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Company Website: <http://www.wintan.com.tw>



Concord International Securities CO., LTD

2023 Annual Report

May 13, 2024

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

(I) Information on the Spokesman:

	Spokesman	Acting Spokesman
Name	WANG, WEN-TSU	PAN, HUA-CHEN
Title	Chairman	General Manager
Tel.	06- 2219777	06- 2219777
Email	mis@jyhher.com.tw	

(II) Company Address and Tel.:

Headquarter:	No. 10, Section 3, Ximen Road, Tainan City	Tel: (06) 221-9777
Taipei Branch:	2F, No. 96, Section 4, Xinyi Road, Taipei City	Tel: (02) 2700-6666
Jiali Branch:	3F, No. 351, Yanping Road, Jiali District, Tainan City	Tel: (06) 722-6666
Fuqian Branch:	No. 141, Section 1, Fuqian Road, Tainan City	Tel: (06) 213-5888
Jinhua Branch:	B1, No. 172, Section 2, Jinhua Road, Tainan City	Tel: (06) 261-9777
Dongmen Branch:	2F, No. 213, Section 2, Xinyi Road, Taipei City	Tel: (02) 2351-6600
Kaohsiung Branch:	No. 148-83, Guanghua 1st Road, Kaohsiung City	Tel: (07) 225-9255
Nanjing Branch	4F, No. 188, Section 5, Nanjing East Road, Taipei City	Tel: (02) 2748-5558
Chongde Branch:	No. 242, Section 3, Zhonghua East Road, Tainan City	Tel: (06) 289-9000

(III) Stock Transfer Information:

Name of the stock transfer agency	Stock Agency Department, President Securities Corporation
Address of the stock transfer agency	B1, No. 8, Dongxing Road, Songshan District, Taipei City
Website of the stock transfer agency	http://www.uni-psg.com
Tel of the stock transfer agency	Taipei: 02- 2746-3797

(IV) Information on CPAs:

Name of the CPSs	Accountants, ZHOU, YIN-LAI and TSENG, KUO-FU
Name fo the zccounting firm	Baker Tilly Clock & Co
Address	14F, No. 111, Section 2, Nanjing East Road, Taipei City
Tel.	02-25165255(line 5)
Website	www.clockcpa.com.tw

(V) Name of the Company's listed overseas securities and the method for inquiry on the listed overseas securities: Not applicable.

(VI) Company's website: www.wintan.com.tw

(VII) The list of the Board of Directors of the first counter company and the designated domestic agent: Not applicable.

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I. Letters to Shareholders

【Appendix: 2022 Business Report and Future Management Policy Report】

1. Letters to Shareholders

(1) In 2023, the U.S. FED continued to raise interest rates and the Ukraine-Russia war persisted. However, the global financial markets, thanks to the lifting of the quarantine of the pandemic and the decline of the previous year's market with a relatively low base period, the global stock markets, with the exception of Mainland China's stock market, had a favorable performance. In terms of Taiwan Capitalization Weighted Stock Index, there was a 26.8% increase of 3,793 points from 14,137 points at the end of 2022. In terms of brokerage business, the average daily volume of listed and OTC stocks in 2023 was NT\$344.5 billion, an increase of NT\$40.9 billion from NT\$303.6 billion in 2022 (an increase of approximately 13.4%), which drove up the profit of the brokerage department to NT\$125 million.

As for the proprietary department, the investment strategy was based on steady investment in high-performance stocks. The realized profit and loss of the proprietary department, the dividend distribution and the unrealized valuation profit and loss of the proprietary department for the past year exceeded NT\$844 million, which outperformed the performance of the overall stock market.

(2) In 2023, the Company's overall after-tax income and net income attributable to the Company for the year was NT\$875.97 million, with an EPS of approximately NT\$3.18 per share. Despite a 13.3% increase in our paid-in capital in 2023, and with the increase in profits, we are expected to pay out cash dividends of NT\$0.5 and stock dividends of NT\$1.0, both of which are multiples of those paid out in 2022 on top of our 7 years of consecutive dividends paid out, in hope that we will continue to grow and sustain our business with the efforts of all of our employees in the future.

We hereby express our best wishes to our shareholders for good health, dragon's blessing and prosperity.

Thank you!

2. Business Performance and Future Management Policy Report for 2023

(1) The profit and loss of the Company's departments for year 2023 is listed below :

In Thousands of New Taiwan
Dollars

2023					
	Brokerage Department	Proprietary Trading Department	Underwriting Department	Another Department	TOTAL
Income from External Customer	\$ 285,481	\$849,864	\$6,445	\$6,274	\$ 1,148,064
Inter-segment Revenue	-	-	-	-	-
Total Income	\$ 285,481	\$ 849,864	\$6,445	\$6,274	\$ 1,148,064
Segment Profit or loss	\$125,457	\$ 844,673	\$ 4,708	\$ (93,869)	\$ 880,969

(2) Financial Receipts and Expenditures, and Profitability Analysis

I. Financial Revenue

In Thousands of New Taiwan
Dollars

Item	Year	2023	2022	Increase (Decrease)
Net cash inflow (used in) from operating activities		\$(863,703)	\$ 1,359,799	\$(2,223,502)
Net cash flows (used in) from Investing Activities		\$(15,127)	(9,233)	(5,894)
Net cash flows (used in) from Financing Activities		844,301	(1,342,428)	2,186,729

II. Profitability Analysis

Item		2023	2022
Return on Assets (%)		13.31	(3.23)
Return on Owner's Equity (%)		17.61	(4.98)
Ratio of Paid-in Capital(%)	Operation income to capital	27.14	(7.99)
	Pre-tax income to capital	28.56	(7.15)
Net Profit Ratio (%)		76.30	(543.40)
Earnings per Share (NT\$)		3.18	(0.84)

Note : Earning per share is calculated by retroactive adjustment on the earning every year or average weighed number of outstanding common stock issued from Capital Surplus Transferred to Capital.

III. Business Performance Analysis

In Thousands of New Taiwan Dollars

Item	2023	2022	Increase/ Decrease	Variable Ratio (%)
Earnings	\$1, 148, 064	\$41, 344	1, 106, 720	2676. 86
Operating Expenses and Expenditure	(310, 848)	(254, 441)	56, 407	22. 17
Operating Income (Loss)	837, 216	(213, 097)	1, 050, 313	492. 88
Non-operating Income (Loss)	43, 753	22, 299	21, 454	96. 21
Income (Loss) from Continuing Operations before Tax	880, 969	(190, 798)	1, 071, 767	561. 73
Income Tax Benefit (Expense)	(4, 992)	(33, 863)	(28, 871)	(85. 26)
Income (Loss) from Continuing Operations After Tax	875, 977	(224, 661)	1, 100, 638	(489. 91)

3. The Summary of Operational plan for the current year

In terms of the economy for the year 2024, Taiwan's export orders have been gradually stabilizing and growing, and it is expected that there will be room for the U.S. FED to decrease interest rates, which is favorable to the securities market. However, the global securities and financial market indexes are at their peaks, and various transactions remain active, therefore, we will continue to uphold stable operations, promote various businesses in a sequential manner to improve the efficiency of the departments, and strengthen various information security and risk control to reinforce the shareholders' rights and interests.

- (1) Optimize the configuration of electronic ordering system 、 follow the trend of electronic trading, activate the percentage of electronic trading, promote the entire management market share.
- (2) Plan our sub-account business to improve the quality of our services, actively cultivate our customers, and increase the breadth and depth of our dealings to satisfy the needs of the customers.
- (3) In response to business development, strengthen the professional knowledge of employees and improve the quality of manpower to serve our customers.
- (4) Strengthen auditing, internal control and risk management to reduce operating losses and improve operational efficiency.
- (5) Actively join the first list of listed companies or capital increase underwriting services.
- (6) Continue to care for and participate in public welfare activities, strengthen the implementation of sustainable development methods and implement the spirit of sustainable development.

Chairman : Wang, Wen-Tsu.

General manager : Pan, Hua-Chen

II. Profile

1. Profile

(1) Date of Establishment: November 4, 1989

(2) Address and Tel:

Headquarter: No. 10, Section 3, Ximen Road, Tainan City

Tel: 06- 2219777

Taipei Branch: 2F, No. 96, Section 4, Xinyi Road, Taipei City

Tel: 02- 27006666

Jiali Branch: 3F, No. 351, Yanping Road, Jiali District, Tainan City

Tel: 06- 7226666

Fuqian Branch: No. 141, Section 1, Fuqian Road, Tainan City

Tel: 06- 2135888

Jinhua Branch: B1, No. 172, Section 2, Jinhua Road, Tainan City

Tel: 06- 2619777

Dongmen Branch: 2F, No. 213, Section 2, Xinyi Road, Taipei City

Tel: 02- 23516600

Kaohsiung Branch: No. 148-83, Guanghua 1st Road, Kaohsiung City

Tel: 07- 2259255

Nanjing Branch 4F, No. 188, Section 5, Nanjing East Road, Taipei City

Tel: 02- 27485558

Chongde Branch: No. 242, Section 3, Zhonghua East Road, Tainan City

Tel: 06- 2899000

(3) Business:

1. 1.H301011 Securities

(Only business projects approved by the competent authority)

2. H408011: Futures Trading Assistance

2. History

The internationalization and liberalization of the securities market is the current worldwide trend. The Securities and Futures Commission of the Ministry of Finance (MOF) has gradually amended the relevant laws and regulations to facilitate the sound development of the domestic securities market. So, in the May 1988, MOF promulgated the “Standard for the Establishment of Securities Firms”, which formally regulated the establishment of new securities firms. The Company was organized and established in accordance with the law on November 21, 1989 and granted a license by the Securities and Futures Commission with a total capital of NT\$2 billion and a paid-in capital of NT\$1.4 billion. The company was officially opened for business on November 27th of the same year.

1989.11 ---The Company is engaged in the business of brokerage, proprietary trading and underwriting of marketable securities.

1990.04 ---Over-the-counter sales department was established.

1993.05 ---Re-elect the second board of directors and supervisors. Originally, the Company set up 17 directors and 7 supervisors. Then, it was changed to 15 directors and 5 supervisors.

1995.02 ---Taipei Branch was established.

1996.04 ---Jaili Branch was established.

1996.05---The listing of the organizer Samson was listed on the centralized trading market, which was the first successful underwriting case of the Company's counseling listing.

1996.06 ---Re-election of the third board of directors and supervisors.

1996.10 ---Fuqian Branch was established.

1996.12 ---Bond Department was established.

1997.01 ---Kimhua Branch was established.

1997.04 ---Dongmen Branch was established.

1997.06 ---Kaohsiung Branch was established.

1997.10 ---Chungshan Branch was established.

1998.01 ---Futures Department was established.

1998.01 ---Ministry of Economic Affairs approved cash capital increase of NT\$424,400,000, surplus to capital increase of NT\$56,000,000 and the paid-in capital was increased to NT\$1,830,000,000

1998.07 ---The futures are officially open for business.

1998.09 ---Capital increase and change of capital amount to NT\$2,013,000,000.

1998.09 ---Established the General Management Office.

1998.09 ---Nanjing Branch was established.

1998.12 ---The self-management department has moved north.

1999.06 ---Re-election of the forth board of directors and supervisors.

1999.06 ---Electronic Securities Department was established.

1999.07 ---Purchase 20, Sec. 3, Ximen Road as a warehouse and parking lot.

2001.12 ---Establish the operation of domestic stock index option contract brokerage business.

2002.06 ---Re-elect the fifth board of directors and supervisors. Originally, the Company set up 15 directors and 3 supervisors. Then, it was changed to 11 directors and 2 supervisors.

2003.02 ---The Company has reduced its capital by 20% and changed its capital from NT\$2,013,000,000 to NT\$1,610,400,000.

2005.06 ---Re-election of the sixth board of directors and supervisors.

2007.11 ---Merged with Sunrise Securities Co., Ltd. and added Sunrise Branch, Chongde Branch and Chikan Branch and the number of business sites is increased to 12.

2007.12 ---To engage in the business of dealing in foreign marketable securities on trust.

2007.12 ---Re-elect the seventh board of directors and supervisors. Originally, the Company set up 11 directors and 2 supervisors. Then, it was changed to 13 directors (including 3 independent directors) and 3 supervisors.

2008.02 ---Chairman LI, CHENG-HSIUNG resigned. Board of Directors re-elected Managing Director, CHEN, CHAO-KUN as the Chairman.

2008.07 ---Capital increase and change of capital amount to NT\$1,943,428,110.

2009.03 ---The Company's shares are issued without entity.

2009.04 ---Our company is officially registered as a trading company [April 9, 2009].

2009.08 ---Our company's Chikan Branch moved and changed its name to "Hengchun Branch".

2010.05 ---Re-election of 8th Board of Directors and Supervisors. Managing Director, CHEN, CHAO-KUN was elected as the chairman and Managing Director, CHEN, MI-CHUAN was elected as the deputy chairman.

2010.07 ---Capital increase and change of capital amount to NT\$2,040,599,520.

2010.08 ---Internet order AP System Just Win was officially launched.

2011.07 ---Capital increase and change of capital amount to NT\$2,101,817,510.

2012.12 ---Hengchun Branch is closed for business.

2013.05 ---Re-election of 9th Board of Directors and Supervisors. Managing Director, LI, WEN-PIN was elected as the chairman and Managing Director, CHEN, MI-CHUAN elected as the deputy chairman.

2013.05 ---Provide securities borrowing and lending services.

2013.06 ---Chunshan Branch is closed for business.

2013.07 ---Capital increase and change of capital amount to NT\$2,122,835,680.

2015.01 ---Establish Law Compliance Department.

2015.04 ---Self-administered securities trading financing and securities financing business.

2016.01 ---Risk Control Department was established.

2016.05 ---Re-election of 10th Board of Directors and Supervisors. Managing Director, LI, WEN-PIN was elected as the chairman and Managing Director, CHEN, MI-CHUAN was elected as the deputy chairman. The Company established 13 directors (3 independent directors and 10 general directors) and an audit committee with terms of office 3 years. They are eligible for re-election.

2016.11 ---Sunrise Branch is closed for business.

2017.07 ---Open an Non-Restricted Purpose Loan business.

2017.11 ---Discontinued concurrent futures business and switched to futures assistance business.

2018.04---Our company is officially registered as a trading company [April 2, 2018].

2018.05 ---Capital increase and change of capital amount to NT\$2,240,475,680.

2018.10 ---Establishment of Anti-Money Laundering and Counter-Terrorism Department

2019.04 ---Re-election of 11th Board of Directors and Supervisors. Managing Director, HSU, WEN-KE was elected as the chairman and Managing Director, CHEN, MI-CHUAN was elected as the deputy chairman.

2019.07 ---Capital increase and change of capital amount to NT\$2,374,904,220.

2020.12 ---Jiali Branch relocated its business address to 3F, No. 351, Yanping Road, Jiali District, Tainan City

2021.07 ---Capital increase and change of capital amount to NT\$2,517,398,480.

2022.01 ---Information Security Department and Electronic Customer Service Department were established

2022.05--- Nomination Committee was established

2022.05--- Re-election of 12th Board of Directors and Supervisors. Managing Director, HSU, WEN-KE was elected as the chairman and Managing Director, CHEN, MI-CHUAN was elected as the deputy chairman.

2022.07--- Capital increase and change of capital amount to NT\$2,668,442,380

2022.08--- Sustainable Development Subcommittee was established.

2022.11 ---Chairman HSU, WEN-KO resigned. Board of Directors re-elected Managing Director, WANG, WEN-TSU as the Chairman.

2023.01--- The business of accounts receivable for undelivered payments is ongoing.

2023.05 - Establishment of an accountability committee.

2023.07 - Transfer of capital surplus for capital increase, adjusting the capital amount to NT\$2,721,811,220.

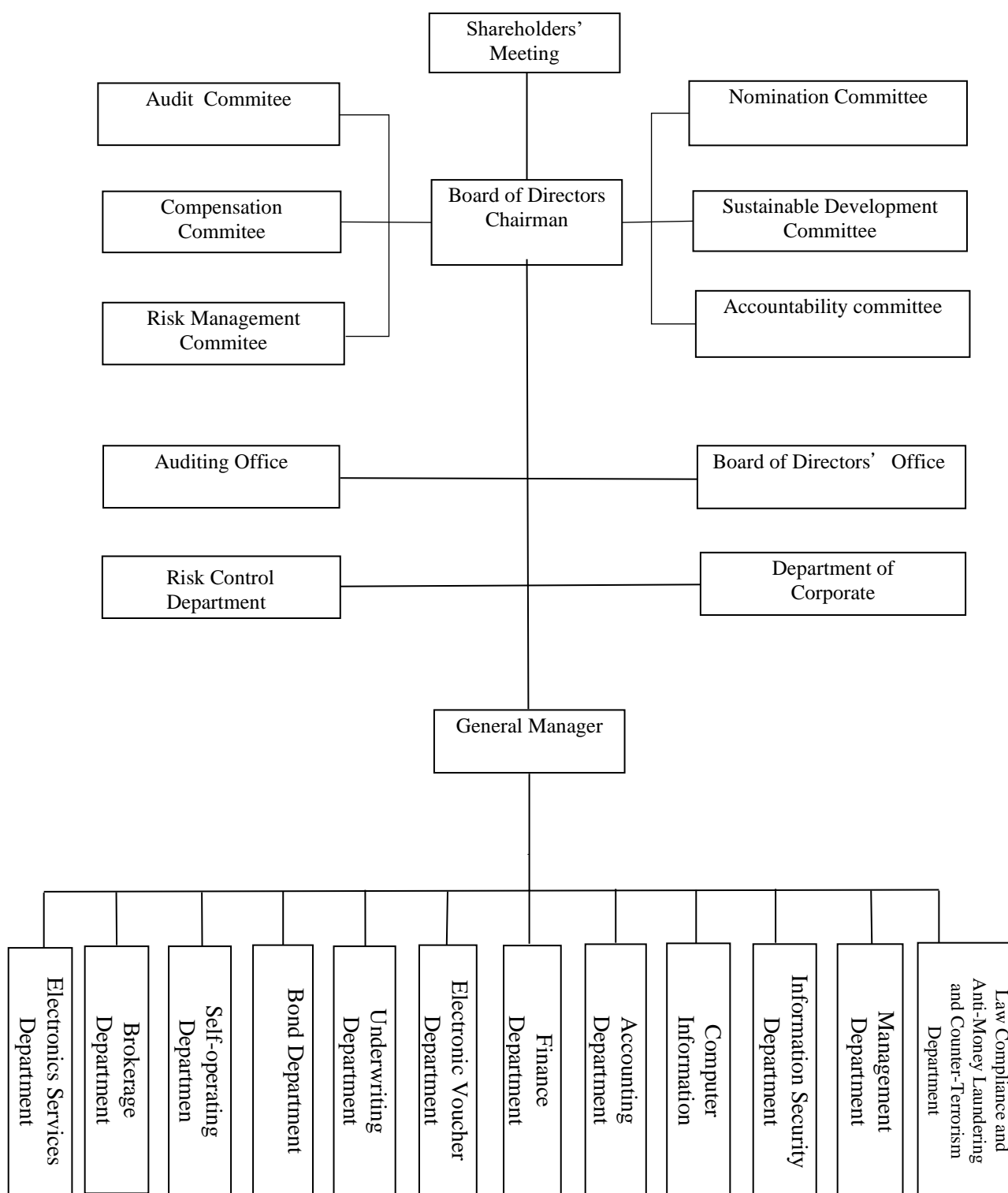
2023.12 - Cash increase of NT\$363,000,000, leading to a paid-up capital of NT\$3,084,811,220.

The Company operates under the principles of "integrity" and "service" to ensure the rights and interests of the investing public and to cooperate with government policies to improve the capital market, promote economic development and industrial upgrading, and to become an outstanding securities dealer.

III. Corporate overnance Report

1. Organization Structure

(1) Organizational tructure:



(2) Major Corporate Functions

Department	Functions
Audit Office	<ol style="list-style-type: none"> 1.Responsible for auditing the financial, business and accounting records of the Company and preparing audit reports on a regular basis. 2.Responsible for preparing and implementing an internal audit system and regularly evaluating the implementation of internal controls in each department. 3.In conjunction with the management department, it is responsible for auditing the the Company's acquisition, sale, construction and price negotiation of procurement and acceptance. 4. Undertake auditing projects assigned by the Board of Directors or the Supervisor. 5. Report business unit operation risk assessment analysis. 6. Supervise Branch's audit-related operations. 7. Report on the investigation of anomalous events. 8. Other matters related to auditing business.
Chairman's Office	<ol style="list-style-type: none"> 1. Discuss and establish the company's management policies, policies and objectives. 2. Prepare investment activities or asset planning. 3.Prepare and decide on other significant developments, reforms or countermeasures.
Department of Corporate Governance	<ol style="list-style-type: none"> 1. Assist the directors in carrying out their duties, provide the required information and arrange for the director's further education. 2.The members of the Board of Directors are notified from time to time in accordance with the latest laws and regulations related to corporate governance. 3.Arrange a meeting between the Independent Director and the Head of Internal Audit or Certified Public Accountant to understand the company's financial operations. 4.Manage and assist relevant departments in the implementation of corporate governance evaluation of listed enterprises. 5.Handle the liability insurance for the Director and the Manager and submit it to the Director's meeting for approval. 6.In accordance with the Company's Performance Evaluation Method, evaluate the performance of the board of directors, functional committees and individual directors. 7.Assist in shareholder meetings, shareholder meeting proposals, and preparation of shareholder meeting minutes. 8.Prepare the agenda of each Director meeting, send a notice of the meeting to the Director seven days in advance, convene the meeting and provide sufficient information for the meeting, and remind the Director in advance if the issue needs to be recused. The meeting minutes will be distributed to each Director within 20 days after the meeting. 9.After the meeting, release important information about the Director's meeting to ensure the legality and correctness of the content of the newsletters. 10.Pre-register the date of the shareholders' meeting in accordance with the law, and prepare the notice of meeting, the meeting handbook, the meeting minutes and annual reports within the statutory period.

Department	Functions
General Manager's Office	<ol style="list-style-type: none"> 1. Discuss and establish the company's management policies, policies and objectives. 2. Plan, execute and track the company's operational activities. 3. Prepare and revise internal administrative rules and regulations of the company. 4. Establish and maintain external public relations.
Legal Compliance Department	<ol style="list-style-type: none"> 1. Establish a clear and appropriate system of communication, consultation, coordination and communication of laws and regulations. 2. Confirm that all operations and management rules are updated in a timely manner in accordance with relevant laws and regulations, so that all operations are in compliance with the law. 3. Establish the content and procedures for evaluating compliance with the law and to supervise each unit to regularly evaluate the implementation. 4. Appropriate legal training is provided to the personnel of each unit. 5. Establish Anti-Money Laundering and Anti-Financial Terrorism Procedures. 6. Conduct or participate in regular on-the-job anti-money laundering training. 7. Assign dedicated staff to coordinate and oversee the implementation of anti-money laundering and counter-financing of terrorism. 8. Prepare and regularly update AML/CFT risk assessment reports.
Risk Control Department	<ol style="list-style-type: none"> 1. The risk management unit is authorized to perform risk management related duties and responsibilities as appropriate. 2. Develop corporate risk management policies and strategies. 3. Establish a risk management mechanism. 4. Establish various limits. 5. Build or assist in building risk management information systems 6. Measure risk value. 7. Monitoring risk. 8. Risk management reports are produced on a regular basis (daily, weekly or monthly) and reported to the company's senior management in accordance with the process.
Brokerage Department	<ol style="list-style-type: none"> 1. The business of accepting orders to buy and sell securities from the centralized market or storefront market. 2. Customer development and business development. 3. Credit investigation and control of customer credit. 4. The collation and provision of securities information. 5. The centralized custody and transfer of marketable securities. 6. Entrusted to handle credit transactions on your behalf. 7. Customer operation guidance. 8. Handling of Business Disputes. 9. Settlement and delivery of stocks and bonds. 10. Other matters related to auditing business. 11. Act as an agent for delegated trading business. 12. Provide unrestricted-purpose loan services. 13. Provide assistance services for futures traders.
Self-operating department	<ol style="list-style-type: none"> 1. Use proprietary funds to trade various securities and financial derivatives in centralized markets, over-the-counter markets, futures markets, and other marketplaces. 2. Facilitate matched trades in the emerging stock market.

