2,573,344	$ 195,919	$ 3,394,800	$ -	$ 67,696,510

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

	December 31, 2024					
Financial instruments item	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

v. 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:

	December 31, 2025					
Financial instruments item	1-180 Days	181 Days - 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
Derivative financial liabilities at FVTPL	$ 1,365,539	$ -	$ -	$ -	$ -	$ 1,365,539

	December 31, 2024					
Financial instruments item	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

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(2) 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, 2025	December 31, 2024
Eligible capital		
Tier I capital	$ 12,680,513	$ 11,931,299
Tier I capital - minus assets	(1,437,285)	(1,381,169)
Tier II capital - minus assets in excess of Tier II capital	-	-
Tier I capital, net	11,243,228	10,550,130
Tier II capital	2,657,580	3,309,533
Tier II capital - minus assets	(1,247,630)	(1,185,243)
Tier II capital, net	1,409,950	2,124,290
Tier III capital	-	-
Total net of eligible capital	$ 12,653,178	$ 12,674,420
Equivalent amount of operating risk		
Equivalent amount of credit risk	$ 1,760,578	$ 1,335,853
Equivalent amount of operation risk	757,691	705,511
Equivalent amount of market risk	2,415,527	2,475,914
Total Equivalent Operational Risk	$ 4,933,796	$ 4,517,278
Capital adequacy ratio	256%	281%

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:

(a) The possibility of occurrence and the impact intensity of a stressful event.
(b) Identify the parts with higher loss and assess strategies when the event occurred.
(c) Confirm that the Group's capital is sufficient to withstand the impact of stressful events.
(d) 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.
(e) 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.

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(3) 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, 2025 Equation	Ratio	Benchmark	Status of compliance
A.	Stockholder’s equity	917,394	＝14.42	≧1	In compliance
	Total liabilities less futures trader’s equity	63,628			
B.	Current assets	7,757,943	＝1.10	≧1	In compliance
	Current liabilities	7,056,538			
C.	Stockholder’s equity	917,394	＝112.15%	≧60%	In compliance
	Minimum paid-in capital	818,000		≧40%	
D.	Adjusted net capital	822,788	＝37.15%	≧20%	In compliance
	Amount of customers’ margin accounts for open position of futures customers	2,214,600		≧15%	

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

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(4) 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.

(5) 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, 2025

Financial assets	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	$ 51,747	31.45	$ 1,626,461
ZAR	20,961	1.90	39,728
AUD	2,110	21.02	44,362
JPY	290,264	0.20	58,299
HKD	14,192	4.04	57,341
CNY	2,234	4.50	10,050
GBP	119	42.34	5,031
Non-monetary items			
USD	64,380	31.45	2,012,936
JPY	32,967	0.20	6,621
HKD	4,682	4.04	18,915

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

Financial liabilities	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	88,546	31.45	2,784,334
AUD	625	21.02	13,131
JPY	193,110	0.20	38,786
HKD	5,425	4.04	21,919

December 31, 2024

Financial assets	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	$ 41,356	32.79	$ 1,354,654
ZAR	18,008	1.75	31,547
AUD	1,469	20.40	29,955
JPY	156,013	0.21	32,764
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
AUD	341	20.40	6,962
JPY	127,272	0.21	26,728
HKD	4,077	4.22	17,219

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, 2025 and 2024 are summarized as follows:

	For the year ended December 31	
	2025	2024
Net foreign exchange loss	$ (65,492)	$ (44,278)

13. Additional Disclosures

(1) The significant transactions:

A. Financing provided to others: None.
B. Endorsements/guarantees provided: None.
C. Acquisition of individual real estates at costs of at least NT$300 million or 20% of the paid-in capital: None.
D. Disposal of individual real estates at prices of at least NT$300 million or 20% of the paid-in capital: None.
E. Handling fee discounts on transactions with related parties amounting to at least NT$5 million: None.
F. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
G. Intercompany relationship and significant intercompany transactions: Attachment 1.

(2) The related information on investees

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

(3) Information on established branch units or representative offices overseas

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

(4) 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.