Department	Functions
Bond Department	<ol style="list-style-type: none"> 1. Trade in government and corporate bonds through outright transactions. 2. Provide buyback and sellback transaction services for government bonds. 3. Offer short-term interest rate consulting and disclose bond yields. Trade government and corporate bonds in over-the-counter markets using proprietary funds.
Underwriting Department	<ol style="list-style-type: none"> 1. Provide assistance and guidance to companies in applying for public releasing and solicitation of various securities, or assisting in the issuance of securities for listing on the stock exchange, OTC market or emerging stock market. 2. Assist in raising funds of the issuance of securities such as stocks and convertible bonds. 3. Undertake the evaluation of cash increases for listed (OTC) companies and related underwriting services. 4. Offer consulting services in capital planning, financial and business management. 5. Other matters related to auditing business.
Electronic Securities Department	<ol style="list-style-type: none"> 1.Planning, operation monitoring, security and prevention of network order, mobile order and voice order systems abnormal response and troubleshooting, repair of related equipment, and joint discussion with the information department on system interfacing and tandem to ensure the efficiency and smoothness of electronic transactions. 2.Maintain the website, update relevant information in a timely manner, and improve the operation interface to enhance the user-friendliness and convenience of clicking. 3.Customer service to assist with system installation, interface operation, transaction and billing troubleshooting. 4.Maintain the smooth operation and security of the network, and to build and adjust the network environment that can satisfy both resource efficiency and quality.
Finance Department	<ol style="list-style-type: none"> 1.The planning and use of the Company's capital. 2.Planning and execution of the Company's accounting operations and handling of tax matters. 3.The development and establishment of an accounting system. 4.Preparation of annual budget and final accounts. 5.Audit and accounting for all expenses. 6.Research and recommendations on business performance of business units. 7.Compilation and analysis of statistical reports. 8.Supervision and liaison of Branch's accounting affairs. 9.Other matters related to auditing business.
Settlement Department	<ol style="list-style-type: none"> 1.Planning and execution of the company's credit and lending business. 2.Settlement of corporate credit and debit business. 3. The business of accounts receivable for undelivered payments is ongoing.
Computer Information Department	<ol style="list-style-type: none"> 1.Planning and establishment of the Company's information system. 2.Design, communication, coordination, tracking, maintenance and acceptance of the company's internal and external information systems and equipment supply. 3.Responsible for planning the company's computer operation development plan and setting computerized operation standards. 4.System design and analysis, program design and application management, computer operation and backup operations. 5.User operation education training. 6.Computer terminal equipment troubleshooting, online troubleshooting. 7.Other related to the planning of computer operating systems and the management and maintenance of information equipment.

Department	Functions
Department of Management	<ol style="list-style-type: none"> 1.The company's general affairs, personnel, clerical, and personnel management planning and implementation of tracking and implementation. 2.The publication and guardianship of the printed letters. 3.Sending, receiving, proofreading, transferring and filing of documents and telegrams. 4.The classification and storage of files and books. 5.Proofreading and printing of notices, agendas and minutes of important meetings. 6.Negotiation and execution of asset purchase, sale, lease, management and insurance. 7.Design, planning, negotiation, negotiation and contracting of various projects. 8.Employee promotion, advancement, assessment, training, rewards and punishments, leave of absence, benefits, and personnel planning and auditing. 9.Promotion and maintenance of public relations. 10.Planning and supervision of safety and cleanliness of the business premises. 11.Assistance and support for maintenance and management of communication, information, electrical and mechanical, and fire protection equipment. 12.Planning and control of the company's construction projects. 13.Training and deployment agreement for Branch's electrical and mechanical personnel. 14.Other matters related to general affairs, personnel, electrical and mechanical
Information Security Department	<ol style="list-style-type: none"> 1. To develop various information security policies and regulations. 2. To implement information security work and education training. 3. The emergency handling of information security incidents.
Electronic Customer Service Department	<ol style="list-style-type: none"> 1.Coordinate and enhance the management of electronic trading customer service. 2.Provide information and troubleshoot customer transactions and billing problems.

2. Director, Supervisor, General Manager, Deputy General Manager, Assistant General Manager, Supervisors of Each Department and Branches

(I) Information on Director and Independent Director
(A)

March 15, 2024

Title (Note)	Natio nality/Pla ce of In corpo ration	Name	Gen der	Date Elected	Ter m (Yea rs)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Educati on)(Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relati on	
Chairman	The Republic of China (R.O.C.)	Baulidu Investment CO.LTD		2022.05.04	3	1993.05.17	37,302,515	14.82	41, 631, 478	13. 49					Director, Guantian Investment Development Co., Ltd. Director, HSIN-SHIH TEXTILE CO, LTD.. Deputy Chairman and Supervisor of Asahi Enterprises Corp. Director, Klingon Aerospace Inc.Director, Mingqi Inc. Deputy Chairman, FU LANG DEVELOPMENT CO., LTD.					
	The Republic of China (R.O.C.)	Baulidu Investment Representa tive WANG, WEN-TSU	Male 65	2022.05.04	3	2022.05.04	2,780	0.001	13, 304	0. 004				Department of Business Administration, Chinese Culture University Team leader of Tung Tzu Co., Salesperson of Oriental Securities Co., Executive Deputy General Manager of Concord International Securities Co., Ltd						

Title (Note)	Nationality/Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
	The Republic of China (R.O.C.)	HSU, WEN-KO	Male 65	2022.05.04	3	2019.04.24	45,383	0.02	14,473	0.004	329,309	0.11	-	-	Tamkang University Finance General Manager, Concord International Securities Co., Ltd.					
Vice Chairman	The Republic of China (R.O.C.)	CHEN, MI-JUAN	Female 48	2022.05.04	3	1995.06.02	6,076,113	2.41	9,412,607	3.05	-	-	-	-	University of Southern California Department of International Relations Washington Mutual Inc. Mortgage Department Specialist	Chairman, Baulid Investment Co., Ltd. Chairman, Launcher International Corporation Asahi Enterprises Corp. Deputy Chairman Supervisor, Jiayuan Investment Development Co., Ltd. Deputy Chairman, FULANG DEVELOPMENT CO., LTD. Deputy Chairman, SMOKEY JOE'S CO., LTD. CHATEAU INTERNATIONAL DEVELOPMENT COMPANY LIMITED Supervisor Director, HSIN-SHIH TEXTILE CO., LTD.. Supervisor, Mingqi Inc. Park Avenue Sharing Space Co., Ltd. Supervisor	Director or	PIN-CHAN	Sisters	

Title (Note)	Nationality/Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Managing Director	The Republic of China (R.O.C.)	CHEN, PIN- CHAN	Female 38	2022.05.04	3	2015.08.01	4,946,983	1.97	8,191,680	2.65	-	-	-	-	University of San Francisco Master of Business Administration Stock Affair, Concord International Securities Co., Ltd.	Managing Director, Concord International Securities Co., Ltd. Director, CHATEAU INTERNATIONAL DEVELOPMENT COMPANY LIMITED Supervisor, Chia Chi Sdry Enterprise Co., Ltd. Director, Klingon Aerospace Inc. Supervisor, FU LANG DEVELOPMENT CO., LTD. Supervisor, SMOKEY JOE'S CO., LTD. Supervisor, Polydo Investment Co., Ltd. Director, Qunli Energy Inc. Director, CHIN LAI INTERNATIONAL DEVELOPMENT CO., LTD.	Deputy Director	CHEN, MI- JYUAN	Sisters	-
Director	The Republic of China (R.O.C.)	LI, WEN- BIN	Male 62	2022.05.04	3	2013.05.09	115,170	0.05	136,976	0.044	-	-	-	-	Department of Economics, Feng Chia University Qilin Industrial Co., Ltd. Business Supervisor Concord International Securities Co., Ltd. Chairman	Director, Concord International Securities Co., Ltd.	-	-	-	-

Title (Note)	Nationality/Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	The Republic of China (R.O.C.)	HUANG, MING-SHAN	Male 62	2022.05.04	3	2013.05.09	2,088,345	0.83	1, 597, 851	0. 517	-	-	-	-	Department of Mechanical Engineering, Southern Taiwan University of Science and Technology SHYE YIH FEEDING CO., LTD. Manager	HAI YI AQUACULTURE CO., LTD. Chairman Director, J. Will International Enterprise Co.,Ltd.	-	-	-	-
Director	The Republic of China (R.O.C.)	SHA, MEI-CHI	Female 60	2022.05.04	3	2018.04.24	1,619,892	0.64	1, 926, 612	0. 624	-	-	-	-	Study at National Penghu Marine & Fishery Vocational High School	DING SHAN INTERNATIONAL CO., LTD. Responsible Person	-	-	-	-
Director	The Republic of China (R.O.C.)	WISE CO., LTD.	-	2022.05.04	3	2016.05.05	920,716	0.37	1, 095, 049	0. 354	-	-	-	-	-	-	-	-	-	-
	The Republic of China (R.O.C.)	WISE CO., LTD. Representative:HUANG, YIRU	Female 46	2022.05.04		2017.04.25	-	-	-	-	-	-	-	-	Department of Finance, I-SHOU University Cathay Life Insurance Business Assistant to the General Manager of Jiadi clothing	Director, Bozin Co., Ltd.	-	-	-	-
Director	The Republic of China (R.O.C.)	LIU, ZHEN-YI	Female 41	2022.05.04	3	2013.05.09	226,967	0.09	269, 941	0. 087	-	-	-	-	Graduated from Human Resources and Public Relations, Daye University	Supervisor, CHIAO HONG INVESTMENT CO., LTD.	-	-	-	-

Title (Note)	Nationality/Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	The Republic of China (R.O.C.)	Deng, Chunxiang	Female 55	2022.05.04	3	-	-	-	-	-	-	-	-	-	Manager of Concord International Securities Co., Ltd.	Director of Concord International Securities Co., Ltd.	-	-	-	-
Independent Director	The Republic of China (R.O.C.)	HSU, SHUN-FA	Male 62	2022.05.04	3	2019.04. 24	-	-	-	-	-	-	-	-	Master of Accounting, University of Memphis. Partnership accountant, Pan-China (TW) CPAs.	Partnership accountant, Pan-China (TW) CPAs Supervisor, FWU KUANG ENTERPRISES CO., LTD. Independent Director, QST INTERNATIONAL CORP. Supervisor, CHAIRMAN CHEMICALS INDUSTRIAL CO., LTD. Chairman, YONG CHING INTERNATIONAL CO.,LTD. Chairman, China Xinyu Co.,Ltd	-	-	-	-
Independent Director	The Republic of China (R.O.C.)	CHEN, JIANCHUAN	Male 62	2022.05.04	3	2013.05.09	337	0.0001	-	-	-	-	-	-	Study at college Responsible Person, T. F. CHEN TRADING CO., LTD. Managing director, Tainan County Import and Export Association Director, Taiwan Importers and Exporters Association	MEC MEDICAL CO.,LTD.Chairman Chairman, LAND CHAINLIMITED Chairman, T. F. CHEN TRADING CO.LTD. Chairman, GALA CASTLECO., LTD. Chairman, Castle AppliedInc. Director, SPREADINGINTERNATIONALLOGISTICSCORPORATION Director, Pioneer Music and Culture Company Limited	-	-	-	-

Title (Note)	Nationality/Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note 2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 3)	Other Position in the Company and in other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	The Republic of China (R.O.C.)	WEI, FUCHUAN	Male 73	2022.05.04	3	2017.04.25	42,491	0.02	10,934	0.003	-	-	-	-	Business Administration, National Chung Hsing University Branch Manager, Agricultural Bank of China Limited Branch Manager, Taiwan Cooperative Bank	-	-	-	-	-

Note : (1) The Company's Directors were all re-elected on May 4, 2022.

(2) Independent Director Mr. Chen Jian-Chuan served as Independent Director on 2013.05.09 ; resigned as Independent Director and Managing Director on 2017.02.09 ;reappointed as Independent Director on 2019.04.24.

(3) Resigned due to personal reasons on December 8, 2023

Note 1: Corporate shareholders should list the name of the corporate shareholder and the representative of the corporate shareholder separately (for the representative of the corporate shareholder, the name of the corporate shareholder should be indicated), and should fill in Table 1 below.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Enter the time when you first became the director or supervisor of the company. If there is any interruption, please note the explanation.

Note 4: If you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your current position.

Note 5: If the chairman of the board of directors and the president or equivalent (top manager) the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken (For example, the number of Independent Director seats should be increased, and more than half of the Directors should not also be employees or managers) shall be stated: NONE

Note 4: 2022.11 ---Chairman HSU, WEN-KO resigned. Board of Directors re-elected Managing Director, WANG, WEN-TSU as the Chairman.

1. Major shareholders of the institutional shareholders_____

March 31, 2024

Name of Institutional Shareholders (Note 1)	Major Shareholders (Note 2)
Baulidu Investment Co., Ltd.	Shi Yuhui (21.51%), Jiayuan Investment Development Co., Ltd. (15.34%), Chen Chong-xian (15.13%), Chen, Pin-Chun(11.60%), Chen Mi-chuan (11.35%), Xue Nian-zhen (5.56%), Chen Xie-tong (4.74%), Quintain Steel Co., Ltd.(4.47%), Chia Chi Sdry Enterprise Co., Ltd. (2.48%) and Teng Chun-Hsiang (2.04%),
WISE CO., LTD.	Chen Chongxian (35.61%), Chang Wenan (5.94%), Ou Nai-Shuo (5.94%), and Huang, I-Ju (5.94%), Baulidu Investment Co., Ltd. (46.57%)

Note 1:If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2:Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios. If the major shareholder is a legal entity, the following table 2 should be added.

Note 3:If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital ontribution or donation rates, respectively. If a donor has died,please further note “deceased.”

2. Major shareholders of the Company's major institutional shareholders_____

March 31, 2024

Name of Institutional Shareholders (Note 1)	Major Shareholders (Note 2)
Jiayuan Investment Development Co., Ltd.	Quintain Steel Co., Ltd.(95.97%), Chen Jinlang (1.55%), Chen Jin Yi (0.82%), Su Jin Chang (0.74%), Wang Qiong Chen (0.47%), and Yu-Ling Weng (0.45%)
Quintain Steel Co., Ltd.	Baulidu Investment Co., Ltd. (14.12%), Concord International Securities CO., Ltd (8.40%), Asahi Enterprises Corp. (5.34%), hateau International Development Co.,Ltd.(3.87%), Chia Chi Sdry Enterprise Co., Ltd. (3.31%), Taiwan Steel Group Unted Co., Ltd (2.59%) Chen Chong-xian (4.11%),Chen Mi-chuan (2.43%), Chen Xie-tong (2.08%),CHEN,Pin-Chun (1.62%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

Information on Directors and Supervisors (2)

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

1. Disclosure of information on the professional qualifications of directors and the independence of independent directors: (The company does not have a supervisor)

Qualifi-cation Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person
Chairman WANG, WEN-TSU	<ul style="list-style-type: none"> •Currently the chairman of the company. •Served as operating director of the company. •Committed to the securities industry related fields for more than 30 years, with work experience •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Vice Chairman CHEN, MI-JUAN	<ul style="list-style-type: none"> •Currently the vice chairman of the company. •Served as the head of Poly Capital Investment Co., Ltd. Person in charge, Deputy Director of Meiyou Industrial Co., Ltd. Chief. •Worked at Washington Mutual Bank, USA, Possess an international outlook, creative leadership and public The work experience required for the company's business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Managing Director CHEN, PIN-CHAN	<ul style="list-style-type: none"> •Currently the Managing Director of the company. •Served as deputy manager of the company. •Have international market knowledge, industry knowledge, business Work experience required for business and company business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director LI, WEN-BIN	<ul style="list-style-type: none"> •Currently the Deputy Honorary Chairman of the Company. •Served as the chairman and general manager of the company. •Committed to the securities industry related fields for more than 30 years. Possess professional leadership, crisis management, corporate governance Management and professional market competition judgments The work experience required for the company's business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director HSU, WEN-KO	<ul style="list-style-type: none"> •Currently director of the company. •Served as the chairman of the company. •Committed to the securities industry related fields for nearly 30 years, With marketing, operations management and corporate The work experience required for the business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None

Qualifi-cation Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person
Director HUANG, MING-SHAN	<ul style="list-style-type: none"> •Currently director of the company; Remuneration Committee •Representative of HAI YI AQUACULTURE CO., LTD.) •Have marketing, business, finance, management and management practical ability and the company's business needs of work experience. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director LIU, ZHEN-YI	<ul style="list-style-type: none"> •Currently director of the company. •Served as secretary of the chairman of Hongxin Building Materials Co., Ltd. Book. •With accounting and financial analysis, business, decision-making The work required for the company's business such as competency and marketing make experience. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director SHA, MEI-CHI	<ul style="list-style-type: none"> •Currently director of the company. •He served as the person in charge of Dingshan International Development Co., Ltd. •Have business, legal, financial, accounting and corporate work experience required for the company's business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director HUANG, YIRU	<ul style="list-style-type: none"> •Currently director of the company. •served as the director of Vishay Trading Co., Ltd. •Have business, legal, financial, accounting and corporate work experience required for the company's business. •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None
Director Deng Chunxiang	<ul style="list-style-type: none"> •Currently director of the company •Served as the associate of the company •None of the provisions of Article 30 of the Company Act. 	Not Applicable	None

Qualifi-cation Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person
Independent Director HSU,SHUN-FA	<ul style="list-style-type: none"> •Currently independent director/auditor committee of the company/Risk Management Committee / Sustainable Development Committee//Remuneration Committee, member of the Audit Committee of the Company convener. •Worked as a partner of Jingye United Accounting Firm accountant. •Passed the college entrance examination for accountants of the Republic of China, with Accountant Professional Certificate and Finance, Taxation, Business and other work experience required by the company's business. •None of the provisions of Article 30 of the Company Act. 	<p>The conditions for independence are as follows:</p> <ol style="list-style-type: none"> 1. The person, spouse, relatives within the second degree Those who are not Directors, supervisors or employees of the company or its affiliates. 2. The person, spouse, relatives within the second degree of relatives (or in the name of others) do not hold shares in the company. 3. Not responsible for any specific relationship with the company be a director, supervisor or employee of the company. 4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years. 	3
Independent Director CHEN,JIAN-CHUAN	<ul style="list-style-type: none"> •Currently independent director/auditor committee of the company/ Compensation Committee. Sustainable Development Committee . Nomination Committee, convener of the company's Nomination Committee. •Served as chairman of Meishang Medical Equipment Co., Ltd. •Have business, legal, financial, accounting and corporate The work experience required for the company's business. • None of the provisions of Article 30 of the Company Act. 	<p>The conditions for independence are as follows:</p> <ol style="list-style-type: none"> 1.The person, spouse, relatives within the second degree <p>Those who are not directors, supervisors or employees of the company or its affiliates.</p> <ol style="list-style-type: none"> 2.I, spouse, relatives within the second degree (or in the name of others) hold company shares: In person: 0; shares <p>Second cousin: 238,598 shares shares/0.894%</p> <ol style="list-style-type: none"> 3.Not serving as a director, supervisor or employee of a company that has a specific relationship with the company. 4.There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years. 	None

Qualifi-cation Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person
Independent Director WEI, FU-CHUAN	<ul style="list-style-type: none"> •Currently independent director/auditor committee of the company/ Remuneration Committee, member Sustainable Development Committee / Nomination Committee / Risk Management Committee, convener of the company's Renumeration Committee and Risk Management Committee. •Served as branch manager of Cooperative Bank Commercial Bank. •Have many years of financial industry qualifications background, and have business. Business, Finance, Accounting and Finance and other corporate business offices Work experience required. •None of the provisions of Article 30 of the Company Act. 	<p>The conditions for independence are as follows:</p> <p>1. The person, spouse, relatives within the second Degree Those who are not directors, supervisors or employees of the company or its affiliates.</p> <p>2. I, spouse, relatives within the second degree (or in the name of others) hold company shares:</p> <p>In person: 0 shares/0% Second Class: 0shares/0%</p> <p>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company.</p> <p>4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p>	None

Note: Resigned due to personal reasons on December 8, 2023

2. Professional qualifications and independence analysis of directors and supervisors (B)

(1)Board Diversity:

According to Article 20 of the "Corporate Governance Best Practice Principles" of the Company, the composition of the board of directors should consider diversity. Board members should generally possess the knowledge, skills, and attributes required to fulfill their roles. To achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the following capabilities:

- | | |
|---------------------------------|--------------------------------------|
| A. Operational Judgment | B. Accounting and Financial Analysis |
| C. Business Administration | D. Crisis Handling |
| E. Industry knowledge | |
| F. International Market Outlook | G. Leadership |
| H. Decision-Making | |

To enhance corporate governance and foster the healthy development of the board of directors' composition and structure, the Company believes that a diversity policy will enhance overall performance. Board member appointments are made based on meritocracy, emphasizing diverse complementary abilities across industries. This includes their basic background (such as age, gender, nationality, etc.), as well as industry experience and relevant skills. Each member possesses capabilities in operational judgment, business administration, leadership, decision-making, and crisis handling, as indicated in the following table:

Name	Diversified Core	Basic Background							Skills and Industry Experience													Professional Skills		
		Nationality	Gender	Employee Status	Age				Years of tenure for independent directors	Operational Judgement	Accounting and Financial Analysis	Business Administration	Crisis Handling	Industry Knowledge	International Market Outlook	Leadership	Decision-Making	Services and Marketing	Architecture and	Banking and Insurance	Commerce and Supply	Finance	Accounting	Risk Management
					30-40	41-50	51-60	61-70																
	WANG, WEN-TSU	R.O.C.	M				✓			✓		✓	✓	✓	✓	✓	✓			✓			✓	
	CHEN, MI-JUAN	R.O.C.	F	✓	✓					✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	
	CHEN,PIN-CHAN	R.O.C.	F	✓	✓					✓		✓	✓	✓	✓	✓			✓	✓			✓	
	LEE, WEN-PIN	R.O.C.	M	✓			✓			✓		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	
	HSU, WEN-KO	R.O.C.	M	✓			✓			✓		✓	✓	✓	✓	✓			✓				✓	
	HUANG, MING-SHAN	R.O.C.	M				✓			✓		✓	✓	✓	✓	✓			✓	✓				
	SHA, MEI-CHI	R.O.C.	F				✓			✓		✓	✓		✓	✓	✓	✓		✓				
	HUANG, YI-RU	R.O.C.	F		✓							✓	✓		✓	✓		✓		✓				
	LIU, ZHEN-YI	R.O.C.	F		✓							✓	✓		✓	✓			✓	✓				
	DENG, CHUN-XIANG	R.O.C.	F	✓		✓				✓		✓		✓		✓	✓						✓	
	CHEN, JIAN-CHUAN	R.O.C.	M				✓		✓	✓		✓	✓	✓	✓	✓		✓	✓	✓			✓	
	WEI, FU-CHUAN	R.O.C.	M					✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	
	HSU, SHUN-FA	R.O.C.	M				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	

Note 1: The number of columns will be adjusted according to the actual number.

Note 2: Please tick the corresponding boxes with “✓” that apply to a member during the two years prior to being elected or during the term(s) of office.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(2) The specific management objectives and implementation of the board diversity policy:

Diversified orientation, complementarity and implementation of directors, future operations, operational patterns and development needs will be added in a timely manner diversification policy to ensure that board members generally have the knowledge, skills and qualities necessary to perform their duties

Specific management objectives of the Board's diversity policy	Execution Scenarios
1. The number of directors who are also managers of the Company should not exceed one-third of the number of directors.	Not more than one-third of the directors of the Company are also managers.
2. The proportion of female directors should reach one-third of the total number of directors.	The Company currently has six female directors.
3. The professional background of directors should be emphasized.	One-half of the Company's directors have professional backgrounds in securities, futures and business operations or banking-related practices.
4. The number of independent directors should not be less than one-third of the number of directors.	The Company will strive to achieve the target of one-third (or more) of independent directorships.

(3) Independence of the board of directors:

The company's 12th term of directors currently has 12 directors (including 2 independent directors), as the average director tenure is

For 6 years, all the directors are from their respective countries. The current composition of the directors includes:

: the proportion of female directors 50% 、 The proportion of independent directors is 16%, and the proportion of male directors is 50%. The seniority and qualifications are in compliance with laws and regulations. The company also pays attention to gender equality in the composition of the board of directors. The current board members include 6 female members, which will continue in the future, committing to increasing the proportion of female directors.

The selection and appointment procedures of all directors of the company adhere to fair, impartial and open selection procedures, which comply with the provisions of Articles 21 and 41 of the "Code of Practice on Governance of Listed Companies", and are in accordance with the Company's "Director Selection Procedures" Article 21 and 41. Article 6 adopts the cumulative voting system and Article 18 of the "Articles of Association" stipulates that the candidate nomination system is adopted, and shareholders are encouraged to participate actively in order to protect the rights and interests of shareholders and maintain independence.

At present, there are only 2 directors of the company who are relatives within the second degree of kinship, which complies with the requirement that directors should have more than half of the seats, and must not have spouses and relatives within the second degree of kinship. Based on the above, they meet the standards of independence.

II.Information on the Management Team

March 15,2024

Title (Note 1)	Nationality	Name	Gender	Dated Elected (On Board)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	The Republic of China (R.O.C.)	LI, WEN-PIN	Male	2022.05	136,976	0.044	-	-	-	-	Department of Economics, Feng Chia University Sales Supervisor, Chilam Industrial Co. Chairman, Concord International Securities Co., Ltd.	None.	-	-	-	-
General Manager	The Republic of China (R.O.C.)	PAN, HUA- CHEN	Female	2022.05	12,147	0.0003	-	-	-	-	Business Administration, Taipei University Employee, The Fifth Credit Cooperation of Taipei General Audit, Concord International Securities Co.,Ltd.	None.	-	-	-	-
Financial Management Department Executive Deputy General Manager	The Republic of China (R.O.C.)	Zhou,Ting-He	Male	2022.05	269,051	0.0872	26,033	0.0084	-	-	Graduate School of Business, University of South Australia(CMBA) Team Leader of Yushin Trademark Co. Associates of Concord International Securities Co., Ltd.	None	Associates	Pan Yalan	Spouse	-
Brokerage Department Deputy General Manager	The Republic of China (R.O.C.)	Huang ,Zheng- chang	Male	2022.05	11,043	0.0035	-	-	-	-	Department of Economics, Feng Chia University Purchase Department of Continental Engineering Corporation Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Dated Elected (On Board)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Dongmen Branch Associates And Brokerage Department Supervision	The Republic of China (R.O.C.)	Pan, Ya-lan	Female	2015.01	26,033	0.0084	269,051	0.0872	-	-	International Trade, Takming University of Science and Technology Cashier, TATEH INDUSTRY CO., LTD Manager of Concord International Securities Co., Ltd.	None.	Deputy General Manager	Zhou TingHe	Spouse	-
Self-operating department Associates	The Republic of China (R.O.C.)	Wang Wei	Male	2022.05	78,441	0.025	-	-	-	-	Department of Electrical Engineering, Tung Fang Design University Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Headquarter Sales Manager	The Republic of China (R.O.C.)	Wang Yu song	Male	2008.07	-	-	-	-	-	-	Department of Accounting, Ming Chuan University Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Taipei Branch Manager	The Republic of China (R.O.C.)	Li Pei Ling	Female	2011.02	-	-	-	-	-	-	Department of Information Management, Providence University Engineer, Yang Ming Information Technology Co. Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Branch Manager	The Republic of China (R.O.C.)	Wu, Wen Yi	Male	2022.05	1,000	0.0003	-	-	-	-	Department of Industrial Engineering and Management, Tungnan University Assistant Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Dated Elected (On Board)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Fujian Branch Manager	The Republic of China (R.O.C.)	Wang, Chun- jian	Male	2007.11	-	-	-	-	-	-	M.S. in Technology Management, National Cheng Kung University Business Management, Republic of China Military Academy Deputy Manager of Citic Securities Company Limited Manager, JIHSUN SCL	None.	-	-	-	-
Jinhua Branch Manager	The Republic of China (R.O.C.)	Xiao, Jinghui	Male	2019.11	10,000	0.003	-	-	-	-	Department of Statistics, National Cheng Kung University Sales, PRESIDENT TOKYO AUTO LEASING CORPORATION Sales, Tung Chi Paper Corporation Sales of Concord International Securities Co., Ltd.	None.	-	-	-	-
Kaohsiung Branch Manager	The Republic of China (R.O.C.)	Chen, Wen-hui	Female	2011.10	10,000	0.003	-	-	-	-	Department of Shipping and Transportation Management, National Kaohsiung Marine University Credit Manager, Jiangxi Tianli Technology, INC. Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Chongde Branch Manager And Brokerage Department Supervision	The Republic of China (R.O.C.)	Ye Zhen hong	Male	2007.11	60	0.00002	-	-	-	-	Electrical Work, Tainan Nan Ying Senior Commercial & Industrial Vocational School Manager, JIHSUN SCL	None.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Dated Elected (On Board)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Branch Manager	The Republic of China (R.O.C.)	Huang, Hsin Ling	Female	2022.05	10,000	0.0032	-	-	-	-	Masrer of Management, Dayeh University - Manager of Branch of Concord International Securities Co., Ltd	None.	-	-	-	-
Finance Department Manager and Company Governance Manager	The Republic of China (R.O.C.)	Shi MeiLan	Female	2010.08	-	-	-	-	-	-	Accounting, Tung Hai University Team Leader, Jiang Sheng & Co., CPAs - Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Settlement Department And Finance Department Manager	The Republic of China (R.O.C.)	Zheng Xiu yue	Female	2010.08	10,679	0.0034	-	-	-	-	Comprehensive Business, Tainan Nan Ying Senior Commercial & Industrial Vocational School - Officer, Far Eastern Securities Co. Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Risk Control Department Manager	The Republic of China (R.O.C.)	Huang Junjie	Female	2014.04	-	-	-	-	-	-	Department of Applied Business, National Taichung University of Science and Technology - Accounting, Xindai Electric Company Fuquian Branch Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Underwriting Department Manager	The Republic of China (R.O.C.)	Zang- Zi Ting	Female	2018.03	-	-	-	-	-	-	Master of Business Administration, Chang Gung University - Chen Junshi Certified Public Accountants	None.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Dated Elected (On Board)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)(Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Computer Information Department Manager	The Republic of China (R.O.C.)	HUANG,HSIN- YUAN	Male	2017.08	7,633	0.0025	-	-	-	-	Electronics, Southern Taiwan University of Science and Technology Engineer, CHIEN SHING STAINLESS STEEL CO.,LTD Deputy Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
Legal Compliance Department Manager	The Republic of China (R.O.C.)	HSIAO,CHIA- CHIEN	Male	2019.11	-	-	-	-	-	-	Department of Business Administration, Feng Chia University Manager of Concord International Securities Co., Ltd.	None.	-	-	-	-
General Audit	The Republic of China (R.O.C.)	Wu Hui-Juan	Female	2016.01	10,000	0.0032	-	-	-	-	Accounting and Statistics, Tainan Woman's College of Arts & Technology Dance Department Audit, Concord International Securities Co.,Ltd.	None.	-	-	-	-
Manager of the Administration Department	R.O.C.	Hui-er Chuang	Female	2024.02	8,000	0.0025	-	-	-	-	Enterprise Management Department, National Taichung University of Science and Technology Deputy Manager, Concord International Securities Co., Ltd.	N/A	-	-	-	-
Manager of the Underwriting Department	R.O.C.	Che-min Hu	Male	2024.02	-	-	-	-	-	-	Finance and Banking Department, Chihlee University of Technology Securities Specialist, Concord International Securities Co., Ltd.	N/A	-			

Note (1): Ms. Mei-lan Shih, who served as Manager of the Finance and Corporate Governance Department, retired on Jul. 2023; Ms. Tzu-ting Tsang, Manager of the Underwriting Department,

resigned on Jan. 2024.

Note (2): Ms. Hui-er Chuang assumed the role of Manager of the Administration Department in Feb. 2024, and Mr. Che-min Hu was also newly appointed as Manager in Feb. 2024.

Note 1: The information of general manager, vice president, assistant manager, department and branch heads should be included, and any position equivalent to general manager, vice president or assistant manager, regardless of title, should also be disclosed.

Note 2: If you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your current position.

Note 3: If the Chairman of the board of directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken shall be stated: NONE.

3. Remuneration Paid to Directors, Supervisors, General Managers and Deputy General Managers during Recent Years and Relevant Information

(I) The company's remuneration to Directors (including Independent Directors), Supervisors, General Manager, and Deputy General Manager in recent fiscal years: :

(1-1) Remuneration to Ordinary Directors and Independent Directors (Individual Disclosure of Names and Remuneration Items)

Unit: In Thousand New Taiwan Dollar

Title	Name (Note 1)	Director remuneration								Summation of A, B, C, and D and as a % of After-Tax Income (Note 10)		Compensation to directors also serving as Company employees								Summation of A, B, C, D, E, F and G and as a % of After- Tax Income (Note 10)		Compen sation from investm ents and parent compan y other than subsidi aries(Not e 11)
		Remuneration (A) (Note 2)		Pensions (B)		Director earnings distribution(C) (Note 3)		Business expenses (D) (Note 4)				Salary, Bonuses, and Special Allowance(E) (Note 5)		Pensions(F)		Employee earnings distribution(G) (Note 6)						
		The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 1)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 2)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Company		All consolidated companies(No te 7)		The Comp any	All consol idated compa nies(N ote 7)	
																Cash	Stock	Cash	Stock			
Director	Paolitu Investments Co., Ltd. Representative: Wang Wen-Tsu	\$2,287	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 130	\$ —	\$2,419 (0.28 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$2,419 (0.28 %)	—	None
Director	Chen, Mi-Chuan	\$2,345	\$ —	\$ 102	\$ —	\$ —	\$ —	\$ 397	\$ —	\$2,844 (0.32 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$2,844 (0.32 %)	—	None
Director	Chen, Pin-Chun	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ 879	\$ —	\$ 45	\$ —	\$ —	\$ —	\$ —	\$ —	\$1,062 (0.12 %)	—	None
Director	Teng, Chun- Hsiang	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$1,256	\$ —	\$ 63	\$ —	\$ —	\$ —	\$ —	\$ —	\$1,457 (0.17 %)	—	None
Director	Huang, Ming- Shan	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$138 (0.02 %)	—	None

Title	Name (Note 1)	Director remuneration								Summation of A, B, C, and D and as a % of After-Tax Income (Note 10)		Compensation to directors also serving as Company employees								Summation of A, B, C, D, E, F and G and as a % of After- Tax Income (Note 10)		Compen sation from investm ents and parent compan y other than subsidi aries(Not e 11)
		Remuneration (A) (Note 2)		Pensions (B)		Director earnings distribution(C) (Note 3)		Business expenses (D) (Note 4)				Salary, Bonuses, and Special Allowance(E) (Note 5)		Pensions(F)		Employee earnings distribution(G) (Note 6)						
		The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 1)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 2)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Company		All consolidated companies(No te 7)		The Comp any	All consol idated compa nies(N ote 7)	
															Cash	Stock	Cash	Stock				
Director	Wise Co., Ltd. Representative: Huang, Yi-Ju	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$138 (0.02 %)	—	None	
Director	Liu, Chen-Yi	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$138 (0.02 %)	—	None	
Director	Paolitu Investments Co., Ltd. Representative: Hsu, Wen-Ko	\$ 987	\$ —	\$ 36	\$ —	\$ —	\$ —	\$ 183	\$ —	\$1,206 (0.14 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$1,206 (0.14 %)	—	None	
Director	Hsia, Mei-Chi	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3	\$ —	\$123 (0.01 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$123 (0.01 %)	—	None	
Director	Li, Wen-Pin	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$2,828	\$ —	\$ 59	\$ —	\$ —	\$ —	\$ —	\$3,025 (0.35 %)	—	None	
Indepen dent director	Wei, Fu-Chuan	\$ 113	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15	\$ —	\$128 (0.01 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$128 (0.01 %)	—	None	
Indepen dent director	Chen, Chien- Chuan	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$138 (0.02 %)	—	None	
Indepen dent director	Hsu, Shun-Fa	\$ 120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18	\$ —	\$138 (0.02 %)	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$138 (0.02 %)	—	None	

Title	Name (Note 1)	Director remuneration								Summation of A, B, C, and D and as a % of After-Tax Income (Note 10)		Compensation to directors also serving as Company employees								Summation of A, B, C, D, E, F and G and as a % of After- Tax Income (Note 10)		Compen sation from investm ents and parent compan y other than subsidi aries(Not e 11)
		Remuneration (A) (Note 2)		Pensions (B)		Director earnings distribution(C) (Note 3)		Business expenses (D) (Note 4)				Salary, Bonuses, and Special Allowance(E) (Note 5)		Pensions(F)		Employee earnings distribution(G) (Note 6)						
		The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 1)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Comp any (Note 2)	All consol idated compa nies(N ote 7)	The Comp any	All consol idated compa nies(N ote 7)	The Company		All consolidated companies(No te 7)		The Comp any	All consol idated compa nies(N ote 7)	
																Cash	Stock	Cash	Stock			
<p>1.Please describe the policy, system, criteria, and structure of the remuneration for independent directors, along with the relationship between the amount of the remuneration and the responsibilities, risks, and time commitment of the independent directors:</p> <p>The remuneration to independent directors is a fixed monthly amount, and the chairman is authorized to determine the amount of additional remuneration within the year depending on the operating conditions, and there is no director's remuneration for the independent directors.</p> <p>2In addition to the above table, the remuneration received by the directors of the Company for services provided (e.g., serving as non-employee consultants for all companies/investments in the parent company/consolidated financial statements) in the most recent year: No such cases.</p>																						

Note: Resigned due to personal reasons on December 8, 2023

Range of Remuneration

Note 1: The names of Director should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in aggregate. If a Director is also a general manager or vice president, he/she should fill in this table and the table above and the following table (3).

Note 2: This refers to the most recent annual compensation of supervisors (including supervisors' salaries, bonuses, severance pay, various bonuses and incentive payments, etc.). Note 3: The amount of Director' remuneration approved by the board of directors in the most recent year is included.

Note 4: This refers to the latest year's Director' related business execution expenses (including travel expenses, special expenses, various allowances, dormitory, provision of cars, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If a driver is assigned to the director, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration.

Note 5: This refers to the salary, salary increment, severance pay, various bonuses, incentive payments, transportation expenses, special expenses, various allowances, dormitory, provision of cars, etc., received by the Director and employees (including concurrent general manager, vice president, other managers and employees) in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If a driver is assigned to the director, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 6: The amount of employee compensation (including stock and cash) received by a director who is also an employee (including also a general manager, vice president, other managers and employees) in the most recent year should be disclosed as approved by the board of directors in the most recent year, and if the amount cannot be estimated, the proposed distribution amount for this year should be calculated in proportion to the actual distribution amount last year, and should also be listed in Table 1 ter.

Note 7: The total amount of each remuneration paid to the Company's General Manager Deputy General Manager by all companies in the consolidated report (including the Company) should be disclosed. Note 8: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the director at the level of vesting.

Note 9: The total amount of each remuneration paid to each director of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the directors

should be disclosed at the level to which they belong.

Note 10: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.

Note 11: a. This column should explicitly state the amount of remuneration received by the Director of the Company from businesses other than subsidiaries or from the parent company (if none, please enter “none”).

b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the director of the Company from a subsidiary or a parent company should be included in column I of the remuneration scale and the name of the column should be changed to “Parent Company and All Transferred Subsidiaries”.

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses of the Company's directors in their capacity as directors, supervisors or managers of a business other than a subsidiary or a parent company.

*The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.

1. The names and remuneration of individual directors and supervisors shall be disclosed if there has been an after-tax loss in the last three years of the individual or individual financial reports, unless the latest annual individual or individual financial reports have generated net income after tax and are sufficient to cover the accumulated losses: None.
2. The remuneration of individual directors shall be disclosed if the directors' shareholding has been insufficient for at least three consecutive months in the most recent year, and the remuneration of individual supervisors shall be disclosed if the supervisors' shareholding has been insufficient for at least three consecutive months in the most recent year.
The Company's directors' shareholding in the most recent year has reached the legal shareholding percentage, and there is no case of insufficient shareholding for all directors in 2023, There are still revelations about individual director remuneration.
3. If the average percentage of directors or supervisors for any three months of the most recent year is greater than 50%, the remuneration of individual directors or supervisors whose percentage is greater than 50% for each month should be disclosed;
The company discloses the directors' salaries.
4. If the remuneration of all directors and supervisors in the financial report exceeds 2% of the net profit after tax, and the remuneration of individual directors or supervisors exceeds NT\$15 million, the remuneration of such directors or supervisors shall be disclosed. If the remuneration received by an individual director or supervisor exceeds NT\$15 million, the remuneration of that individual director or supervisor shall be disclosed.
The remuneration of directors and supervisors of all companies in the Company's financial report does not exceed 2% of net income after tax, and no individual director or supervisor receives remuneration in excess of NT\$15 million.
5. The results of the most recent annual corporate governance evaluation are at the last level of distance, or in the most recent year and as of the publication of the annual report, the company has been subject to a change in trading method, suspension of trading, termination of listing, or any other circumstances that have been approved by the Corporate Governance Evaluation Committee as warranting a change in trading method, suspension of trading, or termination of listing. The Governance Evaluation Committee has approved that the Company should not be evaluated: None.
6. If the average annual salary of full-time employees who are not in supervisory positions in a listed company in the most recent year has not reached NT\$500,000: None.
7. If the net profit after tax of a listed OTC company increased by more than 10% in the most recent year, but the average annual salary of full-time

employees who are not in supervisory positions did not increase compared with the previous year: None..

8. The after-tax profits and losses of listed companies in the most recent year have declined by 10% and exceeded NT\$5 million, and the average remuneration of each director (excluding part-time employee remuneration) has increased by 10% and exceeded NT\$5 million. One hundred thousand yuan: no such thing. (II) Supervisor's remuneration: None.

(III) General Manager Deputy General Manager's remuneration (aggregated to match the level of disclosure by name):

Title	Name (Note 1)	Base Compensation(A) (Note 2)		Severance Pay (B)		Bonus and special allowance,etc.(C) (Note 3)		Employee bonus(D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income(Note 8)		Compensation Paid to Directors from an Invested Company Other than the Subsidiaries or Parent Company (Note 9)
		The Company	Companies in the consolidated financial Statements (Note 5)	The Company	Companies in the consolidated financial Statements (Note 5)	The Company	Companies in the consolidated financial Statements (Note 5)	The Company		Companies in the consolidated financial Statements (Note 5)		The Company	Companies in the consolidated financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	PAN,HUA-CHEN	\$ 1,686	—	\$69	—	\$273	—	—	—	—	—	\$2,028 (0.23%)	—	—
Deputy General	HUANG, CHENG-CHANG	\$ 1,500	—	\$35	—	\$117	—	—	—	—	—	\$1,652 (0.19%)	—	—
Manager	ZHOU, TING-HE	\$ 1,409	—	\$39	—	\$131	—	—	—	—	—	\$1,579 (0.18%)	—	—
Deputy General	WU,HUI-CHUAN	\$ 1,048	—	\$49	—	\$6	—	—	—	—	—	\$1,103 (0.13%)	—	—

*Despite the occupation, remuneration of employee whose position level is same as general manager, deputy manager (such as chairman, CEO, Director...) should be disclosed.

(IV) Remuneration of the Company's top five highest paid executives: Same as (III) General Manager Deputy General Manager's remuneration (aggregated to match the level of disclosure by name).

*Regardless of any position equivalent to that of a general manager or vice president (e.g., president, chief executive officer, director, etc.) shall be disclosed.

Note 1: The names of the general manager and vice president should be listed separately to disclose the amount of each benefit in a summary manner. If a Director is also a general manager or vice president, he/she should fill in this table and the table above.

Note 2: The most recent annual salary, duty increment and severance pay of the president and vice president are included.

Note 3: The amount of bonuses, incentives, transportation expenses, special expenses, allowances, dormitories, provision of cars for the president and vice presidents for the most recent year are included. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If a driver is assigned to the director, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

- Note 4: The amount of employee compensation (including stock and cash) for the president and vice president approved by the board of directors in the most recent year is included. If the amount cannot be estimated, the proposed distribution for this year is calculated in proportion to the actual distribution last year, and the following table should also be included.
- Note 5: The total amount of each remuneration paid to the Company's General Manager Deputy General Manager by all companies in the consolidated report (including the Company) should be disclosed.
- Note 6: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the General Manager Deputy General Manager at the level of vesting.
- Note 7: The total amount of each remuneration paid to each General Manager Deputy General Manager of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the General Manager Deputy General Manager should be disclosed at the level to which they belong.
- Note 8: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.
- Note 9: a. This column should explicitly state the amount of remuneration received by the General Manager Deputy General Manager of the from businesses other than subsidiaries or from the parent company.
b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the General Manager Deputy General Manager of the Company from a subsidiary or a parent company should be included in column I of the remuneration scale and the name of the column should be changed to "Parent Company and All Transferred Subsidiaries".
c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses of the Company's directors in their capacity Director, supervisors or managers of a business other than a subsidiary or a parent company.
- *The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.
- (V) Information on the retired Chairman and General Manager's return as advisor to the securities firm: None.

(VI) Remuneration of directors (including independent directors), supervisors, general managers, deputy general managers and consultants (disclosed in aggregate form)

Remuneration of directors and supervisors								The remuneration of the general manager and deputy general manager, and the remuneration of directors and employees concurrently serve as employees						Remuneration for the Chairman and General Manager who have retired from the brokerage firm or its affiliates to return to the position of the securities firm advisor (H)		A ∙ B ∙ C ∙ D ∙ E ∙ F ∙ G ∙ HRatio of Total Compensation		Remuneration from ventures other than subsidiaries or from the parent company	
Remuneration of Directors and Supervisors (A)		Retirement Pension for Directors and Supervisors (B)		Remuneration of Directors and Supervisors (C)		Execution Fees for Directors and Supervisors (D)		Salary, Bonus and Special Payment, etc. (E) (Note 4)		Retirement Pension (F)		Employee compensation (G) (註 5)							
The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	The company		Companies in the consolidated financial statements
												Cash	Stock	Cash	Stock				
\$ 6,812	—	\$ 140	—	—	—	\$ 872	—	\$ 11,133	—	\$ 359	—	\$ —	—	—	—	—	\$19,316 (2.21%)	—	—

(VII) Name of manager and distribution of employees' remuneration for 2022 December 31, 2023: None.

(VIII) An analysis of the total compensation paid to the Company's Director, supervisors, general manager and deputy general manager percentage of net income after tax for the most recent two-year period for the Company and all consolidated companies, respectively, and a description of the policy, standard and combination of compensation payments, the process for setting compensation, and the relationship to operating performance and future risks:

1. Remuneration standards for directors and supervisors, president and vice president

Unit: NT\$1,000

Title	2022		2023	
	Total remuneration	Total remuneration as a percentage of Net profit after tax Ratio	Total remuneration	Total remuneration as a percentage of Net profit after tax Ratio
Director	12, 739	5. 67%	12, 954	1. 50%
Supervisor (Note)	–	0. 00% (Note)	–	0. 00% (Note)
General Manager and Vice President	9, 728	4. 33% (Note)	6, 362	0. 73% (Note)

Note: The Supervisor will be dismissed from the Company's Audit Committee on 2016.05.05. The Company's net income after tax for 2023 NT\$875,977 thousand.

2. The policy, criteria and composition of compensation payments, the procedures for setting compensation and the relationship to operating performance and future risks.

The Company is in the stage of mature industrial development, stable profitability and sound financial structure, but in view of the expansion of business projects in the coming years, the distribution of earnings is based on the legal reserve, special reserve, and special reserve provided by law or reversed by law from the distributable earnings of the current year, and the remaining undistributed earnings of the previous years are prepared by the Board of Directors. The Board of Directors shall prepare a proposal for distribution and submit it to the shareholders' meeting for resolution. In addition to the fixed monthly compensation and travel expenses for meetings, there are no special performance bonuses or remuneration for directors and supervisors.

In addition, the monthly salaries of the Director's part-time employees, the President and the Vice President are based on the positions they hold, the responsibilities they assume, and the salary levels of comparable positions in the industry, and they also participate in the overall operating results of the Company based on the performance of the department. On October 14, 2011, the Company established a Compensation Committee. The compensation of the above-mentioned individuals will be approved by the Compensation Committee before being submitted to the Board of Directors for approval.

In summary, the Company's policy on the payment of remuneration to directors, supervisors, general manager and vice president and the procedures for setting remuneration are positively correlated with operating performance.

4. Implementation of Corporate Governance

(1) 1. Board of Directors

A total of six (6) meetings of the Board of Directors were held in 2023 and one in 2024, seven (7) meetings were held as of the preparation day of annual report. The attendance of director and supervisor were as follows:

Title	Name(Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate%【B/A】(Note 2)	Remark
Chairman	Baulidu Investment Co. Ltd. Representative: WANG, WEN-TSU	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	Baulidu Investment Co. Ltd. Representative: HSU WEN-KO	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Deputy Chairman	CHEN,MI-JUAN	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Managing Director	CHEN PIN-CHAN	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	LI, WEN-BIN	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	HUANG, MING-SHAN	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	Representative of WISE CO., LTD.: Huang, YIRU	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	LIU, ZHEN-YI	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	SHA, MEI-CHI,	3	0	42%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Director	DENG, CHUN-XINANG	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Independent Director	WEI, FU-CHUAN	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04 Resigned due to personal reasons on 2023.12.08.
Independent Director	HSU, SHUN-FA	7	0	100%	Re-elected in the Shareholders' Meeting dated 2022.05.04
Managing Director and Independent Director	CHEN, JIAN-CHUAN	6	1	86%	Re-elected in the Shareholders' Meeting dated 2022.05.04

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: (1) If a Director has left the company before the end of the year, the date of departure should be indicated in the Remark column, and the actual attendance rate (%) should be calculated based on the number of Director meetings and the actual number of attendance during his or her employment.

(2) If the Director supervisor is re-elected before the end of the year, the new and old Director supervisors should be listed, and the Remark column should indicate whether the Director supervisor is an old, new or re-elected director and the date of re-election. The actual attendance rate (%) is calculated based on the number of Director meetings and the actual number of attendance during his or her employment.

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors: (1) Any matter under Article 14-3 of the Securities and Exchange Act. (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution.
2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted : None.
3. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation methods	Evaluation contents	Average score for each direction (out of 5 points)
1/year	2023/01/01~2023/12/31	Board of Directors	Self-evaluation by the members	A. Participation in the Company's operation B. Enhancing the decision quality of Board of Directors C. Composition and structure of Board of Directors D. Election and continuous of directors E. Internal Control	4.65 points
1/year	2023/01/01~2023/12/31	Individual director	Director Self-evaluation by the members	A. Understanding of the Company goals and missions B. Director Responsibilities Awareness C. Participation in the Company's operation D. Internal relation maintenance and communications E. Professionalism and continuous training of directors F. Internal control	4.93 points

1/year	2023/01/01~2023/12/31	1. Audit committee 2. Compensation committee	Self-evaluation by the members	A. Participation in the Company's operation B. Director Responsibilities C. Awareness Enhancement of functional committee decision quality D. Composition of the functional committee and election of members. E. Internal Control (The Compensation Committee does not include this item.).	4.89 points
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Note 1: This is the implementation period that the Director will evaluate, e.g., once a year.