14. 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:

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

(1) Brokerage Department: The business of entrusted trading and listing, OTC securities, futures trading assistant business, and other business approved by regulatory authorities.
(2) Proprietary Investment Department: Buys and sells domestic and foreign securities, futures (options), derivatives, and other financial instruments approved by the regulatory authorities.
(3) 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.
(4) Taishin Futures: Engaged in domestic and international futures brokerage services, among other related activities.
(5) 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, 2025							
Revenue							
Revenue from external customers	$ 3,252,685	$ 478,280	$ 2,023,957	$ 306,603	$ 133,389	$ (12,649)	$ 6,182,265
Net interest revenue	526,945	(13,666)	(51,108)	-	-	499,149	961,320
Other revenue	(31,594)	(10,185)	48	(185)	8,667	(22,714)	(55,963)
Total revenue	3,748,036	454,429	1,972,897	306,418	142,056	463,786	7,087,622
Expenses							
Operating expenses	(312,917)	(455,761)	(1,612)	(155,624)	(306)	(401,066)	(1,327,286)
Depreciation expense	(129,858)	(12,188)	(24,219)	(18,525)	(1,116)	-	(185,906)
Amortization expense	(42,291)	(2,027)	(3,120)	(8,722)	(28)	-	(56,188)
Other expenses	(1,810,495)	(298,139)	(703,479)	(142,946)	(25,370)	(1,833)	(2,982,262)
Total expenditures and expenses	(2,295,561)	(768,115)	(732,430)	(325,817)	(26,820)	(402,899)	(4,551,642)
Other gains and losses	24,745	9,624	1,983	81,002	(6,804)	47,874	158,424
Operating department's pre-tax net profit (loss)	$ 1,477,220	$ (304,062)	$ 1,242,450	$ 61,603	$ 108,432	$ 108,761	$ 2,694,404

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

	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

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.

Attachment 1

Business Relationships and Material Transactions in Consolidation:

Number (Note 1)	Main Party	Counterparty	Relationship (Note 2)	Transactions			
				Account	Amount	Terms	% of Consolidated operating revenue or consolidated total assets (Note 3)
0	Taishin Securities	Taishin Securities Venture Capital	1	Financial assets at FVTPL	$ 267,950	Under arm’s length terms	0.33%
0	Taishin Securities	Taishin Futures	1	Futures commission revenue	21,132	Under arm’s length terms	0.30%
1	Taishin Futures	Taishin Securities	2	Customer margin account	1,235,268	Under arm’s length terms	1.51%
1	Taishin Futures	Taishin Securities	2	Futures traders’ equity	1,235,268	Under arm’s length terms	1.51%

Note 1: Business between the parent and subsidiaries is numbered as follows:
(1)Parent: 0
(2)Subsidiaries are numbered from 1 in order.

Note 2: Relationship between the main party and the counterparty is numbered as follows:
(1)Parent to subsidiary and sub-subsidiary.
(2)Subsidiary to parent.
(3)One subsidiary to another subsidiary.

Note 3: 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.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Attachment 2

Related information such as the name of the investee Company, the region where it is located, etc. (excluding invested companies in mainland China):

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, 2025			Operating revenues of the investee	Net income (loss) of the investee	Share of profit (loss)	Cash dividends	Note
						December 31, 2025	December 31, 2024	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	$ 371,964	45,323,793	100%	$ 562,078	$ 133,389	$ 99,081	$ 99,081	$ -	Subsidiary (Note 1)
The Company	Taishin Capital	Taipei	2019.08.30	2019.05.21 Jin-Guan-Zheng-Chuan Letter No. 1080313572	Investments and consultancy services	50,000	50,000	8,100,156	100%	71,560	(361)	(12,886)	(12,886)	-	Subsidiary (Note 1)
The Company	Taishin Futures	Taipei	2022.12.02	2022.10.21 Jin-Guan-Zheng-Chuan Letter No. 1110384664	Futures brokerage	901,600	901,600	81,800,000	100%	917,394	306,418	35,084	35,084	-	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%	47,908	(8,369)	(9,028)	(9,028)	-	Sub-subsidiary (Note 1)
Taishin Capital	Taishin AIoT Semiconductor LP (Taishin AIoT Semiconductor Fund)	Taipei	2025.05.28	2025.12.31 Jin-Guan-Zheng-Chuan Letter No. 1140366778	Investments	1	-	-	17%	1	-	-	-	-	(Note 2)
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	12,041	7,349	-	2%	44,239	(16,904)	(36,921)	(8,369)	-	(Note 3)

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

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

Note 3: Taishin Health Investment is the general partner and fund manager of Taishin Health Fund, and the carrying amount is recorded as FVTPL - non-current.