Note 2: This is the period covered by the Director's evaluation, e.g., the evaluation of the Director's performance from January 1, 2023 to December 31, 2023.

Note 3: The scope of the evaluation includes the performance evaluation of the Director Board, individual Director members and functional committees.

Note 4: The methods of evaluation include internal self-evaluation by the Director, self-evaluation by the Director members, peer evaluation, appointment of external professional organizations, experts or other appropriate methods for performance evaluation.

Note 5: The evaluation content includes at least the following items according to the evaluation scope.

- (1) Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of Director, and internal control.
- (2) The company's objectives and tasks, the directors' awareness of their responsibilities, their involvement in the company's operations, internal relations and communication, the directors' professional and continuing education, and internal control.
- (3) Participation in the company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.

Suggestions for improvement:

The Board of Directors and the Audit Committee should invite the accountants to attend at least twice a year to communicate and exchange ideas with the certifying accountants.

Conclusion:

In February 2024, the results of the performance evaluation for 2023 were presented to the Board of Directors, and the evaluation results for each item ranged from 5 "strongly agree" to 4 "agree", and the performance evaluation results for the Board of Directors, Audit Committee, Salary and Compensation Committee and individual Director members were all excellent. This indicates that the Director Board is operating well and in compliance with corporate governance.

- (4) Measures taken to strengthen the functionality of the Board of Director Meeting for the year and latest years (for example, set up Audit Committee, improve transparency of information etc.), as well as evaluation of execution.

In order to strengthen the function of the Board of Directors, the Board of Directors has an Independent Director and functional committees under the Board of Directors, such as the Compensation Committee, Risk Management Committee, Audit Committee, Nomination Committee and Sustainable Development Committee, to meet the governance requirements of listed companies.

The Company continues to strengthen the structure and operation of the Director Council in the corporate governance structure by reporting all required information on the Market Observation Post System, establishing the "Procedures for Handling Internal Material Information," "Code of Sustainable Development Practices," "Code of Business Conduct with Integrity," "Code of Corporate

Governance Practices," "Rules of Procedure for Director Meetings" and other regulations to enhance the effective implementation of corporate governance, and in addition, we have arranged for each Director to pursue further education to give full play to the professional and independent functions of the Directors' Association.

(II) Attendance of Members at Audit Committee Meetings

1.Operation of the Audit Committee:

The Company established an Audit Committee (replacing the Supervisor) with three members consisting of all Independent Directors for a term of three (the same as the term of each Director Meeting) by resolution of the Director Meeting on May 5, 2016.

2.The main focus of the Audit Committee's deliberations are as follows: (1)

Fair presentation of the Company's financial statements.

(2) The selection (dismissal) and independence and performance of the certified public accountants.

(3) Effective implementation of internal control of the company.

(4) The Company complies with the relevant laws and regulations.

(5) Control over the existence or potential risks of the Company.

3.The Independent Director participates in the operations of the Audit Committee.

The Audit Committee was convened 6 times in 2023, 1 times in 2023, and 7 times (A) as of the date of the annual report, and the status of the Independent Director on the Audit Committee is as follows

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remark
Independent Director	HSU, SHUN-FA	7	0	100.0%	New-elected on 2022.05.04
Independent Director	CHEN, JIAN-CHUAN	6	1	86.0%	New-elected on 2022.05.04
Independent Director	WEI, FU-CHUAN	7	0	100.0%	New-elected on 2022.05.04 Resigned due to personal reasons on December 8, 2023
Other mentionable items:					
1. The matters listed in Article 14-5 of the Securities and Exchange Act and other matters not approved by the Audit Committee and approved by two-thirds or more of all Directors shall state the date and period of the Directors' meeting, the content of the resolution, the result of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion: None of these matters.					

* If Audit Committee has left the company before the end of the year, the date of departure should be indicated in the Remark column, and the actual attendance rate (%) should be calculated based on the number of Director meetings and the actual number of attendance during his or her employment.

* If the Director supervisor is re-elected before the end of the year, the new and old Director supervisors should be listed, and the Remark column should indicate whether the Director supervisor is an old, new or re-elected director and the date of re-election. The actual attendance rate (%) is calculated based on the number of Director meetings and the actual number of attendance during his or her employment.

Other mentionable items:

1. The matters listed in Article 14-5 of the Securities and Exchange Act and other matters not approved by the Audit Committee and approved by two-thirds or more of all Directors shall state the date and period of the Directors' meeting, the content of the resolution, the result of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion: None of these matters.

Member	Professional qualifications and experience
HSU, SHUN-FA	Current convener of the company's Audit Committee and Risks Management Committee. Remuneration Committee and Sustainable Development Committee. Also serves as representative of Chi Rui Develop Co., Ltd, Yong Chin Yao International Co., Ltd, Te Hung International Develop Co., Ltd, independent director of Hen Yao International Co., Ltd, supervisor of Fu Kuang enterprise Co., Ltd, independent director of Chiang Hsin Industry Co., Ltd, and served as CPA of Ching Yeh Union accounting firm. Passed the CPA of ROC and has accounting certificate and work experience such as financial, tax and business.
CHEN, JIAN- CHUAN	Convener of Nomination Committee AND Remuneration Committee. Current member of the company's Audit Committee, Risks Management Committee, Sustainable Development Committee .Also serve as representative of Mei Shang Medical equipment Co., Ltd, Lien Chen enterprise Co., Ltd, Chen Deng Fa Trade Co., Ltd. Holding work experience such as business, law, financial and accounting.
WEI, FU-CHUAN	Formerly in charge independent director, the company's Risks Management Committee and Remuneration Committee, member of Audit Committee, Nomination Committee and Sustainable Development Committee. Served as branch manager of Taiwan Cooperative Bank. Holding background of financial industry for many years and work experience such as business, financial and accounting. Resigned due to personal reasons on December 8, 2023.

(1) Matters in Securities and Exchange Act, Article 14-5: (details of resolution of Audit Committee meeting are as follow)

Committee No./Date	Contents of the motion	Opinion of independent directors	Resolution	The Company's Opinion Office on Independent Directors
3th Committee 4th Meeting Feb. 06, 2023	<p>Matters for Ratification:</p> <ol style="list-style-type: none"> 1. Revision of the Company's "Policy on Related Party Transactions". 2. Revision of the Company's "Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises", and "Operating Procedures for Proprietary Trading of Securities". 3. Amendment of the audit cycle for the Company's "Internal Audit Plan" for 2023. 4. Amendment of the Company's "Internal Control System for Securities". 5. Revision of the Company's "Internal Control System for Futures Trading Support Services". 6. Amendment of the Company's "2021 Anti-Money Laundering and Counter-Terrorism Financing Risk Assessment Report". 7. Proposal for the job adjustment of Manager Zhen-hong Yeh. <p>Matters for Discussion:</p> <ol style="list-style-type: none"> 1. Approval of the Company's financial report for 2022. 2. Submission of the Company's internal control system declaration for 2022. 3. Revision of the Company's "Internal Significant Information Handling and Insider Trading Prevention Management Procedures". 4. Submission of the Company's "Anti-Money Laundering and Counter-Terrorism Financing Internal Control System Statement" for 2022, including the areas for enhancement and improvement plans. 5. Revision of the Company's "Customer Transaction Risk Assessment Form". 6. Revision of the Company's "Corporate Governance Best Practice Principles" and "Practical Guidelines for Sustainable Development", among others. 7. Revision of the Company's "Information Security Policy". 	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case
3th Committee 5th Meeting Mar.21, 2023	<p>Matters for Discussion:</p> <ol style="list-style-type: none"> 1. Revision of certain articles of the Company's Articles of Incorporation. 2. Submission of the assessment form for the implementation of the "Fair Customer Treatment Principle" for 2023. 	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case
3th Committee 6th Meeting May.04, 2023	<p>Matters for Ratification:</p> <ol style="list-style-type: none"> 1. Submission of the Company's "ESG Investment Management Policy". 	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case

Committee No./Date	Contents of the motion	Opinion of independent directors	Resolution	The Company's Opinion Office on Independent Directors
	<p>Matters for Discussion:</p> <ol style="list-style-type: none"> 1. Application from the Chongde Branch to reduce its operating area. 2. Proposal to declare a portion of the first-floor area of the Chongde Branch as vacant assets. 3. Setting the ex-rights and ex-dividend dates for the distribution of earnings and capital surplus for 2022. 4. Approval of the Company's financial report for the first quarter of 2023. 5. Revision of the Company's "Proprietary Trading Investment Policy". 6. Revision of the Company's "Consumer Dispute Handling Procedure". 7. Setting up the Company's Accountability Committee and formulating the Company's "Accountability Committee Organizational Regulations". 8. Establishing the Company's "Accountability System Implementation Guidelines". 9. Revision of the Company's organizational structure chart. 			
3th Committee 7th Meeting Aug.07, 2023	<p>Matters for Ratification:</p> <ol style="list-style-type: none"> 1. Amendment of the Company's "Internal Control System for the Operation of Futures Introducing Broker Business by Securities Firms (including Internal Audit Implementation Rules)" and "Internal Control System for Securities (including Internal Audit Implementation Rules)". 2. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)". <p>Matters for Discussion:</p> <ol style="list-style-type: none"> 1. Acquisition of directors' and key officers' liability insurance for the Company. 2. Examination of the Company's financial statements for the first half of 2023. 3. Revision of the Company's "Asset Acquisition or Disposal Procedure". 4. Assessment of the independence and suitability of the certified public accountant. 5. The Company intends to carry out a cash capital increase through the issuance of common shares. 6. Revision of the Company's "Regulations Governing Procedure for Board of Directors Meeting" and "Corporate Governance Best Practice Principles". 7. Establishment of the Company's "Accountability System" and "Accountability System Rewards and Penalties Regulations". 8. Disciplinary action for Company employees violating securities regulations. 9. Establishment of the Company's Fair Customer Service Supervision Team. 10. Appointment and dismissal of the Company's old and new heads of the Finance Department. 11. Proposal for changes to the Company's chief accounting 	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case

Committee No./Date	Contents of the motion	Opinion of independent directors	Resolution	The Company's Opinion Office on Independent Directors
	<p>officer.</p> <p>12. Proposal for changes to the Company's corporate governance director.</p>			
3th Committee 8th Meeting Sep.19, 2023	<p>Matters for Ratification:</p> <p>1. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)".</p> <p>Matters for Discussion:</p> <p>1. Determining of the subscription date, issuance price, and related matters for the Company's cash capital increase for 2023.</p> <p>2. Revising the Company's "Regulations for Ensuring the Security of Personal Data Files and Procedures for Processing Personal Data After Termination of Business."</p> <p>3. Amendment of the Company's "Internal</p>	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case
3th Committee 9th Meeting Nov.10, 2023	<p>Matters for Ratification:</p> <p>1. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)".</p> <p>Matters for Discussion:</p> <p>1. Proposal for changes to certified public accountant over auditing of the Company's financial statements.</p> <p>2. Ratification of the Company's financial report for the third quarter of 2023.</p> <p>3. Submission of the Company's budget proposal for 2024.</p> <p>4. Submission of the execution report for the 2023 anti-money laundering and counter-terrorism financing risk assessment plan.</p> <p>5. Submission of the Company's "Internal Audit Plan" for 2023.</p> <p>6. Revision of the Company's "Margin Trading and Securities Lending Quota Management Procedures."</p> <p>7. Proposal for appointment of the Company's new head of the finance department.</p>	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case
3th Committee 10th Meeting Feb 19, 2024	<p>Matters for Ratification:</p> <p>1. Amendment of the audit cycle for the Company's "Internal Audit Plan" for 2023.</p> <p>2. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)".</p> <p>3. Amendment of the Company's "Internal Control System for the Operation of Futures Introducing Broker Business by Securities Firms (including Internal Audit Implementation Rules)".</p> <p>4. Revision of the "Internal Procedures for Recommending Securities Brokers for the Emerging Securities Market".</p> <p>5. Establishment of the Company's "Guidelines for Precautions when Entrusting Operations to Others".</p>	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case

Committee No./Date	Contents of the motion	Opinion of independent directors	Resolution	The Company's Opinion Office on Independent Directors
	Matters for Discussion: 1. Approval of the Company's financial report for 2023. 2. Submission of the Company's internal control system declaration for 2023. 3. Submission of the Company's "Anti-Money Laundering and Counter-Terrorism Financing Internal Control System Statement" for 2023, including the areas for enhancement and improvement plans. 4. Submission of the Company's "2023 Information of Risk Management Qualification". 5. Submission of the revision proposal for the Company's "Policy and Procedures of Risk Management". 6. Submission of amendments to the Company's "Operational Procedures for Compiling and Verifying Sustainability Reports". 7. Submission of the report on the Company's execution of ESG-related investments for the second half of 2023. 8. Proposal for the Company's profit distribution for 2023. 9. Proposal for the Company's capitalization of earnings for 2023.			
3th Committee 11th Meeting Apr 2, 2024	1.Changed the rated capital of the Company from the current NT\$3.9 billion to NT\$9.0 billion. 2.Amendments to some articles of the Company's "Articles of Incorporation". 3.The Company's 2023 Proposal for Profits' Distribution. 4 Proposal for Profits Transferring to Capital Increase for 2023.	No objection	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	No such case

All of the above motions endorsed or approved by the Audit Committee are also submitted to the Board of Directors for discussion or ratification.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communication between the Independent Director and the internal auditors and accountants (including the major issues, methods and results of communication regarding the company's financial and business status):
 - (1) The internal audit supervisor conducts monthly audits in accordance with the annual audit plan and submits audit reports to each Independent Director. The Independent Director will ask or inform the audit supervisor if he/she has any questions or instructions after review.
 - (2) The internal auditor attends the meeting with the Director of the Company to report on the audited business and the Independent Director has no reservations or objections.
 - (3) The Audit Committee regularly reviews the financial reports on a quarterly basis and reviews significant financial transactions of the Company; the Independent Director may contact the Company by telephone or appoint an accountant to communicate with the Company as needed.

(III) The Company and the Subsidiaries' Corporate Governance Status, Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons:

Evaluation Item	Operating conditions (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
1.Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		In order to establish a good corporate governance system, the "Code of Corporate Governance Practices" was established at the 11th Board of Directors' Meeting on August 4, 2011, , The Fifth Amendment in August, 2023 and disclosed on the company website.	No major difference.
2.Shareholding structure & hareholders'rights (1)Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedures?	✓		(1) The Company has dedicated personnel such as spokespersons and proxy spokespersons, and has set up contact numbers for each department in the Investor Zone of the Company's website to handle shareholders' suggestions, questions, disputes and litigation matters.	No major difference.
(2)Does the company have a list of the substantial shareholders and ultimate controllers of the substantial shareholders who actually control the company? ultimate control of substantial shareholders and substantial shareholders	✓		(2) The Company has set up a stock unit and a stock agent to maintain contact with the relevant personnel of major shareholders and to keep track of the changes in the shareholdings of major shareholders.	No major difference.
(3)Has the company established and implemented a risk control and firewall mechanism with its affiliates?	✓		(3) The Company currently has no other affiliated companies, but has established regulations on financial operations between affiliated companies.	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company have internal regulations that prohibit insiders from trading marketable securities using non-public information?	✓		(4) In order to prevent insiders from violating the regulations related to insider trading, the Company has established the “Procedures for the Management of Internal Material Information Handling and Prevention of Insider Trading” and the “Code of Ethical Conduct”, which prohibit insiders from trading marketable securities using undisclosed information in the market, and implement and enforce them.	No major difference.
3. Composition and responsibilities of the Board of Directors				
(1) Has the Board developed and implemented a diversified policy for the composition of its members?	✓		(1)The selection of the Company's Director is based on the overall configuration of the Director Council, and the knowledge, experience, skills and qualities necessary to perform the duties of the Director Council members are generally defined in the Director Election Law. (Refer to page 20)	No major difference.
(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit	✓		(2)The Company has established the Salary and Compensation Committee at the 8th Board 12th Director Meeting on October 14, 2011, the Audit Committee at the 10th Board 1st Director Meeting on May 5, 2016, the Risk Management Committee at the 10th Board 3rd Director Meeting on December 2, 2016, The 12 th Board 2 nd Meeting on 12 May, 2022 approved establishment of Nomination Committee. The 12 th Board 3 rd Meeting on 24 Aug, 2022 approved establishment of Sustainable Development Committee, On May 4, 2023, the 7 th meeting of the 12th board of directors approved the establishment of an Accountability Committee. and various other functional committees in the future as appropriate. Other functional committees will be established as appropriate.	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
(3) Has the company established a performance evaluation method for the Director Council and its evaluation method, and conducts performance evaluation annually and regularly, and submits the results of the performance evaluation to the Director Council and uses them as a reference for individual director's salary compensation and nomination for reappointment?	✓		<p>(3)</p> <p>1. The Company established the “Director Meeting and Functional Committee Performance Evaluation Method and Procedures” at the 7th Board of the 10th Director Meeting on April 25, 2017, and approved the amendment at the 4th Board of the 11th Director Meeting on November 5, 2019.</p> <p>2. In 2023, the Company conducted performance evaluations of the Board of Directors, functional committees and individual Directors. (etails on page 34 of this annual report) and the results of the evaluation were presented to the 12th Board 11th Director's meeting on February 19, 2024.</p> <p>3. In accordance with Article 29 of the Company's Articles of Incorporation, there is no provision for Director's remuneration. The evaluation of the performance of the Board of Directors will be used as a reference for nomination for reappointment in the coming year when the Board of Directors is re-elected.</p>	No major difference.
(4) Does the company periodically evaluate the independence of the certified public accountant?	✓		<p>(4) The Company has made reference to the provisions of Article 46 and Article 47 of the Accountants Act and the content of the Tenth Statement of Ethics for Accountants to list the items of Independent Sexual Review, and the accountants have issued the Independent Statement. This report was evaluated by the 12th eighth Board of Meeting on 07 Aug, 2023, that CPA CHOU, YIN-LAI and TSENG, KUO-FU of Cheng Feng accounting firm meet the standards of the company's independence and competency.</p>	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
4. Does the listed company have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting meetings of directors’ meetings and shareholders’ meetings in accordance with the law, and preparing minutes of directors’ meetings and shareholders’ meetings, etc.)?	✓		<p>The company’s manager, CHENG,HSIU-YUEH is Executive of financial headquarter and department of company governance, managing related matters of company governance and dividing works by organization, co-manage by staffs from each related department. In 2023, executives especially responsible for company governance have accordingly completed 12-hour professional lessons.</p> <p>The Company’s corporate governance-related matters (terms of reference) shall include: conducting meetings of the board of directors and shareholders’ meetings in accordance with the law, preparing minutes of directors’ meetings and shareholders’ meetings, assisting directors in their appointment and continuing education, providing information necessary for directors to perform their business, assisting directors in complying with laws and regulations, and other matters in accordance with the articles of incorporation or contract.</p>	No major difference.
5. Has the Company established communication channels and dedicated sections for stakeholder (including but not limited to the shareholders, employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	✓		<p>The "Stakeholders' Meeting" in the "CSR Zone" of the Company's website reveals the identity of the identified stakeholders, their concerns, communication channels and responses; the "Stakeholders' Zone" in the "Shareholders' Zone" provides communication channels to protect the interests of shareholders, the rights and interests of employees, and the integrity of management with customers. We also</p>	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
			respond appropriately to important CSR issues of concern to our stakeholders.	
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints a professional stock agent, PSC Stock Agency Department, to conduct shareholder meetings.	No major difference.
7. Disclosure of information (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has set up a website to disclose the Company’s profile and basic information in a timely manner, and regularly reports financial and business information to the relevant authorities and makes announcements on the Market Observation Post System.	No major difference.
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information on collection and disclosure, creating a spokesperson system, webcasting investor conferences)?	✓		(2) The Company has a dedicated unit responsible for information collection and disclosure of significant corporate matters, and has a spokesperson and an acting spokesperson to implement the spokesperson system.	No major difference.
(3) Did the Company announce and declare the annual financial statement within two months at the end of the accounting year and announce and declare the Q1, Q2 and Q3 financial statement and monthly operational status prior to the deadline in the regulation?	✓		(3) The Company’s monthly operating results are announced on or about the 6th of each month, and quarterly and annual reports are announced within the prescribed period.	
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management	✓		(1) Employee rights and benefits and employee care. Our company has an employee welfare committee, which has a comprehensive plan for employees to perform their duties and rights, and insurance, health check, pension, and employee savings to increase the protection of employees’	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
<p>policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>			<p>life.</p> <p>(2) Investor Relations: The Company has set up a "Stakeholder" section on the Company's website to establish a communication channel with stakeholders, to respond appropriately to important CSR issues of concern to stakeholders, and to respect the right of stakeholders to express their opinions.</p> <p>(3) Rights of Interested Parties: We maintain smooth communication channels with investors, employees, suppliers, customers, authorities and the community, provide a grievance channel, a hotline and personal service, maintain good communication, and review whether the activities we perform are responsive to our stakeholders.</p> <p>(4) Director and monitor the circumstances of further education: In addition to the Director's own training, the Company regularly conducts corporate governance-related courses and invites all of the Director's staff to participate in the training. The Republic of China (R.O.C.) Securities Dealers Association (R.O.C.) has been commissioned to offer courses or to participate in the courses offered by the Securities Over-the-Counter (SOC), and the number of hours required by the competent authorities for further training is shown on page of 70 ,2023annual report.</p> <p>(5) Implementation of risk management policies and risk measurement</p>	

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
			<p>standards: In addition to establishing risk management policies and risk measurement standards in accordance with the regulations of the competent authorities, the Company also establishes more stringent risk control based on the information collected by the Company and the individual risk tolerance of customers. The overall method and implementation are still good and there are No major defects.</p> <p>(6) Implementation of the Customer Policy: The Company is in the financial services industry, and customer satisfaction is the main basis for the Company’s business and revenue. The Company conducts daily, weekly and monthly studies and reviews on the content of customer services, and takes the initiative to provide customers with a wide range of services and legal and appropriate investment information and channels, and implements customer policies well.</p> <p>(7) The company purchases liability insurance for directors and key employees: The Company has taken out liability insurance for all Directors and key staff from Singaporean company American International Property Insurance. (Insurance amount: US\$3,000,000, insurance period: August 10, 2023 to August 10, 2024)</p>	

9. According to the latest result of the Corporate Governance Evaluation System by the Corporate Governance Center of TWSE, explain the amendments or propose the priority measurements to the unimproved items. (Not required for companies not included in the assessment).

The company participated in the ninth evaluation in 2022, the evaluation results: total score : 62.07
Ranking range of listed companies : 36%~50%

Industry: Finance & Insurance Ranking Scale : 61%~100%

Remarks: The results of the tenth evaluation in 2023 have not yet been announced, and only the results of the ninth evaluation have been disclosed as of the printing date of the annual report.

(4) If the Company has a compensation committee, it should disclose its composition, duties and operations.

1. Information on the Compensation Committee

identity type (Note 1)	Criteria Name	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual
Independent Director	WEI, FU-CHUAN (Convener)	<p>Formerly in Independent Director of the company/ Audit Committee/ Remuneration Committee and Sustainable Development Committee/ Nomination Committee/ Risk Management Committee, convener of the company's Remuneration Committee and Risk Management Committee.</p> <p>· Served as branch manager of Cooperative Bank Commercial Bank.</p> <p>· Have many years of financial industry qualifications background, and have Business, Finance, Accounting and Taxes and other work experience required by the company's business.</p> <p>Note: Resigned due to personal reasons on December 8, 2023.</p>	<p>The conditions for independence are as follows:</p> <p>1. The person, spouse, relatives within the second Degree those who are not directors, supervisors or employees of the company or its affiliates.</p> <p>2. I, spouse, relatives within the second degree (or in the name of others) hold company shares: In person: 10,934shares/0.0035% Second Class: 1,590shares/0.0005%</p> <p>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company.</p> <p>4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p>	0

identity type (Note 1)	Criteria Name	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual
Independent Director	HSU, SHUN-FA	<ul style="list-style-type: none"> · Current Independent Director of the company/ Nominating Committee./ Remuneration Committee/ Sustainable Development Committee. Company's Audit Committee and Risk Management Committee convener ° · Served as the CPA of Jingye United Accounting Firm. · Passed the college entrance examination for accountants of the Republic of China, with Accountant Professional Certificate and Finance, Taxation, Business and other work experience required by the company's business. 	<p>The conditions for independence are as follows:</p> <ol style="list-style-type: none"> 1. The person, spouse, relatives within the second Degree those who are not directors, supervisors or employees of the company or its affiliates. 2. I, spouse, relatives within the second degree (or in the name of others) are not holding company shares. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company. 4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years. 	0

identity type (Note 1)	Criteria Name	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual
Independent Director	CHEN, JIAN- CHUANAN	<p>Current Independent Director of the company/ Audit Committee/ Remuneration Committee/ Sustainable Development Committee/ Nomination Committee, convener of the company's Nomination Committee.</p> <p>·Served as Chairman of MEC MEDICAL Co., Ltd</p> <p>·Have many years of financial industry qualifications background, and have Business, Legal Affairs, Finance, Accounting and Architecture and other work experience required by the company's business.</p>	<p>The conditions for independence are as follows:</p> <ol style="list-style-type: none"> 1. The person, spouse, relatives within the second Degree those who are not directors, supervisors or employees of the company or its affiliates. 2. I, spouse, relatives within the second degree (or in the name of others) not holding company shares: In person: 0 shares/ 0% Second Class: 87, 590 shares /0. 028% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company. 4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years. 	0

identity type (Note 1)	Criteria Name	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual
Director	HUANG, MING- SHAN	<ul style="list-style-type: none"> ·Current Director/Compensation Committee Member of the Company. ·Formerly served at Hai Yi Aquaculture Co., Ltd. ·Possesses extensive work experience in business, legal affairs, finance, accounting, construction, and other areas relevant to company operations. 	<p>The conditions for independence are as follows:</p> <ol style="list-style-type: none"> 1. The person, spouse, relatives within the second Degree those who are not directors, supervisors or employees of the company or its affiliates. 2. I, spouse, relatives within the second degree (or in the name of others) not holding company shares: In person: 1, 597, 851 shares/ 0. 517% Second Class: 3, 445, 702 shares /1. 116% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company. 4. There is no amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years. 	

2. Responsibility of Compensation Committee

The members of this Committee shall faithfully perform the following duties and responsibilities with the care of a good administrator and shall be accountable to the Board of Directors, and shall submit their recommendations to the Board of Directors for discussion:

- (1) Periodically review this regulation and propose amendments.
- (2) Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and policies, systems, standards and structures related to salary and compensation of our directors and managers, and to disclose the contents of the performance evaluation standards in the annual report.
- (3) Periodically evaluate the achievement of the performance goals of the Company's directors and managers, and set the content and amount of their individual salary compensation based on the evaluation results obtained from the performance evaluation standards. The annual report shall disclose the results of the individual performance evaluation of the Director and the Manager, and the content and amount of individual compensation in

relation to the results of the performance evaluation and its reasonableness, and report to the shareholders' meeting.

3. Attendance of Members at Remuneration Committee meetings:

- (1) There are 3 members in the Remuneration Committee.
 - (2) The term of office of the current members: From May 4, 2022 to May 3, 2025, the Compensation Committee meet 5 times in 2023 (A) and the Audit Committee met 1 times in 2024, and a total of 6 times were held as of the date of the annual report.
- (A) The qualifications and attendance of the members are as follows.

Title	Name	Actual attendance Number of times (B)	By Proxy Number of times	Attendance Rate (%) (B/A) (Note)	Remark
Independent Director	HSU, SHUN-FA	6	0	100%	2022.5.4 Newly elected 2024.02.19 Nominated as the convener
Independent Director	CHEN, JIAN-CHUAN	5	1	80%	2022.5.4 Newly elected
Independent Director	WEI, FU-CHUAN	6	0	100%	2022.5.4 Newly elected 2023.12.08 Resigned due to personal reasons .
Committee Director	HUANG, MING-SHAN	0	0	0%	2024.2.19 Newly appointed .

Note: (1) If Audit Committee has left the company before the end of the year, the date of departure should be indicated in the Remark column, and the actual attendance rate (%) should be calculated based on the number of Member meetings and the actual number of attendance during his or her employment.

- (2) If the Director supervisor is re-elected before the end of the year, the new and old Director supervisors should be listed, and the Remark column should indicate whether the Director supervisor is an old, new or re-elected director and the date of re-election. The actual attendance rate (%) is calculated based on the number of Director meetings and the actual number of attendance during his or her employment.

4. Remuneration Committee Resolution:

Committee No./Date	Contents of the motion	Resolution	The company's process on Remuneration Committees' opinion
3rd Meeting Fifth Session (Feb. 6, 2023)	<p>Matters for Ratification:</p> <p>1. Proposal for the Company's Distribution of 2022 Annual Bonuses</p> <p>Matters for Discussion:</p> <p>1. Proposal for the Company's 2022 Allocation and Distribution of Employee Compensation and Director Remuneration.</p>	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Approved
4th Meeting Fifth Session (May. 4, 2023)	<p>Matters for Discussion:</p> <p>1. Proposal to adjust the Company personnel in response to the promotion of sustainable development initiatives and the operational needs of the Company.</p>	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Approved
5th Meeting Fifth Session (Aug. 7, 2023)	<p>Matters for Discussion:</p> <p>1. Appointment and dismissal of the Company's old and new heads of the Finance Department.</p> <p>2. Proposal for changes to the Company's chief accounting officer.</p> <p>3. Proposal for changes to the Company's corporate governance director.</p>	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Approved
6th Meeting Fifth Session (Sep. 19, 2023)	<p>Matters for Discussion:</p> <p>1. Establishment of the Company's "Employee Stock Option Scheme" and "Detailed Rules for Employee Stock Options in the 2023 Cash Capital Increase".</p>	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Approved
7th Meeting Fifth Session (Nov. 10, 2023)	<p>Matters for Discussion:</p> <p>1. Review of the Company's Various Salary and Compensation Items to be Implemented in 2024.</p> <p>2. Proposal for appointment of the Company's the new head of the finance department.</p>	After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Approved
8th Meeting Fifth Session	<p>Matters for Election:</p> <p>1. Election of the Chairperson for this Meeting.</p>		

Committee No./Date	Contents of the motion	Resolution	The company's process on Remuneration Committees' opinion
(Feb. 19,	<p>Matters for Ratification:</p> <p>1. Proposal for the Company's 2023 year-end bonus disbursement.</p> <p>Matters for Discussion:</p> <p>1. Election for members and convenor of the Company's Compensation Committee.</p> <p>2. Proposal for the Company's 2023 Allocation and Distribution of Employee Compensation and Director Remuneration.</p> <p>3. Submission of resignation by Tzu-ting Tsang, Director of the Underwriting Department, and nomination of Che-min Hu to succeed as the Manager of the Underwriting Department.</p> <p>4. Submission of the promotion of Hui-er Chuang, Director of the Management Department, from Assistant Manager to Manager.</p>	<p>After the Chairman asked the members present to raise no objection, the motion was passed as presented.</p>	

All of the above motions endorsed or approved by the Audit Committee are also submitted to the Board of Directors for discussion or ratification.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion : Not applicable.

2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: : Not applicable.

(5) If the Company has a Risk Management Committee, it should disclose its composition, duties and operations.

1. Organizational Members:

(1) Date of Establishment of Risk Management Committee: December 02, 2016

(2) Number of Risk Management Committee Members: 3 seats

(3) Convener: Independent Director HSU, SHUN-FA (formerly Independent Director WEI, FU-CHUAN, who resigned from the position of Independent Director due to personal reasons on December 8, 2023. Re-elected on February 19, 2024.)

Committee Member: Director WANG, WEN-TSU and Independent Director CHEN, JIAN-CHUAN.

2.Duties and Responsibilities:

- (1) Execute relevant risk management affairs in accordance with the organizational procedures of the Risk Management Committee.
- (2) Prepare a risk management policy and submit it to the Director for approval and approve the risk management system.
- (3) To reflect the risk management implementation situation to the Director Board on a regular and irregular basis every year, and to propose necessary improvements in a timely manner.

3.Current term: May 4,2022 to May 3, 2025, the most recent year 2023 and 2024 Risk Management Committee met 5 times (A), membership and attendance are as follows

Title	Name	Actual attendance Number of times (B)	By Proxy Number of times	Attendance Rate (%) (B/A)	Remark
Independent Director	WEI, FU-CHUAN	5	0	100%	2022.5.4 New elected
Independent Director	HSU, SHUN-FA	5	0	100%	2022.5.4 New elected
Director	HSU,WEN-KO	4	0	80%	2022.5.4 New elected

4. Risk Management Committee Resolution:

Committee No./Date	Contents of the motion	Resolution
3th Committee 4th Meeting Feb 6, 2023	Matters for Discussion: 1. Submission of the Company's "Information of Risk Management Qualification" for approval at this board meeting. Report Item: 1. Overview of Risk Management for the fourth quarter of 2022	Approved
3th Committee 5th Meeting May. 04, 2023	Report Item: 1. Overview of Risk Management for the first quarter of 2023	Approved
3th Committee 6th Meeting Aug. 07, 2023	Report Item: 1. Overview of Risk Management for the second quarter of 2023	Approved
3th Committee 7th Meeting Nov. 10, 2023	Report Item: 1. Overview of Risk Management for the third quarter of 2023	Approved
3th Committee 8th Meeting Feb. 19, 2024	Matters for Discussion: 1. Proposal to Elect Members and Chairperson of the Risk Management Committee. 2. Submission of the Company's "Information of Risk Management Qualification" for approval at this board meeting. 3. Submission of the Company's "Policy and Procedures of Risk Management Qualification" for approval at this board meeting. Report Item: 1. Overview of Risk Management for the fourth quarter of 2023	Approved

All of the above motions endorsed or approved by the Audit Committee are also submitted to the Board of Directors for discussion or ratification.

(6) Information on Members and the Operation of the Nomination Committee :

1. Organizational Members :

(1) Date of Establishment of Risk Management Committee : May 12,2022

(2) Number of Risk Management Committee Members : 3 seats

(3) Convenor : LI, WEN-BIN Director Member : CHEN, JIANCHUA Independent

Director、WEI, FU-CHUAN Independent Director

2. Duties and Responsibilities :

- (1) Develop diversity background and standards of independence such as the professional knowledge, skills, experience and gender for members of the board of directors, independent directors, and senior executives. Based on these standards, search, review, and nominate candidates for the positions of directors, independent directors, and senior executives.
- (2) Establish and develop the organizational structure of the board of directors and its committees. Conduct performance evaluations of the board of directors, its committees, individual directors, and senior executives, and evaluate the independence of independent directors.
- (3) Formulate and regularly review training programs for directors and succession plans of directors and senior executives.

3. Current term : May 12,2022 to May 11,2025 , the Compensation Committee met 3 times in 2023 (A) and the Audit Committee met 1 times in 2024, and a total of 4 times were held as of the date of the annual report.

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A) (Notes)	Remarks
Director	LI, WEN-BIN	<ul style="list-style-type: none"> • Dedicated to securities related fields for nearly 30 years, • Possess the work experience required for various company businesses in professional leadership, crisis management, corporate governance and professional market competition judgment. 	4	0	100%	2022.05.12 Newly elected
Independent Director	CHEN, JIAN-CHUAN	<ul style="list-style-type: none"> • Served as the chairman of Meishang Medical Equipment Co., Ltd. • Possess working experience required for business, legal affairs, finance, accounting and corporate business. 	3	1	75%	2022.05.12 Newly elected
Independent Director	WEI, FU-CHUAN	<ul style="list-style-type: none"> • Served as branch manager of Cooperative Treasury Commercial Bank. • Have many years of experience in the financial industry, and have the work experience required for business, finance, accounting and finance. 	4	0	100%	2022.05.12 Newly elected Personal factors resigned on 12.08.2023

Independent Director	HSU,SHUN- FA	Representative of Yongqin Yao International Co., Ltd. Passed the college entrance examination for accountants of the Republic of China , with accountant professional license and finance business, tax, business and other companies Work experience required for business.	0	0	0	2024.02.19 Newly elected
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4. Nomination Committee Resolution :

Committee No./Date	Contents of the motion	Resolution
1th Committee 2th Meeting Feb. 6, 2023	Recognition matters: 1. Report the change of duty of Manager Yeh, Cheng Hung.	Approved
1th Committee 3th Meeting Mar. 21, 2023	Recognition matters: 1. Partially adjust the Company's human resources in response to the promotion of sustainable development and needs of the Company's business and handling of related matters.	Approved
1th Committee 4th Meeting Aug. 07, 2023	Recognition matters: 1.Appointment and dismissal of the Company's old and new heads of the Finance Department. 2. Proposal for changes to the Company's chief accounting officer. 3. Proposal for changes to the Company's corporate governance director.	Approved
1th Committee 5th Meeting Feb . 19, 2024	Matters for Ratification: 1. Resignation of the Director of Finance Department. Recognition matters: 1. By-election for one independent director. 2. Consideration of shareholder proposals and nominations for independent directors for the Company's 2024 Annual General Meeting. 3. Requesting Board approval for Mr. Tian-You Yang as a candidate for independent director and reviewing his qualifications. 4. Election of members to the Company's Nomination Committee. 5. Submission of resignation by Tzu-ting Tsang, Director of the Underwriting Department, and nomination of Che-min Hu to succeed as the Manager of the Underwriting Department. 6. Submission of the promotion of Hui-er Chuang, Director of the Management Department, from Assistant Manager to Manager.	Approved

(7) Information on Members and the Operation of the Sustainable Development Committee :

1.Organizational Members :

- (1) Date of Establishment of Sustainable Development Committee : Aug 24,2022
- (2) Number of Risk Management Committee Members : 5 seats
- (3) Convenor : WANG, WEN-TSU Chairman , Member : CHEN, JIANCHUA
Independent Director , WEI, FU-CHUAN Independent Director , HSU,
SHUN-FA Independent Director , HSU,WEN-KO Director

2. Duties and Responsibilities : (1) Help lead the concept of integrity management and sustainable development in company's management strategy. (2) Follow the act formulation or adjust relative matters of integrity management and sustainable development (3) Guide and supervise the policy direction and implement of sustainable development promotion team (4) Other agreement of matters about integrity management and sustainable development

3. Current term : Aug 24,2022 to Aug 23,2025 , the most recent year 2023and 2024 Sustainable Development Committee met 7 times (A), membership and attendance are as follows.

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A) (Notes)	Remarks
Chairman	WANG, WEN-TSU	7	0	100%	111. 08. 24 Newly elected
Director	HSU, WEN-KO	7	0	100%	111. 08. 24 Newly elected
Independent Director	CHEN, JIAN-CHUA	6	1	85%	111. 08. 24 Newly elected
Independent Director	WEI, FU-CHUAN	6	0	100%	111. 08. 24 Newly elected 112.12.08 辭任
Independent Director	HSU, SHUN-FA	7	0	100%	111. 08. 24 Newly elected

4. Sustainable Development Committee Resolution :

Committee No./Date	Contents of the motion	Resolution
1th Committee 2th Meeting Feb. 6, 2023	Matters for discussion: 1. Report the sustainable development promotion and ESG implement.	Approved
1th Committee 3th Meeting Mar.21, 2023	Matters for discussion: 1. To amend the organization regulations of the Company's Sustainable Development Committee and the organization preparation of Sustainable Development Team. 2. To propose the Company's "Task Force on Climate-Related Financial Disclosures (TCFD)" and the Company's examination implementation plan of greenhouse gas and the confirmed schedule. 3. To propose the Company's "Sustainable Development Policy". 4. To propose the Company's "Annual Plan for Sustainable Development".	Approved
1th Committee 4th Meeting May.04, 2023	Matters for Discussion: Submission of the report on tracking and reviewing the execution results of the first quarter of the "Sustainable Development Annual Plan" for 2023.	
1th Committee 5th Meeting Aug.07, 2023	Matters for Discussion: Submission of the report on tracking and reviewing the execution results of the "Sustainable Development Annual Plan" for the second quarter of 2023.	
1th Committee 6th Meeting Sep,19 2023	Matters for Discussion: Submission of the Company's 2022 Report of Sustainability	
1th Committee 6th Meeting Nov,10 2023	Matters for Discussion: Submission of the report on tracking and reviewing the execution results of the third quarter of the "Sustainable Development Annual Plan" for 2023.	
1th Committee 6th Meeting Feb,19 2024	Matters for Discussion: 1. Election of members of the Company's Sustainability Development Committee. 2. Submission of amendments to the Company's "Operational Procedures for Compiling and Verifying Sustainability Reports". 3. Submission of the execution of Company's ESG-related investments for the second half 2023. 4. Submission of the report on tracking and reviewing the execution results of the fourth quarter of the "Sustainable Development Annual Plan" for 2023, as well as the "Sustainable Development Annual Plan" for 2024.	

(VIII) Information and Operational Details of the Accountability Committee:

1. Committee Membership:

(1) Date of Establishment of the Accountability Committee: May 4, 2023

(2) Number of Committee Members: 3

(3) Convener: Chairman WANG, WEN-TSU

Members: - Director LEE, WEN-PIN, Independent Director CHEN, JIAN-CHUAN

2. Duties and Responsibilities: Responsibility for supervising senior management to implement a comprehensive layered responsibility framework across all business departments to ensure clear delineation of authority and responsibility. Define specific guidelines for authorization and decision-making levels within each specialized department.

3. Committee Term: The committee's term extends from May 4, 2026 to May 3, 2025. During the most recent year (2023), the committee convened once. Below are the qualifications and attendance records of the committee members:

Title	Name	Actual Attendance (B)	Proxy Attendance	Actual Attendance Rate (%) (B/A)	Remarks
Convener Chairman of the Board	WANG, WEN-TSU	1	0	100%	Newly appointed on May 4, 2023
Director	LEE, WEN-PIN	1	0	100%	Newly appointed on May 4, 2023
Independent Director	CHEN, JIAN-CHUAN	1	0	100%	Newly appointed on May 4, 2023

4. Detailed Resolution of the Accountability Committee Meeting:

Session/Date	Agenda	Resolution
1 st Meeting First Session (May. 4, 2023)	Matters for Discussion: 1. Establishment of the Company's "Accountability System" and "Accountability System Rewards and Penalties Regulations". 2. Disciplinary action for Company employees violating securities regulations.	Approved as proposed.

(九) Implementation of sustainable development and differences from the Code of Practice for Sustainable Development of listed companies and reasons:

Evaluation Item	Operating conditions (Note 1)			Deviations from “the Corporate Social Responsibility Best Practice Principles” and Reasons					
	Yes	No	Abstract Illustration (Note 2)						
1. Does the company establish a governance structure to promote sustainable development and set up a dedicated unit to promote sustainable development, and the board of directors authorizes senior management to handle it, and the board of directors supervises the situation? <u>(TWSE /TPEX-listed companies should report the implementation, not just follow or explain)</u>	✓		<p>1.To achieve the company goal of SDGs by developing the economy, environment, and society, the company implements the “sustainable development policy” to practice the SDGs by the four principles, company governance, developing a sustainable environment, maintaining the social welfare, and strength the company sustainable development information transparent.</p> <p>2.The Board of directors established the ad hoc committee“ SDGs Committee”, selecting the president as the chairman. Management established the SDGs steering group. The whole company will implement a sustainable development annual plan and project tracking and reviewing to implement ESG annual goal.</p> <p>3.Developing SDGs organization chart.</p> <p>Date of Report to the Board for 2023</p> <table><tr><th>Board Meeting Date</th></tr><tr><td>112. 02. 06</td></tr><tr><td>112. 05. 04</td></tr><tr><td>112. 08. 07</td></tr><tr><td>112. 11. 10</td></tr></table> <p>Concord International SDGs organization chart</p> <pre>graph TD Board[Board of Directors] --> Committee[SDGs Committee] Committee --> Steering[SDGs steering group] Steering --> Chairman[Chairman: President] Steering --> Sec[Executive Secretary: 1 Person] Steering --> Manager[Chairman: President Deputy Chairman: General Manager] Manager --> Environment Manager --> Social Manager --> Governance Environment --> EnvSup[Supervisor: 1 Person] EnvSup --> EnvDS[Deputy Supervisor: More than one] EnvDS --> EnvDep[Departments] Social --> SocSup[Supervisor: 1 Person] SocSup --> SocDS[Deputy Supervisor: More than one] SocDS --> SocDep[Departments] Governance --> GovSup[Supervisor: 1 Person] GovSup --> GovDS[Deputy Supervisor: More than one] GovDS --> GovDep[Departments]</pre>	Board Meeting Date	112. 02. 06	112. 05. 04	112. 08. 07	112. 11. 10	No major difference.
Board Meeting Date									
112. 02. 06									
112. 05. 04									
112. 08. 07									
112. 11. 10									

<p>2.Has the Company conducted risk assessment on environmental, social and corporate governance issues related to business operations of the Company in accordance with the concept of materiality and established relevant risk management policies or strategies? (TWSE/TPEX-listed companies should report the implementation, not just follow or explain)</p>	✓		<p>1.The company will follow the regulations such as“Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and “Corporate Governance Best-Practice Principles for Securities Firms” to establish a valid governance structure and relative moral standard to complete the company governance.</p> <p>2.The company directors should follow the duty of care of a prudent administrator to implement sustainable development and review its implementation result and improvement to ensure the implementation of sustainable policy.</p> <p>3.When the board of directors develops SDGs goal, they should consider the benefit of stakeholders and the following instructions: (1)Proposed the sustainable development overview and establish a sustainable development policy. (2)Taking sustainable development into company operating activity and developing direction and approving the development plan of sustainable development. (3)Ensure the exposure of the SDGs information is immediate and accurate. Regarding the economic, environmental, and societal issues generate by operating activity, the management level approved by the board of directors should deal with it and report to the board of directors, and the relative process and responsibility should be crystal.</p> <p>4.The company should hold sustainable development tutoring regularly(Every year) or irregularly, the training should include the company's SDGs goal, policy, and development plan and the company should ensure the SDGs' information immediacy and accuracy.</p> <p>5.To complete the management of sustainable development, the company has established the governance structures and the“ SDGs steering group” for sustainable development policy, regulation, relative management direction, and plan and implementation. The report should show to the board of directors regularly (every season) or irregularly.</p> <p>6.The company should establish a fair salary policy to ensure the salary plan can conform to the organization's strategic goal and stakeholders' benefit. The employee performance evaluation should combine with the sustainable development policy and set a valid reward and punishment system.</p> <p>7.To respect the stakeholders' relationship benefit and identify the company stakeholders, the company has established a “Stakeholder area” to recognize the stakeholder demand through proper communication methods and respond properly to the SDGs issue stakeholder care about.</p>	
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<p>3. Environment issues</p> <p>(1) Has the Company established an appropriate environmental management system according to its industrial characteristics?</p>	✓		<p>1. The company takes environmental safety protection measures, especially during the epidemic prevention period, to strictly control the disinfection of people entering and leaving. Regular equipment maintenance and fire safety inspections to ensure safety.</p> <p>2. Relevant regulations for business premises are based on the regulations of the Taiwan Stock Exchange or related entities site setting standards, and have passed the inspection or obtained the interior approval.</p>	No major difference.
<p>(2) Is the Company committed to improving the efficiency in the use of resources, and the use of recycled materials with low environmental impact</p>	✓		<p>5. The company should consider the influence between business operations and the environment, it should develop and promote the sustainable concepts and reduce the impact on the environment and humans during company operates according to the following principle:</p> <p>(1) Reduce operating and service resources used and energy consumption.</p> <p>(2) Reduce the contaminated waste released and disposal of waste properly.</p> <p>(3) Improve resources recycled and reusable.</p> <p>(4) Maximize the recycled resources sustainability.</p> <p>(5) Improve the durability of the equipment.</p> <p>(6) Improve service efficiency.</p>	
<p>(3) Has the Company assessed the current and future potential risks and opportunities to the enterprise due to climate change and adopted countermeasures on issues related to the climate?</p>			<p>7. The company should evaluate the risks and opportunities of climate change to the business future and implement responsive action. The company should take the standard or instruction made for local and foreign companies, processing company greenhouse gas inspection, and expose the information, the regulation should include:</p> <p>(1) Direct GHG emissions: GHG release controlled by the company.</p> <p>(2) Indirect GHG emissions: Generate by power input like electricity, heat, or steam.</p> <p>(3) Other indirect emissions: Company activity GHG emission, not from energy indirect emission but from other emission sources controlled by the company.</p> <p>The company should calculate GHG emissions, water used, and wasted total weight and establish policies for net zero, reduce water usage, and waste management. They should implement the policy</p> <p>to reduce the impact of climate change.</p>	

<p>(4) Has the Company conducted statistics on the emission of greenhouse gas, water consumption volume and the total waste weight in the past two years and developed policies for energy-saving, reduction on greenhouse gas, water consumption volume or management of other wastes?</p>		<p>(4) The company belongs to the securities financial industry. Compared with all industries, it belongs to a low-carbon industry. It is the social responsibility of all colleagues to protect the earth and enjoy resources forever. The company requires all colleagues to start from daily life, turn off the power supply, faucets, and reuse recycled paper, etc., and will gradually improve the company's electricity, water and other facilities; and strengthen energy-saving and carbon reduction education and publicity to implement national energy conservation and carbon reduction. , Greenhouse gas reduction, water use and other waste reduction actions to implement the company's promotion of sustainable operations.</p> <p>The company should calculate GHG emissions, water used, and wasted total weight and establish policies for net zero, reduce water usage, and waste management. They should implement the policy to reduce the impact of climate change.</p> <p>Statistics table for the total electricity consumption and carbon emissions of four headquarters in the past two years</p> <table border="1" data-bbox="770 857 1169 1133"> <thead> <tr> <th>Year</th><th>2022</th><th>2023</th><th>Compared with previous year</th></tr> </thead> <tbody> <tr> <td>electricity consumption (kW-h)</td><td>945,300</td><td>661,464</td><td>-283,836</td></tr> <tr> <td>CO2 emissions (kg)</td><td>511,282</td><td>478,888</td><td>-32,394</td></tr> </tbody> </table> <p>Note:1. The data is based on the consumption and CO2 emissions calculated by Taiwan Power Company. Water Resource Management</p> <p>Data of water consumption of our headquarters</p> <table border="1" data-bbox="770 1283 1157 1536"> <thead> <tr> <th>Year</th><th>2022</th><th>2023</th><th>Compared with previous year</th></tr> </thead> <tbody> <tr> <td>Water consumption (m3)</td><td>8,380</td><td>8,122</td><td>-258</td></tr> <tr> <td>CO2 emissions (kg)</td><td>1,201</td><td>1,170</td><td>-31</td></tr> </tbody> </table> <p>Note:1. The data is based on the consumption and CO2 emissions calculated by Taiwan Water Corporation.</p> <p>2. Compared with year 2022 and 2023, the year 2023 is moving towards the goal of carbon reduction.</p>	Year	2022	2023	Compared with previous year	electricity consumption (kW-h)	945,300	661,464	-283,836	CO2 emissions (kg)	511,282	478,888	-32,394	Year	2022	2023	Compared with previous year	Water consumption (m3)	8,380	8,122	-258	CO2 emissions (kg)	1,201	1,170	-31	
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4. Social issues (1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?			1.The company should follow relative regulation and abide by international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination. To protect the human rights, the company should establish relative management policy, including: (1)Company human right policy or announcement. (2)Evaluation of human right affection in the company operating and internal management and establishing the relative procedure (3)Review the result of human rights policy or announcements regularly.	
(2)Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacations and other welfares, etc.) and reflected management performances or outcomes on			(2)The Company has established work rules and ethical standards of conduct that require employees to comply with the relevant regulations, and has set up reasonable salary and compensation methods with reference to the salary levels of the industry, and has implemented a performance appraisal system to implement the reward and disciplinary system. The Company places a strong emphasis on workplace diversity and gender equality. Currently, female employees represent 71.7% of our total workforce, and women in managerial positions or higher make up 5.7% of our staff (as of the end of February 2024).	
(3) Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees			(3) The Company regularly holds fire training to promote fire safety knowledge, and cooperate with medical institutions to implement employee health checkups so that employees can understand their health status, carry out necessary prevention and control as early as possible and implement total smoking ban to create a healthy workplace environment. In the 2023, the Company reported zero incidents of fire, with no fatalities or injuries.	
(4) Has the Company developed an effective training program for?			(4) The Company's employees regularly participate in on-the-job training conducted by the Securities and Futures Institute, and from time to time, the Company arranges for competent authorities and the Company to enhance the professional functions of employees.	

(5)Regarding the health and safety of products and services, customers' privacy, marketing and labelling, has the Company complied with relevant regulations and international principles and developed relevant policy and compliant procedure to protect consumers' rights and interests?			(5) The Company has set up a customer service hotline, which includes a customer complaint and dispute handling mechanism. The Company respects the rights and interests of customers in the execution of its business, handles transaction disputes appropriately, and implements the protection of consumer rights. We have also established a policy on the principle of fair treatment of customers and a code of ethical management to enhance employees' awareness of consumer protection and compliance with related regulations, and to establish a corporate culture based on the core principles of honest management and fair treatment of customers.	
(6)Has the Company established management policy for suppliers and asked the suppliers to comply with environmental friendly, occupational safety or labor rights and present its implementations?			The company should establish a supplier management policy to ask the suppliers to follow regulations for the environment, occupational safety and health, or labor rights. Before the business activity, the company should check if the supplier has any record of influencing the environment or society and try to prevent working with another company that are in conflict with its social responsibility policy. The contract between the company and its primary supplier should have a corporate social responsibility policy and the company should stop or cancel the assignment when the supplier violates the policy and has affected a lot to the environment and society.	
5. Has the Company referenced the international principles or guidelines for preparing generalized report to prepare its non-financial reports such as corporate social responsibility reports? Has the Company obtained confirmation or guarantee opinions from third-party verification agencies regarding the aforementioned report?			The Company prepared 2022 Sustainability Report in 2023. The report is disclosed in compliance with the standards of Global Reporting Initiative (GRI) and "Guidelines for Preparation and Submission of Sustainability Reports by OTC Listed Companies" of Taipei Exchange, and the Company has the limited assurance by Baker Tilly Clock & CO.	
<p>6. If the Company has its own corporate social responsibility in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please describe the difference between its operational and prescribed code:</p> <p>In order to pursue corporate social responsibility and promote balanced and sustainable development of the economy, society and the environment and ecology, the "Corporate Social Responsibility Code" was revised and approved at the Director's meeting on October 16, 2017, in accordance with the Company's business and overall operation activities, and has been implemented in accordance with the regulations to fulfill the Company's social responsibility.</p> <p>7. Other important information about the Company that is useful in understanding the operation of corporate governance:</p> <p>1.The "Corporate Social Responsibility Report" published by the Company has been posted on the Company's website www.wintan.com.tw [Investor Relations - CSR Zone] and the Market Observation Post System [Corporate Governance - CSR Related Information].</p>				

Evaluation Item	Operating conditions (Note 1)			Deviations from “the Corporate Social Responsibility Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration (Note 2)	
2.CSR Implementation Results - 2023				
	Stakeholders	Implementation items	2023 implementaion performance	
	Shareholders/Investors	1. Establishment of shareholders' area and stakeholders' area on the official website (regular) 2. Issuance of annual reports and CSR reports (regular) 3. Disclosure of the latest information on the Market Observation Post System and the Company's website (from time to time) 4. Investor mailbox (regular) 5. Dedicated Spokesperson and Acting Spokesperson Handling System (Standing) 6. Regular monthly announcement of profit and loss (regular)	1.CSR reports are published annually and made available on the Public Information Observatory and the company's website. 2.In 2023, a total of 41 major messages were released. 3.There were 26 announcements in 2023. 4. In 2023, The shareholders’ meeting offers English version of annual report and meeting handbook.	
	Customer	1. Establishment offinancial friendly service area(permanent) 2. Customer service line (normal) 3. Customer service e-mail address (permanent) 4.Investment and financial management seminars (from time to time) 5.Development of network services to enhance the security of transactions (from time to time) 6. Marketing program (from time to time)	1.We continue to build a digital platform with a number of e-services features - online signing, zero-share trading, fingerprint and face recognition. 2.Doing business promotions	

Evaluation Item		Operating conditions (Note 1)			Deviations from “the Corporate Social Responsibility Best Practice Principles” and Reasons
		Yes	No	Abstract Illustration (Note 2)	
	Employee	1. Organize education and training: strengthen the staff’s professional attainment and skills. 2. Safe working environment. 3. Staff travel. 4. Employee group insurance. 5. Labor-management meetings. 6. Apply for various welfare measures of the Welfare Committee. (Regular) 7. Staff complaint box. (Regular) 8. Employee Benefit Savings Trust. (Regular)			1. Education and training 2. Conduct epidemic prevention measures and awareness. 3. Employee Integrity Insurance. 4. Four times Labor-management meetings. 5. Health examination for employees in 2023. 6. A non-smoking working environment.
	Government/authorities	1. Participate in various committees of the Securities Association. 2. Hold seminars to promote various orders. 3. The special audit unit regularly and irregularly check (regular) 4. Participate in government courses and seminars (from time to time)			1. Participate in various committees of the Securities Institute 2. Conducted courses on money laundering prevention, financial consumer protection, information security, personal data protection law, health and labor insurance, and other related law enforcement and promotion.
	Suppliers	1. Development of procurement management methods and principles 2. Establish procedures for the acquisition or disposal of assets (Regular) 3. Priority procurement of environment and social friendliness products (Regular)			1. Execute procurement in accordance with procurement management rules and principles 2. In accordance with the procedures for acquiring or disposing of assets, we perform the purchase of Jiali Branch. 3. Purchase copiers with environmental labels.
	Community	1. Hold investment and financial management seminars (from time to time) 2. Campus Activities (every year) 3. Cooperation with public welfare groups (from time to time) 4. Community and disadvantaged care, visits (from time to time) 5. Blood donation for public welfare (annually) 6. Donation for public welfare (from time to time)			1. The company sponsors yearly and participates in the annual blood donation activity of Tainan Ancient City Club. 2. In 2022, our company signed a contract with Tainan University of Applied Science and Technology for student internship.

Evaluation Item			Operating conditions (Note 1)			Deviations from “the Corporate Social Responsibility Best Practice Principles” and Reasons
			Yes	No	Abstract Illustration (Note 2)	
		7. Organize and support social, academic, artistic and environmental activities (from time to time)				
	Environmental Protection	1. Greenhouse gas cooperation reduction. (Regular) 2. Waste separation and resource recovery(permanent) 3. The use of environmentally friendly tableware(permanent) 4. Recycle paper for reuse(permanent) 5. Save water and electricity resources(permanent)			The Company is in the financial securities industry, which is a low-carbon industry compared to all other industries. The Company will continue to ask all of its employees to lead all of them and their families to implement energy saving and carbon reduction, greenhouse gas reduction, and water and other waste reduction actions, starting from their daily habits.	

Note 1: If "Yes" is selected for operation, please explain the important policies, strategies and measures adopted and their implementation; if "No" is selected for operation, please explain the reasons and plans for the future adoption of relevant policies, strategies and measures. However, content related to promotion item 1 and 2, OTC listed companies should describe the management and structure of sustainable development, including but not limited to management policy, establishment of strategy and goals, and review measures...etc. Also, the risk management policy or strategy and its evaluation of environment, society and company governance related to operation should be described.

Note 2: If a company has prepared a CSR report, the operation of the report may be replaced by a reference to the CSR report and an index page.

Note 3: Materiality refers to environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Climate Related Information of OTC Listed Company

1. Implementation of Climate Related Information

Items	Implementation				
1. Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management team.	(1) The company’s “Board of Meeting” is the top governance section for climate related issues, responsible for supervising and managing climate related risks and opportunities, and promoting the company’s whole strategy of climate issues. (2) There are “Risks Management Committee” and “Sustainable Development Committee” set up under the Board of Meeting. The conveners are all independent directors or directors, showing the importance we put on climate management. (3) The company’s climate management is reported its implementation and efficiency to “Risks Management Committee” and “Sustainable Development Committee” set up under the Board of Meeting, by “Risks Control Management Department” and “Sustainable Development Promotion Team”.				
2. Explain how the identified climate risks and opportunities can affect the company's business, strategy, and finances (short-term, medium-term, and long-term).		Timing Item	Short-term (2023)	Medium-term (2024~2026)	Long-term (1027~2031)
		Goal	1. Collect and compile internal carbon emission data in accordance with the 14064-1 standard. 2. Develop improvement plans for equipment and operational processes.	1. Conduct organizational greenhouse gas examination in accordance with the 14064-1 standard. 2. Reduce carbon emissions by 1% annually. 3. Continuously develop improvement plans for equipment and operational processes.	1. Conduct organizational greenhouse gas examination in accordance with the 14064-1 standard and double checked by the third party. 2. Reduce carbon emissions by 2% annually. 3. Continuously develop improvement plans for equipment and operational processes.
		Conductin g plan	1. Gather data and compile statistics on the organization's carbon emissions. 2. Review internal equipment and submit improvement proposals.	1. Conduct organizational greenhouse gas examination 2. Review internal equipment and submit improvement proposals.	1. Conduct organizational greenhouse gas examination and double checked by the third party.
3. Describe the impact of extreme weather events and transition actions on finances.	1. Business is exposed to the risk of operational disruption when facing the risks of abnormal weather, which the natural disasters caused by extreme weather, such as typhoons, floods, and droughts. The impact on finance includes revenue loss and increased costs. 2. Transition risks (1) carbon reduction policies and risks of according regulations, (2) enterprises’ carbon footprint and control of greenhouse gas emissions, (3) good procurement, evaluate the supply chain's compliance with relevant policies and regulations. The impact on finance includes increased costs.				
4. Explain how the process of identifying, evaluating, and managing climate risks is integrated into the overall risk management system.	Functional Committee, “Sustainable Development Committee”, is established by the Company’s Board of Directors, which the president served as the chairman, and the management established “Sustainable Development Promotion Team”. All levels of the company participate in the annual plan for sustainability development and project tracking and executing. We measure the company's greenhouse gas emissions, water consumption, and waste production and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management. These policies should be used to reduce the impact of the company's operational activities on climate change.				
5. If using scenario analysis to evaluate resilience in	Not Applicable Yet				

the face of climate change risks, explain the context, parameters, assumptions, analysis factors, and key financial impacts.																	
6. If there is a transformation plan in place to manage climate-related risks, explain the plan's contents, indicators, and targets used to identify and manage physical risks and transition risks.	<table><tr><td rowspan="6">Ris ks of Clim ate Chan ge</td><td colspan="2">Kind of Risks</td><td>Coping Strategy</td></tr><tr><td rowspan="3">Actu al Risk</td><td>1. risk of operational disruption when facing the risks of abnormal weather, which the natural disasters caused by extreme weather, such as typhoons, floods, and droughts.</td><td>1 Enhance the protection and flexibility of equipment to reduce the damage. 2. Enhance countermeasures when facing crisis.</td></tr><tr><td>2. Trend of digital finance causes the increased requirement for equipment protection and flexibility and sudden increase in maintenance costs on information security.</td><td>1. Upgrade the Information Security Equipment 2.Establishment of department specialty in information security and its employees</td></tr><tr><td>3 Investment Department targets' compliance with impact by relevant policies and regulations</td><td>1. Bring in sustainable development related regulations to investment policies when conducting operation.</td></tr><tr><td rowspan="2">Tra nsiti on Ris k</td><td>1. Carbon reduction policy and risks of regulations compliance 2. Enterprises' carbon footprints and control of greenhouse gas emissions</td><td>1. Bring in sustainable development related regulations to internal control system when conducting operation. 2. Set carbon reduction goal and implementation plan.</td></tr><tr><td>2. good procurement, evaluate the supply chain's compliance with relevant policies and regulations</td><td>1. Bring in green procurement 2. Suppliers management and enterprises supporting low-carbon and sustainable products</td></tr></table>	Ris ks of Clim ate Chan ge	Kind of Risks		Coping Strategy	Actu al Risk	1. risk of operational disruption when facing the risks of abnormal weather, which the natural disasters caused by extreme weather, such as typhoons, floods, and droughts.	1 Enhance the protection and flexibility of equipment to reduce the damage. 2. Enhance countermeasures when facing crisis.	2. Trend of digital finance causes the increased requirement for equipment protection and flexibility and sudden increase in maintenance costs on information security.	1. Upgrade the Information Security Equipment 2.Establishment of department specialty in information security and its employees	3 Investment Department targets' compliance with impact by relevant policies and regulations	1. Bring in sustainable development related regulations to investment policies when conducting operation.	Tra nsiti on Ris k	1. Carbon reduction policy and risks of regulations compliance 2. Enterprises' carbon footprints and control of greenhouse gas emissions	1. Bring in sustainable development related regulations to internal control system when conducting operation. 2. Set carbon reduction goal and implementation plan.	2. good procurement, evaluate the supply chain's compliance with relevant policies and regulations	1. Bring in green procurement 2. Suppliers management and enterprises supporting low-carbon and sustainable products
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			2. Trend of digital finance causes the increased requirement for equipment protection and flexibility and sudden increase in maintenance costs on information security.	1. Upgrade the Information Security Equipment 2.Establishment of department specialty in information security and its employees													
			3 Investment Department targets' compliance with impact by relevant policies and regulations	1. Bring in sustainable development related regulations to investment policies when conducting operation.													
	Tra nsiti on Ris k		1. Carbon reduction policy and risks of regulations compliance 2. Enterprises' carbon footprints and control of greenhouse gas emissions	1. Bring in sustainable development related regulations to internal control system when conducting operation. 2. Set carbon reduction goal and implementation plan.													
		2. good procurement, evaluate the supply chain's compliance with relevant policies and regulations	1. Bring in green procurement 2. Suppliers management and enterprises supporting low-carbon and sustainable products														
7. If the Company uses internal carbon pricing as a planning tool, explain the basis for price setting.	Not Applicable Yet																
8 If climate-related goals have been set, explain the covered activities, scope of greenhouse gas emissions, planning timeline, annual progress; and if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, explain the sources and quantity of carbon offsets or RECs used.	Not Applicable Yet																
Inventory and assurance of greenhouse gases (see in 1-1)	Not Applicable Yet																

Explanation :

1. The information within scope one and two shall comply with timing set by the provisions in Article 10, Paragraph 2 of the Guidelines. For scope three information, companies shall voluntarily disclose.
2. The company can conduct the examination of greenhouse gases according to the following standards:
 - (1) Greenhouse Gas Protocol, GHG Protocol
 - (2) ISO 14064-1 by International Organization for Standardization, ISO
3. Assurance institutions should comply with the relevant regulations for sustainability reporting established by the Taiwan Stock Exchange Corporation and the Taiwan Securities Association Foundation.
4. Subsidiaries may report separately, aggregate by country or region, or consolidate for reporting purposes.(Note 1)
5. The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue. At a minimum, emissions data should be disclosed based on revenue (NTD millions)(Note 2).
6. The proportion of emissions from operating locations or subsidiaries that are not included in the examination shall not exceed 5% of the total emissions. The total emissions is specified in the Form 1 Instructions, calculated according to the mandatory examination scope.
7. The assurance statement should provide a summary of the contents of the assurance report and include the full assurance opinions and attached in annual report. (Note 3)

Basic information of the company <input type="checkbox"/> company holding capital amount for over NT\$ 10 billion, steel industry, cement industry <input type="checkbox"/> company holding capital amount for NT\$ 5 billion to 10 billion <input checked="" type="checkbox"/> company holding capital amount for less than NT\$. 5 billion	In accordance with the sustainability development roadmap for listed companies, the company should disclose: <input type="checkbox"/> Individual inventory of parent company <input type="checkbox"/> Inventory of consolidated financial reports of subsidiary <input type="checkbox"/> Individual assurance of parent company <input type="checkbox"/> Assurance of consolidated financial reports of subsidiary
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Scope 1	Total emission (Metric ton CO2e)		Density (Metric ton CO2E/ million yuan) (Note 2)		Assurance institution	Statement for assurance
	2022	2023	2022	2023		Not Applicable Yet
	1.201	1.17	0.029	0.001		
Scope 2	2022	2023	0.029	0.001		
	511.282	478.888	2022	2023	Assurance institution	Statement for assurance
Scope 3	2022	2023	12.368	0.417		
	Not Applicable Yet					

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

	Base year 2020	2021	2022	2023
Scope 1+ Scope 2	599.263	531.065	512.483	480.058
This is a decrease from the previous year%		11.38%	3.49%	6.32%
Whether the 2% target has been met		Achieve your goals	Achieve your goals	Achieve your goals
The target is 2% for the following year	587.278	520.444	502.233	470.457
Strategy and specific action plans	The company is a service industry, and the reduction of greenhouse gas emissions is mainly based on improving energy-saving lamps and replacing old air-conditioning equipment			
Illustrate				

(10) The and the Subsidiaries' Ethical Corporate Management Best-Practice, Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons:

Evaluation Item	Operating conditions (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company formulate its ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies?</p> <p>(2) Does the company establish evaluation system for the risk of unethical conducts, regularly analyze and evaluate the operating activities with the risk of high-potential unethical conducts within its operating scope and formulate prevention programs and precaution measures against unethical conducts or listed activities stated in Article 2, Paragraph 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(3) Does the company establish clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, and rules of appeal in its prevention programs against unethical conducts, ensure its implementation, and regularly review and revise the aforementioned programs?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company's policy of operating with integrity, as stated in the "Code of Conduct," was revised for the third time in August 2019 and approved by the Director's meeting and submitted to the shareholders' meeting in 2020. The Board of Directors and management have issued a "Declaration of No Breach of Integrity".</p> <p>(2) The Company follows the "Code of Conduct for Integrity", the "Procedures and Guidelines for Integrity Management" and the "Code of Ethical Conduct" to specify the matters to which the Company's personnel should pay attention when performing business in order to comply with the "Code of Conduct for Integrity Management of Listed Companies", Article 7, Paragraph 2.</p> <p>(3) The Company has established regulations and procedures for higher level dishonesty in accordance with the "Procedures and Conduct Guidelines for Integrity Management". procedures. Our company promotes the key points of integrity and includes them in education and training to ensure that our employees do not violate them.</p>	<p>No major difference.</p> <p>No major difference.</p> <p>No major difference.</p>

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
2. Fulfill ethical management				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company strictly prohibits transactions with persons with a record of dishonest behavior and specifies in the business contract that the contract may be terminated or cancelled at any time if the counterparty is involved in dishonest behavior.	No major difference.
(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of the promotion of corporate ethical management, regularly (at least once a year) report its ethical management policies and prevention programs against unethical conducts, and supervise its implementations?	✓		(2) The Company has designated the Corporate Governance Department as a dedicated unit under the Director’s Council with sufficient resources and appropriate personnel to handle the revision, implementation, interpretation, consultation services and filing of the contents of the Procedures and Conduct Guidelines and to supervise their implementation. It is responsible for the following matters and shall report to the Board of Directors on a regular basis (at least once a year, such as the 12th Board 9th meeting on November 10, 2023).	No major difference.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) 1.The Company has added the recusal of the Director to the "Rules of Procedure of the Director Meeting". The Director, manager or interested party attending the Director Meeting shall recuse himself/herself or the legal entity that he/she represents from any of the motions listed in the Director Meeting and shall not use his/her position or influence in the Company to improperly benefit himself/herself, his/her spouse, parent, child or any other person. The Company shall not use its position or influence in the Company to improperly benefit itself, its spouse, parents, children, or any other person, and shall provide appropriate channels of representation.	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Does the company’s internal audit unit prepare relevant audit plans based on the evaluation results of risk of the unethical conducts from the internal audit unit? Is the compliance of prevention program against unethical conducts audited by either internal auditors or CPAs?	✓		2.On December 29, 2020, the 11th Board 10th Director's Meeting established the company's "Management Mechanism for Part-Time Directors and Employees". (4) The Company has established an effective accounting system and internal control system for integrity management, and the auditing unit performs regular audits in accordance with the audit plan.	No major difference.
(5) Does the company regularly hold internal and external educational trainings on ethical management?	✓		(5) 1.The Company will announce and explain to all employees the various codes of conduct or handling procedure and guidelines established to prevent dishonest acts . 2.We conduct education and training on the principles of honest management and fair treatment of customers for all employees every year, and promote various measures to protect the rights and interests of customers and the conduct of integrity in conducting business: In 2023, we conducted internal staff training on conflict of interest prevention. Promotion of laws and regulations, Honest Management, Financial Consumer Protection Act (including the principle of fair treatment of customers), etc. 2023.08.22. 3.We arrange for our directors and senior management to attend external corporate governance-related courses each year to foster a corporate culture of integrity. (2023.10.25)	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
<p>3.Operation of the company’s complaint system</p> <p>(1)Does the company establish both a specific complaint and reward system and a convenient complaint channel? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2)Does the company establish standard operating procedures for investigating accusation cases, and follow-up measures and relevant confidential system to be adopted after the completion of the investigation?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	✓		<p>(1) Our senior executives provide an email address for employees to report or react, and they can also use this channel to file complaints and establish related disciplinary measures.</p> <p>1. Whistleblower Hotline: (06)2219-777 °</p> <p>2. Whistleblower Email: wintan703@jyhher.com.tw</p> <p>3. Unit Handling Whistleblower Cases: Unit responsible for receiving consumer disputes.</p> <p>(2)In addition to the revision of the “Whistleblower System” in November 2019, whistleblowers can report through letters, emails, and phone calls to request the Company’s relevant stakeholders to implement and comply with the system.</p> <p>(3) The Company shall keep the identity of the whistleblower and the content of the whistleblower confidential in a written statement by the relevant personnel handling the whistleblower case, and the Company undertakes to protect the whistleblower from improper disposal as a result of the whistleblower case.</p>	<p>No major difference.</p> <p>No major difference.</p> <p>No major difference.</p>

4. Strengthening information disclosure				
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		(1) The Company discloses the "Code of Conduct for Integrity Management" and "Procedures and Conduct Guidelines for Integrity Management" and the policy for integrity management on the Company's website and the Market Observation Post System, and discloses the implementation status on the Company's website.	No major difference.

Evaluation Item	Operating conditions (Note)			Deviations from “the Corporate Governance Best Practice Principles” and Reasons
	Yes	No	Abstract Illustration	
5. If the company has established the ethical corporate management policies based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and their implementation: No significant difference.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: The Company will regularly or occasionally review and amend the contents of the Code of Conduct for Integrity and provide investors and employees with an understanding of the Company’s policy on integrity management through the Company’s internal and external websites. Most recently, in August 2020, the Board of Directors approved the revision of the “Integrity Management Procedures and Conduct Guidelines” and the “Code of Ethical Conduct” and disclosed the implementation status on the company’s website.				

(11) If the Company has established a code of corporate governance and related regulations, it should disclose its inquiry methods.

The Company has established a Code of Corporate Governance Practices and related regulations, the contents of which have been approved by the Company's Board of Directors and are disclosed in the Corporate Governance section of the Company's website (Company website: <http://www.wintan.com.tw/>) \ Important Regulations \ Code of Corporate Governance Practices.

(12) Other Important Information for the Enhancing the Understanding of the Company's Corporate Governance Operations may be disclosed:

1. The Director will inform the Company from time to time of any amendments to the securities laws and regulations and provide related information, and will follow the regulations of the competent authorities in the case of further education.

Title	Name	Date	Host Organization	Course Name	Hours
Independent Director	HSU, SHUN-FA	2023/10/20	Chinese National Futures Association	Analysis of Financial Consumer Protection Laws and Emerging Trends with an Emphasis on Fair Customer Treatment.	3
		2023/03/21	R.O.C. National Federation of Certified Public Accountant Association	Directors' Fiduciary Obligations and Liability for Financial Misrepresentation.	3
		2023/03/20	R.O.C. National Federation of Certified Public Accountant Association	Regulatory Oversight and Practical Implementation of Anti-Money Laundering Measures for Accountants.	3
Directors and Independent Directors	LEE, WEN-PIN, Pin-chuan Chen, CHEN, MI-JUAN, HSU, WEN-KO, HUANG, MING-SHAN, WANG, WEN-TSU, Chen-I Liu, HUANG, YI-RU, SHA, MEI-CHI, CHEN, JIAN-CHUAN, WEI, FU-CHUAN	2023/10/25	Taiwan Securities Association	Fair Treatment of Customers and Anti-Money Laundering Measures	3
				Recent Developments in International Carbon Tariffs and Sustainable Business Strategies for the Securities and Financial Sector.	3
Director	DENG, CHUN-XIANG	2023/12/12	Taiwan Securities Association	Equity and Financial Planning - Exploring from the Perspective of Emerging Industries.	3
		2023/11/14	Taiwan Securities Association	Legal Responsibilities of Corporate Directors, Supervisors, and Executives: Case Analysis and Insights.	3
		2023/02/22	Taiwan Securities Association	Overview of Financial Consumer Protection Laws and Compliance (Fair Customer Treatment).	3

2. Professional Development of Corporate Governance Executives:

Name	Date	Host Organizations	Course Name	Hour
Hsiou-yueh Cheng	2023/10/25	Taiwan Securities Association	Fair Treatment of Customers and Anti-Money Laundering Measures	3
	2023/10/25	Taiwan Securities	Recent Developments in International	3

		Association	Carbon Tariffs and Sustainable Business Strategies for the Securities and Financial Sector	
	2023/08/24	Taipei Exchange	Seminar on Insider Stock Ownership Advocacy for Emerging and OTC Listed Companies - Kaohsiung	3
	2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	3

- 3.Enforcement of consumer or customer protection policy: The Company has established the "Fair Treatment Policy" and "Consumer Dispute Handling Procedures" as its operating guidelines.
- 4.The Company has purchased liability insurance for the Director and the Supervisor: The Company has taken out liability insurance for the Director and the key employees with AIG American International Property Insurance (stock). Period of Insurance: August 10, 2023 to August 9, 2024 Sum Insured: US\$3 million.

(13) Regarding the implementation of internal control system, the following matters shall be disclosed:

1. Statement of Internal Control

Concord International Securities CO., LTD
Statement of Internal Control System

Date: February 19, 2024

Regarding the 2022 internal control system, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reason assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five constituent elements of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities. Each constituent element consists of a number of items. Please refer to the “the Regulations” for the aforementioned items.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the finding of such evaluation, the Company believes that, on December 31, 2022 it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company’s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors of the Company on February 19, 2024. Among the 11 attending directors, 0 directors expressed opposition, and the rest all agreed with the content of this statement.

Concord International Securities CO., LTD

Chairman : WANG, WEN-TSU

General Manager : PAN, HUA-CHEN

General Audit : Wu HuiJuan

Chief information security officer or top executive responsible for information security :

Huang Xinyuan

Enhancement of internal control system and improvement plan for Concord Securities

(As of December 31, 2023)

Strengthening Matters and Improvement Plan for Internal Control System of Concord International Securities Co. Ltd

(As of December 31, 2023)

Enhancement Area	Improvement Action	Planned Improvement Completion Date
<p>The Financial Supervisory Commission conducted a routine business inspection of the Company from April 11 to April 22, 2022, and identified operational deficiencies in our internal control system and anti-money laundering measures. On April 18, 2023, the commission levied a fine of NT\$480,000 against the Company.</p> <p>I. The Company's handling of leasing idle assets did not include submission of reference materials for rental market prices or retention of an explanation regarding whether the lessee was a related party, contravening Article 1, Clause 3, Item 5 of the "Taiwan Stock Exchange Corporation Directions for the Sublease of Business Premises Leased and Rented by Idle Assets of a Securities Firm" issued by the Taiwan Stock Exchange Corporation, as well as the "Internal Control System Standard Specifications for Securities Firms" under CR-15000 Lease Operations (IIV) regulations.</p> <p>II. When handling entrusted securities trading for clients with restricted legal capacity and appointing agents to carry out transactions and deliveries on their behalf, the approval of the client's daily trading limit exceeded</p>	<p>I. In response to the inadequacies identified in the Company's handling of leasing idle assets, the Company has established the "Idle Asset Leasing Guidelines (Appendix 1)" to assist our personnel in conducting the leasing review process in accordance with regulations. This is aimed at preventing conflicts of interest and safeguarding company interests.</p> <p>II. The Company has implemented a computer program to perform checks on accounts of minors with assessed trading limits of NT\$20 million or more. Furthermore, we have established a review cycle for this checking operation.</p>	<p>The issue has been addressed and improved.</p> <p>The issue has been addressed and improved.</p>

Enhancement Area	Improvement Action	Planned Improvement Completion Date
<p>the guidelines outlined in Article 22 of the Rules on Understanding Clients, Credit Investigation, and Limit Management for Members of the Taiwan Securities Association, as well as the "Internal Control System Standard Specifications for Securities Firms" under CA-11120 Customer Credit Investigation and Approval Operations I (I) 6.</p> <p>III. During the process of handling entrusted securities trading and financial assessment operations, for customers applying across different branches where the approved daily trading limits reached or exceeded NT\$5,000,000, there were cases where 30% of the total trading limits were not verified for financial capability, contravening Article 10, Paragraph 1, and Article 15 of the Rules on Understanding Clients, Credit Investigation, and Limit Management for Members of the Taiwan Securities Association, as well as "Internal Control System Standard Specifications for Securities Firms" under CA-11120 Customer Credit Investigation and Approval Operations I (I) 2 and 3.</p> <p>IV. During the process of handling public subscription for underwriting cash increases in stock issuance companies, customers across different branches who participated in public</p>	<p>III. The company has enhanced its requirements for employees to diligently comply with relevant legal regulations.</p> <p>IV. In conducting stock issuance and cash capital increase underwriting operations, the Company failed to verify customers participating in public subscription and allocation</p>	<p>The issue has been addressed and improved.</p> <p>The issue has been addressed and improved.</p>

Enhancement Area	Improvement Action	Planned Improvement Completion Date
<p>subscription using the same internet protocol (IP) address for electronic ordering were not subjected to verification to confirm whether they were legitimately using their own identities or impersonating others, contravening Article 58, Paragraph 2 of the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms, as well as "Internal Control System Standard Specifications for Securities Firms" under CA-11700 Public Subscription Allocation Operations (XXIII).</p> <p>V. During the process of carrying out anti-money laundering and counter-terrorism financing operations, the verification of customer names and entity names did not include periodic checks for natural person agents placing orders. Furthermore, during account opening procedures for foreign individuals, there were cases where the Chinese or English names of legal entities or passport names were not verified, contravening "Internal Control System Standard Specifications for Securities Firms" under CA-18100 Anti-Money Laundering Operations (including International Securities Business) (II) 2.</p>	<p>using the same electronic ordering method from different clients sharing the same network IP address. To address this issue, the Company has established an "Electronic Order Network IP Address Verification Mechanism" and implemented a cross-point IP verification program to confirm transactions for investors using the same IP address. Accounts found in violation have been subjected to delegation confirmation.</p> <p>V. The Company's procedures for anti-money laundering and counter-terrorism financing, particularly the checking of customer names and entity names, were found to be inadequate. To address this issue, the Company revised its "Anti-Money Laundering and Counter-Terrorism Financing Risk Assessment Procedures" on August 24, 2022, to clearly define the subjects and procedures for name and entity name checks, including implementing regular checking procedures. Batch uploads for name checking of existing natural person order agents have been completed, and future operations will adhere to the revised company procedures.</p> <p>VI. The Company has issued a warning to the employee involved, stipulating that any recurrence will lead to</p>	<p>The issue has been addressed and improved.</p> <p>The issue has been addressed and improved.</p>

Enhancement Area	Improvement Action	Planned Improvement Completion Date
VI. Business personnel X. Chen from the Chongde Branch executed a transaction involving the purchase and sale of the same security within 5 minutes of receiving a client's telephone order. The internal control system did not adequately implement relevant verification mechanisms to mitigate conflicts of interest, thereby contravening "Internal Control System Standard Specifications for Securities Firms" under CA-11210 Entrusted Trading and Execution Operations (VI) 2.	a formal written warning. In light of this regulatory breach, the Company will reinforce compliance with relevant laws and regulations among employees and enhance transaction verification procedures for both employees and clients.	

Note: Please provide detailed information on disciplinary actions that resulted in warnings (inclusive) or fines of at least NT\$240,000. Additionally, please specify the improvements made in response to findings of information security deficiencies identified by regulatory authorities, stock exchanges, Taipei Exchange, or futures exchanges.

Note: If you have received a warning or a fine of \$240,000 or more from the Financial Supervisory Commission in the current year, you should also list the points.

2. In case that a CPA was engaged to conduct a Special Audit of Internal Control System. its audit report shall be provided: None.

(14) For the most recent year and up to the printing date of the annual report, the Company and its internal personnel have been punished by law, the Company has punished its internal personnel for violating the provisions of the internal control system, and the major deficiencies and improvements:

Issuance Date	Level of discipline	Content of fault	Violation of the law	Improvement situation
None				

(15) Significant resolutions of the shareholders' meeting and the board of directors for the most recent year and up to the date of printing of the annual report:

1. Important Resolutions at Shareholders' Meetings

Date and year of shareholders' meeting	Contents of the motion	Resolution	Implementation Status
May. 4, 2022 2022 Shareholders' meeting	<p>Recognition matters:</p> <ol style="list-style-type: none"> 1. The Company's financial statements and business report for the year 2021. 2. The appropriation of earnings for 2021. <p>Matters for discussion:</p> <ol style="list-style-type: none"> 1. Amendment to the company's "Articles of Association". 2. Amendment to the company's "Rules of Procedure for Shareholders Meetings" and "Handling Procedures for Acquisition or Disposal of Assets". 3. The case of capital increase. <p>Matters for election:</p> <p>Election for the Company's 12th Board Director for 10 seats and Independent Directors for 3 seats, total 13 seats.</p>	<p>Recognitions and matters for discussion:</p> <p>Each proposal was approved with votes exceeding more than half of the total voting rights of the shareholders present at the meeting.</p> <p>All proposals, including original or revised, were passed by the resolutions of the Board of Directors</p>	<p>Matters for discussion: Proposal 2:</p> <p>The Company's resolution to cash distribute 0.6 dividend and 0.6 stock was announced on May 4, 2022 with an dividend base date of June 15, 2022 and was paid on July 15, 2022.</p>
May. 4, 2023 2023 Shareholders' meeting	<p>Recognition matters:</p> <ol style="list-style-type: none"> (1) The Company's 2022 Final Accounts and Business Report. (2) The Company's 2022 Proposal for Profits' Distribution. <p>Discussion</p> <ol style="list-style-type: none"> (1) Amendments to some articles of the Company's "Articles of Incorporation". (2) Proposal of Capital surplus transferred to capital increase and cash dividend distribution. 	<p>Recognitions and matters for discussion:</p> <p>Each proposal was approved with votes exceeding more than half of the total voting rights of the shareholders present at the meeting. All proposals, including original or revised, were passed by the resolutions of the Board of Directors.</p>	<p>Matters for discussion: Proposal 2:</p> <p>The Company's resolution to cash distribute 0.2 dividend and 0.2 stock was announced on May 4, 2023 with an dividend base date of June 23, 2023 and was paid on July 20, 2023.</p>

2. Important Resolutions of the Director's Meeting:

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
Feb 6, 2023 12th Board 5th Meeting	<p>The following matters were ratified:</p> <ol style="list-style-type: none"> 1. To revise the company's "Transaction Policy for Stakeholders." 2. To revise the company's "Transaction Procedure of Stakeholders, Specific Company and enterprises" and "Regulations of Trading Marketable Securities by the Self-dealing Department". 3. Revision of the company's audit period for "Internal Audit " in 2023. 4. Revision of the company's "Securities Internal Control System" 5. To amend the internal control system for the Company's auxiliary business of futures trading. 6. To revise the Company's "2021 risks evaluation report on Anti-Money Laundering and Combating Information Terrorism." 7. Report the position adjustment of manager Yeh, Cheng Hung. <p>Discussion Items:</p> <ol style="list-style-type: none"> 1. Recognize the company's financial report in 2022. 2. Report the company's internal control system statement of 2022. 3. To revise the company's "Process of Internal Major Information and Procedure of Internal Transaction Prevention Management". 4. To submit the "Statement of Internal Control System for Prevention of Money Laundering and Combating of Financing Terrorism" for the year 2021, as well as the items to be enhanced and improvement plans. 5. To revise the company's "Client Trading Risks Evaluation". 6. Revision of the Company's Code of Corporate Governance Practices and Code of Sustainability Development Practices. 7. To revise the Company's "Information Security Policy". 8. The appropriation and distribution of employees' and directors' remuneration for fiscal 2022. 9. Distribution of the Company's fiscal year 2022 earnings. (submitted by Financial Department) 10. Plans to distribute cash dividends from capital surplus and issue new shares through capitalization of retained earnings. 	<p>Recognitions and matters for discussion:</p> <p>After the Chairman asked the members present to raise no objection, the motion was passed as presented.</p>	<p>Chairman asked the members present to raise no objection, all the motions were passed as presented.</p> <p>Chairman asked the members present to raise no objection, all the motions were passed as presented.</p>	None

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
	11. Establish the company's relative content of Shareholders' Meeting in 2023. 12. Operate the Shareholders' report in Shareholders' Meeting in 2023. 13. Submit the result of evaluation performance of Board of Directors of 2022. 14. Submit the company's implementation of sustainable development and ESG matters. 15. Audit the extension of loan amount to financial institutes. 16. Submit the 2022 risk management quality information plan of the Company.			
Mar. 21, 2023 12th Board 6th Meeting	1. To amend partial provisions of the Company's Articles of Incorporation. 2. To propose the changes of relative contents in 2023 shareholders' meeting. 3. To propose the evaluation of the Company's implementation for "Principle to Treat Clients Fairly" in 2023. 4. To partially adjust the Company's human resources in response to the promotion of sustainable development and needs of the Company's business and handling of related matters. 5. To amend the organization regulations of the Company's Sustainable Development Committee and the organization preparation of Sustainable Development Team. 6. To propose the Company's "Task Force on Climate-Related Financial Disclosures (TCFD)" and the Company's examination implementation plan of greenhouse gas and the confirmed schedule. 7. To propose the Company's "Sustainable Development Policy". To propose the Company's "Annual Plan for Sustainable Development".	Recognitions and matters for discussion: After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Chairman asked the members present to raise no objection, all the motions were passed as presented.	None
7th Meeting Twelfth Session May. 4, 2023	Matters for Ratification: 1. Submission of the Company's "ESG Investment Management Policy". Matters for Discussion: 1. Application from the Chongde Branch to reduce its operating area. 2. Proposal to declare a portion of the first-floor area of the Chongde Branch as vacant assets. 3. Setting the ex-rights and ex-dividend dates for the distribution of earnings and capital surplus for 2022. 4. Approval of the Company's financial report for the first quarter of 2023. 5. Revision of the Company's "Proprietary	Recognitions and matters for discussion: After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Chairman asked the members present to raise no objection, all the motions were passed as presented.	None

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
	<p>Trading Investment Policy".</p> <p>6. Revision of the Company's "Consumer Dispute Handling Procedure".</p> <p>7. Proposal for changes to the Company's membership of Risk Management Committee.</p> <p>8. Proposal for placing the Risk Management Department under the oversight of the Chairman's Office.</p> <p>9. Setting up the Company's Accountability Committee and formulating the Company's "Accountability Committee Organizational Regulations".</p> <p>10. Appointment of members to the Company's first-term Accountability Committee.</p> <p>11. Establishing the Company's "Accountability System Implementation Guidelines".</p> <p>12. Revision of the Company's organizational structure chart.</p> <p>13. Submission of the report on tracking and reviewing the execution results of the first quarter of the "Sustainable Development Annual Plan" for 2023.</p> <p>14. Proposal for changes to the Company's spokesperson and deputy spokesperson.</p> <p>15. Review of the Company's extension of loan facility with financial institutions.</p>			
8th Meeting Twelfth Session (Aug. 7, 2023)	<p>Matters for Ratification:</p> <p>1. Amendment of the Company's "Internal Control System for the Operation of Futures Introducing Broker Business by Securities Firms (including Internal Audit Implementation Rules)" and "Internal Control System for Securities (including Internal Audit Implementation Rules)".</p> <p>2. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)".</p> <p>Matters for Discussion:</p> <p>1. Acquisition of directors' and key officers' liability insurance for the Company.</p> <p>2. Examination of the Company's financial statements for the first half of 2023.</p> <p>3. Revision of the Company's "Asset Acquisition or Disposal Procedure".</p> <p>4. Assessment of the independence and suitability of the certified public accountant.</p>	<p>Recognitions and matters for discussion: After the Chairman asked the members present to raise no objection, the motion was passed as presented.</p>	<p>Chairman asked the members present to raise no objection, all the motions were passed as presented.</p>	

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
	5. The Company intends to carry out a cash capital increase through the issuance of common shares. 6. Revision of the Company's "Regulations Governing Procedure for Board of Directors Meeting" and "Corporate Governance Best Practice Principles". 7. Establishment of the Company's "Accountability System" and "Accountability System Rewards and Penalties Regulations". 8. Disciplinary action for Company employees violating securities regulations. 9. Establishment of the Company's Fair Customer Service Supervision Team. 10. Appointment and dismissal of the Company's old and new heads of the Finance Department. 11. Proposal for changes to the Company's chief accounting officer. 12. Proposal for changes to the Company's corporate governance director. 13. Submission of the company's ESG-related investment execution report for the first half of 2023. 14. Submission of the report on tracking and reviewing the execution results of the second quarter of the "Sustainable Development Annual Plan" for 2023. 15. Review of the Company's extension of loan facility with financial institutions.			
9th Meeting Twelfth Session Sep. 19, 2023	Matters for Ratification: 1. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)". Matters for Discussion: 1. Establishment of the Company's "Employee Stock Option Scheme" and "Detailed Rules for Employee Stock Options in the 2023 Cash Capital Increase". 2. Determining of the subscription date, issuance price, and related matters for the Company's cash capital increase for 2023. 3. Revising the Company's "Regulations for Ensuring the Security of Personal Data Files and Procedures for Processing Personal Data After Termination of Business." 4. Amendment of the Company's "Internal Control System for Securities (including	Recognitions and matters for discussion: After the Chairman asked the members present to raise no objection, the motion was passed as presented.	Chairman asked the members present to raise no objection, all the motions were passed as presented.	

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
	Internal Audit Implementation Rules)". 5. Submission of the Company's 2022 Report of Sustainability			
10th Meeting Twelfth Session (Nov. 10, 2023)				
11th Meeting Twelfth Session Feb. 19, 2024	<p>Matters for Ratification:</p> <ol style="list-style-type: none"> 1. Amendment of the audit cycle for the Company's "Internal Audit Plan" for 2024. 2. Amendment of the Company's "Internal Control System for Securities (including Internal Audit Implementation Rules)". 3. Amendment of the Company's "Internal Control System for the Operation of Futures Introducing Broker Business by Securities Firms (including Internal Audit Implementation Rules)". 4. Revision of the "Internal Procedures for Recommending Securities Brokers for the Emerging Securities Market". 5. Establishment of the Company's "Guidelines for Precautions when Entrusting Operations to Others". 6. Review of the extension of the Company's loan facility with financial institutions. 7. Resignation of the Director of Finance Department. <p>Matters for Discussion:</p> <ol style="list-style-type: none"> 1. Approval of the Company's financial report for 2023. 2. Submission of the Company's internal control system declaration for 2023. 3. Submission of the Company's "Anti-Money Laundering and Counter-Terrorism Financing Internal Control System Statement" for 2023, including the areas for enhancement and improvement plans. 4. Submission of the Company's "2023 Information of Risk Management Qualification". 5. Submission of the revision proposal for the Company's "Policy and Procedures of Risk Management". 6. Submission of amendments to the Company's "Operational Procedures for Compiling and Verifying Sustainability Reports". 7. Submission of the report on the Company's execution of ESG-related investments for the second half of 2023 8. Proposal for the Company's profit distribution for 2023. 9. Proposal for the Company's capitalization of 			

Director Meeting Dates and Sessions	Contents of the motion	Resolution	Implementation Status	Director Meeting Dates and Sessions
	<p>earnings for 2023.</p> <p>10. Proposal for the Company's 2023 Allocation and Distribution of Employee Compensation and Director Remuneration.</p> <p>11. Review of the extension of the Company's loan facility with financial institutions.</p> <p>12. Submission of the Company's 2023 Board of Directors' performance assessment results.</p> <p>13. Submission of the report on tracking and reviewing the execution results of the fourth quarter of the "Sustainable Development Annual Plan" for 2023, as well as the "Sustainable Development Annual Plan" for 2024.</p> <p>14. By-election for one independent director.</p> <p>15. Consideration of shareholder proposals and nominations for independent directors for the Company's 2024 Annual General Meeting.</p> <p>16. Requesting Board approval for Mr. Tian-You Yang as a candidate for independent director and reviewing his qualifications.</p> <p>17. Establishment of the agenda for the Company's 2024 Annual Shareholders' Meeting.</p> <p>18. Appointment of members and convenor of the Compensation Committee.</p> <p>19. Appointment of members and conveners for the Risk Management Committee.</p> <p>20. Appointment of members for the Nomination Committee.</p> <p>21. Submission of resignation by Tzu-ting Tsang, Director of the Underwriting Department, and nomination of Che-min Hu to succeed as the Manager of the Underwriting Department.</p> <p>22. Submission of the promotion of Hui-er Chuang, Director of the Management Department, from Assistant Manager to Manager.</p>			

(13) For the most recent year and as of the printing date of the annual report, if the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors and there are records or written statements of such dissenting opinions, the main content of which: None

- (14) Summary of the resignation and dismissal of the Chairman, president, head of accounting, head of finance, head of internal audit, head of corporate governance, and head of research and development of the Company for the most recent year and as of the date of printing of the annual report:

Title	Name	Date of Appointment	Date of Termination	Reason for Resignation or Termination
Finance and Corporate Governance Manager	Mei-lan Shih	1986.04.01	2023.07.31	Retirement

Note: The term "company related persons" refers to the Chairman, General Manager, Head of Accounting, Head of Finance, Head of Internal Audit, Head of Corporate Governance and Head of Research and Development, etc.

5. Information on CPA (External Auditor) Professional Fees (Please fill in the amounts)

(1) Scale of Accountant Fee Information (Please check the scale or enter the amount)

Unit:NT\$1,000

Accountant Firm Name	Account ant Name	Accountant Audit Period	Audit fee	Non-audit fee	Subtotal	Note
Baker Tilly						
Baker Tilly Clock & CO	CHENG,HSIEN-HSIU	2023.01.01 to 2023.06.30	\$ 1,000	\$ 475	\$ 1,475	
	CHOU,YIN-LAI	2023.01.01 to 2023.12.31				
	TSENG,KUO-FU	2023.07.01 to 2023.12.31				
	CHOU,YIN-LAI	2023.01.01 to 2023.12.31				
Please specify the services for which the non-audit fees were paid: (e.g., tax certification, assurance,or other financial consultation and advisory services)						

Note : If the Company changes its accountant or accounting firm during the year, please indicate the audit period and the reason for the change in the remarks column, and disclose the audit and non-audit fees paid in order.

(2) Changed CPA firm and paid public expenses for audit cases in the year where the change occurred was less than that of the year before change: None.

(3) Paid amount of public expense for audit cases was less than that of the preceding year by up to more than 10%: None.

6. Change of Accountants

Those who have changed accountants in the last two years and thereafter:

Letter from Baker Tilly Clock & CO, dated October 6, 2023, regarding the internal organizational adjustment at Baker Tilly Clock & CO was handled by Accountants Hsien-hsiu Cheng and Yin-lai Chou. Effective from the third quarter of 2023, this responsibility will transition to Accountants Kuo-fu Tseng and Yin-lai Chou for approval and review.

7. If the chairman, general manager, or manager in charge of financial or accounting matters of the company has worked in the firm of the certified public accountant or its affiliates within the last year, the Company should disclose his/her name, title, and the period he/she worked in the firm of the certified public accountant or its affiliates: None.

8. Changes in the shareholding of Directors, supervisors, managers and shareholders holding more than 10% of the shares and pledges of shares in the most recent year and up to the date of printing of the annual report

(I) Changes in equity:

Title	Name	2023		Current Year (2024) As of Mar. 15	
		Shareholding Increase	Number of pledged shares	Shareholding Increase	Number of pledged shares
Chairman	Baulidu Investment Co.,Ltd.	2,090,813	1,900,000	-	2,900,000
	Baulidu Investment Co.,Ltd. representative: Wang, Wen-Tsu	10,358	10,358	-	-
Director	Baulidu Investment Co.,Ltd. Representative: Hsu, Wen-Ko	-33,632	-33,632	-	-
Deputy Chairman	Chen,Mi-Juan	2,971,928	2,971,928	-	-
Managing Director	Chen,Pin-Chan	2,947,879	2,947,879	-	-
Director	Li, Wen-Bin	14,896	14,896	-	-
Director	Huang, Ming-Shan	-325,794	-325,794	-	-
Director	Sha, Mei-Chi	209,527	209,527	-	-
Director	Wise Co., Ltd	119,091	119,091	-	-
	WISE CO., LTD. Representative: Huang, YiRu	-	-	-	-
Director	Liu, Zhen-Yi	29,356	29,356	-	-
Director	Deng, Chun-xiang	-	-	-	-
Independent Director	Wei, Fu-Chuan	-34,106	-34,106	-	-
Managing Director And Independent Director	Chen, Jian-Chuan	-103,357	-103,357	-	-
Independent Director	Hsu, Shun-Fa	-	-	-	-
General Manager	Pan, Hua-Chen	10,233	10,233	-	-

Title	Name	2023		Current Year (2024) As of Mar. 15	
		Shareholding Increase	Number of pledged shares	Shareholding Increase	Number of pledged shares
Executive Deputy General Manager And Financial Supervisor And Accounting Supervisor	Zhou Tin Ho	38,172	-	-	-
Deputy General Manager	Huang Zhengchang	10,112	-	-	-
Associate	Wang, Wei	17,442	-	-	-
Associate and Supervisor	Pan, Ya-lan	11,742	-	-	-
Manager	Wang, Yu-song	-	-	-	-
Manager	Li, Pei Ling	-	-	-	-
Manager	Hsin Ling, Huang	10,000	-	-	-
Manager	Wang Chun jian	-	-	-	-
Manager	Xiao Jing hui	10,000	-	-	-
Manager	Chen Wen hui	10,000	-	-	-
Manager and Supervisor	Ye Zhen-hong	1	-	-	-
Manager	Shi, Mei-lan	1,000	-	-	-
Manager	Wu Wen Yi	-	-	-	-
Manager	Zheng Xiuyue	10,073	-	-	-
Manager	Zang Zi Ting	-	-	-	-
Manager	Huang Junjie	-	-	-	-
Manager	Xiao Jiajian	-	-	-	-
Manager	Huang Xinyuan	5,285	-	-	-
Manager	CHUANG,HUI-ERH	-			
Manager	HU,CHE-MIN	-			
General Audit	Wu Hui juan	10,000	-	-	-
Major shareholders	Baulidu Investment Co.,Ltd.	2,090,813	1,900,000	-	-
Major shareholders	Guantian Investment Development Co.,Ltd.	2,274,103	1,800,000		-

Note 1: Independent Director WEI, FU-CHUAN resigned on December 8, 2023 due to personal reasons.

Note 2: Manager Mei-lan Shih retired on July 31, 2023; Manager Tzu-ting Tsang resigned on

January 1, 2024.

Note 3: Managers Hui-er Chuang and Che-min Hu assumed their roles on February 19, 2024.

(II) Transfer of equity information

Director, supervisors, managers, and related parties whose shareholdings exceed 10% are related parties: None.

(III) Equity pledge information

Director, supervisors, managers, and related parties whose shareholding exceeds 10% are pledged as related parties: None.

9. Information on the top ten shareholders who are related to each other or are related by consanguinity, such as spouses or second degree relatives. Information on the relationship between the top ten shareholders and their respective shareholdings

March 6, 2023

Name(Note 1)	Own Shareholdings		Spouse & Minor Shareholdings		Shareholding by Nominee Arrangement Total Shareholdings		If the top ten shareholders are related to each other as related parties under SFAS No.6, their names and relationships(Note 3)		Remark
	Number of shares (1,000 shares)	Shareholding ratio	Number of shares (1,000 shares)		Number of shares (1,000 shares)	Shareholding ratio	Name	Relation	
Baulidu Investment CO.,LTD	41,631,478	13.49%	-		-	-	CHEN, MI-JUAN Asahi Enterprises Corp.	Baulidu Investment Responsible Person Supervisor of Poly Capital Investment Co., Ltd..	-
Responsible Person: Chen, Mi-Juan	9,412,607	3.05%	-		-	-	CHEN, SIE-TO NG CHEN, CHUNG-HSIEN CHEN, PIN-CHAN Baulidu Investment Co.,Ltd. Asahi Enterprises Corp.	Father and daughter Sister and brother Sisters Baulidu Investment Responsible Person Deputy Chairman of Asahi Enterprises Corp.	-
Responsible person: Wang, Wen-Tsu	13,304	0.0043%							
Guantian Investment Development CO., LTD	38,795,102	12.576%			-	-	HSUEH, NIEN-CHEN	Director of Guantian Investment Development Co., Ltd. Quintain Steel Co.,Ltd.	-
Representative: Hsieh Cheng Chen	-	-	-	-	-	-	-	-	-

Uni-President Securities Co., Ltd. entrusted trust property account	11,380,202	3.69%	-	-	-	-	-	-	-
Chia Chi Sdry Enterprise CO.,LTD	10,135,381	3.28%	-	-	-	-	CHEN, SIE-TONG Hu Junhao CHEN, PIN-CHAN	Director, Chia Chi Sdry Co., Ltd. Director, Chia Chi Sdry Co., Ltd. Supervisor, Chia Chi Sdry Co., Ltd	-
Responsible person: Hsueh, Nien-Chen				-		-	Chia Chi Sdry Enterprise Co., Ltd. Guantian Investment Development Co., Ltd. CHEN, PIN-CHAN	Chia Chi Sdry Responsible Person Director of Guantian Investment Development Co., Ltd. Quintain Steel Co., Ltd. Representative: HSUEH, NIEN-CHEN Mother and daughter	
Uni-President Securities Co., Ltd. entrusted trust property account	9,197,232	2.98%	-	-	-	-	-	-	-
Asahi Enterprises Corp.	9,412,607	3.05%	-	-	-	-	CHEN, CHUNG-HSIEN CHEN, MI-JUAN Guantian Investment Development Co., Ltd. Baulidu Investment CO., LTD	Director of Asahi Enterprises Corp Deputy Chairman of Asahi Enterprises Corp. The Director of Asahi Enterprises Corp. is Polydo Investment Co., Ltd., represented by Mr. Zheng, Mingyu The supervisor of Asahi Enterprises Corp. is Baulidu Investment Co., Ltd., represented by Mr. Chen, Chieh Jen.	-
Responsible person: CHEN, CHUNG	9,197,232	2.98%	-	-	-	-	Guantian Investment Development Co., Ltd.	Director of Asahi Enterprises Corp	-

Chen, Mi-Juan	9,412,607	3.05%	—	—	—	—	CHEN, SIE-TONG CHEN, CHUNG-HSIEN CHEN, PIN-CHAN Baulid Investment Co., Ltd. Asahi Enterprises Corp.	Father and daughter Sister and brother Sisters Baulid o Investment Co., Ltd. Responsible Person Deputy Chairman of Asahi Enterprises Corp.	—
Hu Junhao	5,343,969	1.73%	—	—	—	—	Chia Chi Sdry Enterprise Co., Ltd. Baulid Investment Co., Ltd.	General Manager and Director, Chia Chi Sdry Co., Ltd. Baulidu Investment Co., Ltd. Director	—
Chen, Chung-Hsien	9,197,232	2.98%	—	—	—	—	CHEN, SIE-TO NG CHEN, MI-JUAN CHEN, PIN-CHAN Asahi Enterprises Corp.	Father and Son Sister and brother Brother and sister Director of Asahi Enterprises Corp.	—
Chen, Sie-Tong	5,461,848	1.77%	1,099,797	—	1.77%	—	CHEN, CHUNG-HSIEN CHEN, MI-JUAN CHEN, PIN-CHUN Chia Chi Sdry Co., Ltd.	Father and Son Father and daughter Father and daughter Chia Chi Sdry Co., Ltd. Director	—
Chen, Pin-Chan	8,191,680	2.65%	—	—	—	—	CHEN, SIE-TO NG CHEN, CHUNG-HSIEN CHEN, MI-JUAN HSUEH, NIEN-CHEN Chia Chi Sdry Enterprise Co., Ltd.	Father and daughter Brother and sister Sisters Mother and daughter Supervisor, Chia Chi Sdry Co., Ltd. Baulidu Investment Co., Ltd. Supervisor	—

Note 1: The names of supervisors should be listed separately, corporate shareholders should list the names of corporate shareholders and their representatives separately and the amount of each payment should be disclosed in aggregate.

Note 2: The calculation of the percentage of shareholding refers to the percentage of shareholding in the name of oneself, one's spouse, one's minor child, or the use of another person's name, respectively.

Note 3: The shareholders listed in the preceding paragraph include both legal and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

10. The number of shares held by the company, its directors, supervisors, managers and businesses directly or indirectly controlled by the company in the same reinvestment business, and the consolidated shareholding ratio is calculated.

The Company has not reinvested in other companies, so it is not applicable.

IV. Fundraising

1 Source of apital

Year/ Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Others
1989.11	10	200,000,000	2,000,000,000	140,000,000	1,400,000,000	-	-	Note 1
1997.01	10	200,000,000	2,000,000,000	145,600,000	1,456,000,000	Capital increase from retained earnings 56,000,000 元	-	Note 2
1998.01	12	200,000,000	2,000,000,000	183,000,000	1,830,000,000	Capital increase by cash 374,000,000 元	-	Note 3
1998.09	10	201,300,000	2,013,000,000	201,300,000	2,013,000,000	Capital increase from retained earnings 183,000,000 元	-	Note 4
2003.02	10	161,040,000	1,610,400,000	161,040,000	1,610,400,000	Capital decrease 402,600,000 元	-	Note 5
2007.05	10	210,000,000	2,100,000,000	161,040,000	1,610,400,000	Changed Authorized Capital	-	Note 6
2008.01	10	210,000,000	2,100,000,000	190,532,168	1,905,321,680	Consolidated capital increase 294,921,680 元	-	Note 7
2007.07	10	210,000,000	2,100,000,000	194,342,811	1,943,428,110	Capital surplus to cash increase 38,106,430 元	-	Note 8
2010.07	10	300,000,000	3,000,000,000	204,059,952	2,040,599,520	Capital increase from retained earnings 97,171,410 元	-	Note 9
2011.07	10	300,000,000	3,000,000,000	210,181,751	2,101,817,510	Capital increase from retained earnings 61,217,990 元	-	Note 10
2013.07	10	300,000,000	3,000,000,000	212,283,568	2,122,835,680	Capital increase from retained earnings 21,018,170 元	-	Note 11
2018.05	10	300,000,000	3,000,000,000	224,047,568	2,240,475,680	Capital increase by cash 117,640,000 元	-	Note 12
2019.07	10	300,000,000	3,000,000,000	237,490,422	2,374,904,220	Capital increase from retained earnings 134,428,540 元	-	Note 13
2021.07	10	300,000,000	3,000,000,000	251,739,848	2,517,398,480	Capital increase from retained earnings 142,494,260 元	-	Note 14
2022.07	10	300,000,000	3,000,000,000	266,844,238	2,668,442,380	Capital increase from retained	-	Note 15

						earnings 151,043,900		
112.07	10	390,000,000	3,900,000,000	272,181,122	2,721,811,220	Capital increase by cash		Note 16
112.12	10	390,000,000	3,900,000,000	308,481,122	3,084,811,220			Note 174

Note 1: 1989.11.04. The Ministry of Economic Affairs approved the establishment of registration.

Note 2: 1998.01.05. Approved by Official Letter Ching (1998) Shang-Tzu No. 127307.

Note 3: 1998.01.05. Approved by Ching (1998) Shang-Tzu No. 127307.

Note 4: 1998.09.03. Approved by Official Letter Ching (1998) Shang-Tzu No. 087125678.

Note 5: 2003.03.10. Approved by Official Letter Ching Shou-Shang-Tzu No. 09201069290.

Note 6: 2007.05.25. Approved by Official Letter Ching Shou-Shang-Tzu No. 09601108830.

Note 7: 2008.01.23. Approved by Official Letter Ching-Shou-Shang-Tzu No. 09701018700.

Note 8: 2008.07.21. Approved by Official Letter Ching Shou-Shang-Tzu No. 09701180420.

Note 9: 2010.07.09. Approved by Official Letter Ching-Shou-Shang-Tzu No. 09901149220.

Note 10: 2011.07.21. Approved by Official Letter Ching Shou-Shang-Tzu No. 10001163890.

Note 11: 2013.07.31. Approved by Official Letter Ching Shou-Shang-Tzu No. 10201156440.

Note 12: 2018.07.02. Approved by Official Letter Ching-Shou-Shang-Tzu No.10701046510.

Note 13: 2019.07.03. Approved by Official Letter Ching Shou-Shang-Tzu No. 10801080940.

Note 14 : 2021.07.01. Approved by Official Letter Ching Shou-Shang-Tzu No. 11001107490.

Note 15 : 2022.07.12. Approved by Official Letter Ching Shou-Shang-Tzu No. 11101120830.

Note 16 : 2023.07.07. Approved by Official Letter Ching Shou-Shang-Tzu No. 11230122480.

Note 17 : 2023.12.19. Approved by Official Letter Ching Shou-Shang-Tzu No. 11230234010.

Type of Shares	Authorized Capital			Remark
	Current Issued Shares	Unissued shares	Total	
Common Stock	308,481,122	81,518,878	390,000,000	

2. Status of hareholders

Date: 2024/3/15

Status of Shareholders Items	Gover nment Agenc ies	Financ ial Institut ions	Other Juridical Persons	Individual	Foreign Institutions Foreigners	Total
Number of Shareholders	–	–	30	9,198	34	9,262
Shareholding	–	–	123,224,998	175,949,012	9,307,112	308,481,122
Shareholding ratio	–	–	39.9457%	57.0372%	3.0171%	100%

Note: First listed (over-the-counter) companies and emerging companies shall disclose the proportion of their shares held by Chinese capital; Chinese capital refers to the people, legal entities, organizations, and other institutions in mainland China or their companies invested in third regions as stipulated in Article 3 of the Regulations on the Permission for People to Invest in Taiwan.

3. Shareholding Distribution Status (Common stock)

Date: 2024/3/15

Face value: NT\$ 10.00 umber of shareholders: 9,262 people Number of shares: 308, 481, 122shares

Table of amounts	Shareholdings level	Number of shareholders	Shareholding	Shareholding ratio
A	1 to 999	2, 906	461, 837	0. 1498
B	1,000 to 5,000	3, 472	7, 725, 144	2. 5043
C	5,001 to 10,000	1, 081	8, 087, 271	2. 6216
D	10,001 to 15,000	507	6, 304, 220	2. 0436
E	15,001 to 20,000	283	5, 064, 595	1. 6418
F	20,001 to 30,000	290	7, 217, 030	2. 3395
G	30,001 to 40,000	150	5, 246, 666	1. 7008
H	40,001 to 50,000	99	4, 416, 529	1. 4317
I	50,001 to 100,000	231	16, 260, 085	5. 2710
J	100,001 to 200,000	113	15, 610, 356	5. 0604
K	200,001 to 400,000	61	17, 562, 506	5. 6932
L	400,001 to 600,000	15	7, 137, 828	2. 3139
M	600,001 to 800,000	18	12, 558, 396	4. 0710
N	800,001 to 1,000,000	2	1, 763, 276	0. 5716
O	1,000,001 or over	34	193, 065, 383	62. 5858
total		9, 262	308, 481, 122	100. 000

4. List of major shareholders

List the shareholders whose shareholding ratio reaches 5% or more, if there are less than 10, the names of the shareholders whose shareholding ratio accounts for the top 10, the amount and proportion of their shareholding should be disclosed

Date: 2024/3/15

Name of major shareholders	Number of shares	Shareholding %
Baulidu Investment Co., Ltd.	41, 631, 478	13. 495
Guantian Investment Development Co., Ltd.	38, 795, 102	12. 576
Chinatrust Commercial Bank Shareholding Trust granted by Concord Securities	11, 380, 202	3. 689
Chia Chi Sdry Enterprise Co., Ltd.	10, 135, 381	3. 285
Asahi Enterprises Corp.	9, 412, 607	3. 051
Hu Junhao	9, 197, 232	2. 981
Chen, Mi-Juan	8, 191, 680	2. 655
Chen, Chung-Hsien	7, 011, 193	2. 272

Chen, Sie-Tong	5,354,753	2.006
Chen, Pin-Chan	5,243,801	1.965

5. Market Price, Net Worth, Earnings, and Dividends per Share for the past two years:

Unit: NT\$1

Items/Year			2022	2023	As of Mar. 31, 2024 (Note 8)
Market price per share (Note 1)	Highest		20.25	32.75	19.25
	Lowest		9.52	10.00	15.15
	Average		13.02	18.11	17.15
Net value per share (Note 2)	Before distribution		16.09	18.34	-
	After distribution		15.88	17.84	-
Earnings per share	Weighted Average Shares (thousand shares)		275,264	302,790	-
	Earnings per share (Note 3)	(0.84)	2.79	3.18	-
		(0.82)	2.63	2.89	-
Dividends per Share	Cash dividends (Note 9)		0.2	0.5	-
	Bonus shares	0.2	0.60	1.0	-
		-	-	-	-
	Accumulated Undistributed Dividends (Note 4)		—	-	-
Return on Investment Analysis	Price / Earnings ratio (Note 5)		(15.50)	5.69	-
	Price / Dividend Ratio (Note 6)		65.1	-	-
	Cash Dividend Yield Rate (Note 7)		0.015	-	-

Note: The distribution has not yet been resolved at the 2020 General Meeting of Shareholders.

*In the event of a capital distribution from earnings or capital surplus, information on the market price and cash dividends retroactively adjusted for the number of shares issued should be disclosed.

Note 1: The highest and lowest market prices of common stock for each year are listed, and the average market price for each year is calculated based on the value and volume of transactions for each year.

Note 2: Please use the number of shares outstanding at the end of the year as the basis for the distribution of shares resolved at the following year's shareholders' meeting.

Note 3: If there is a retroactive adjustment due to a no-compensation stock allotment, the earnings per share before and after the adjustment should be shown.

Note 4: If the conditions of issuance of equity securities provide that unpaid dividends for the current year may be accumulated and paid in the year of earnings, the dividends accumulated and unpaid as of the current year should be disclosed separately.

Note 5: The Price / Earnings Ratio = average closing price per share for the year / earnings per share.

Note 6: The Price / Dividend Ratio = average closing price per share for the year / cash dividend per share. Note 7:

The Cash Dividend Yield Rate = cash dividend per share / average closing price per share for the year. Note 8: The net value per share and earnings per share should be presented as of the most recent quarterly

period audited (reviewed) by the accountants as of the printing date of the annual report; the remaining

columns should be presented for the current year as of the printing date of the annual report. The latest information audited (reviewed) by the accountant is the **fourth quarter of 2022**, which is not available separately.

Note 9: The appropriation of earnings for the fiscal year 2022 is subject to the resolution of the 2023 General Meeting of Shareholders.

6. Dividend policy and implementation status:

(I) Dividend policy as defined in the Company's Articles of Incorporation:

The Company is in the stage of mature industrial development, stable profitability and sound financial structure, but in view of the expansion of business projects in the coming years, the distribution of earnings is based on the legal reserve, special reserve, and special reserve provided by law or reversed by law from the distributable earnings of the current year, and the remaining undistributed earnings of the previous years are prepared by the Board of Directors. The Board of Directors shall prepare a proposal for distribution and submit it to the shareholders' meeting for resolution. Dividends and bonuses to shareholders shall be distributed at a rate of not less than 30% of the distributable earnings, provided that if the accumulated distributable earnings are less than 1% of the paid-in capital, they may not be distributed; cash dividends shall be distributed at a rate of not less than 30% of the total dividends; provided, however, that if the Company obtains sufficient outside funds to finance significant capital expenditures for the year, it shall set aside at least 50% of the dividends distributed for that year. Cash dividends shall be paid.

(II) Circumstances of the proposed dividend distribution at this shareholders' meeting:

In 2023, the Company recorded a total net income after tax of NT\$875,977,619, with an EPS of approximately NT\$3.18. This year, we anticipate distributing cash dividends of NT\$0.5 per share and stock dividends of NT\$1 per share. Once approved by the shareholders' meeting, the board of directors will determine the ex-dividend and ex-rights dates accordingly.

7. Effect of the proposed bonus shares at the shareholders' meeting on the Company's operating

- (1) The trading volume of the securities market in 2023 remained robust at an average daily volume of over NT\$344.5 billion, an annual increase of 14.8%, and the Taiwan Capitalization Weighted Stock Index increased by 26.8%. As a result of the above factors, the Company managed to generate a profit of NT\$870 million in 2023, with an EPS of approximately NT\$3.18 per share.
- (2) The proposed distribution of cash dividends of approximately NT\$0.50 and stock dividends of NT\$1.00 per share (a percentage of 6% of the share capital) will not only reward shareholders for their investments, but will also relieve the pressure of capital allocation, increase the flexibility of the Company's utilization of capital, expand the capital application efficiency, and generate operating benefits, while having no significant impact on future operating results, earnings per share, and the rate of return on shareholders' investments.

Year			2023 (Estimates)
Initial Paid-in Capital (NT\$)			2,668,442,380
Current Year Dividends (Note 1)	Cash dividend per share (NT\$)		0.5
	Number of share allotment from earnings transferred to capital(shares)		1.0
	Number of share allotment from capital surplus transferred to capital(shares)		-
Variation of Operational Performance	Operating profit		Not applicable (Note 2)
	Year-over-year Increase (decrease) ratio of operating profit		
	Net profit after tax		
	Year-over-year Increase (decrease) ratio of net profit after tax		
	Earnings per share		
	Year-over-year Increase (decrease) ratio of earnings per share		
	Annual average return on investment (Reciprocal annual average P/E ratio)		
Earnings per share and P/E ratio	If the total amount of earnings transferred to capital changes to cash dividend	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma Annual average return on investment	
	In case of capital surplus yet been transferred to capital	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma Annual average return on investment	
	In case of capital surplus and earnings yet been transferred to capital and changed to cash dividend	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma Annual average return on investment	

Note 1: Not yet resolved by the General Meeting of Shareholders

Note 2: The Company is not required to disclose the financial forecast information for the year 2021 in accordance with the "Implementation Guidelines for the Financial Forecast System for Public Companies".

8. Employee, Director and Supervisor Compensation

(I) The percentage or scope of remuneration for employees, Director and supervisors as set forth in the Articles of Incorporation:

If the Company makes a profit in a year, the Company shall set aside 1% as employee compensation, but the Company shall reserve the amount of compensation in advance if the Company still has accumulated losses, and no Director's compensation is provided. The former employee compensation shall be distributed in stock or cash by resolution of the Board of Directors, and the employee compensation distribution shall be reported to the shareholders' meeting.

(II) The basis for estimating the amount of compensation to employees, Director and supervisors, the basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment if the actual amount of allotment differs from the estimated amount:

Since January 1, 2008, the cost of employee bonuses and remuneration to directors and supervisors is recognized as expenses and liabilities in accordance with the regulation in the Official Letter (96) Ji-Mi-Zhu No. 052 “Accounting treatment of employee dividends and remuneration of directors and supervisors” by Accounting Research and Development Foundation dated March 16, 2007. when a legal or constructive obligation exists and the amount can be reasonably estimated. In accordance with the Company's Articles of Incorporation and the resolution of the Board of Directors, employee compensation is estimated to be expensed in the current period. The difference between the actual allotment amount and the estimated amount as approved by the Board of Directors is recorded as profit or loss in the following year.

(III) Approval from the Board of Directors on the distribution of remuneration:

1. The amount of employee compensation and director and supervisor compensation distributed in cash or stock. If the amount differs from the amount estimated in the year in which the expense is recognized, the amount of the difference, the reason for the difference and the circumstances under which the difference was handled should be disclosed.

The remuneration of employees and directors and supervisors for the year 2023 were approved by the Board of Directors of the Company on February 19, 2024 as follows:

Unit: NT\$1,000

Items	From the resolution of the Board of Directors, it is decided to distribute	Recognition expenses are estimated for the year	Differences
Remuneration for Directors and Supervisors	0	0	-
Employee bonus stock (1%)	8, 898, 679	0	-

In 2023, the Company's pre-tax profit, excluding employee compensation, amounted to NT\$889,867,938. Employee compensation, calculated at 1%, totaled NT\$8,898,679.

Director remuneration was zero.

2. Employees' compensation distributed in stock as a percentage of the total net income after tax and total employees' compensation for the period: The Company has not allotted employee stock, so it is not applicable.

(IV) The actual allotment of employees', directors' and supervisors' remuneration in the previous year (including the number of shares allotted, the amount and the price of shares), the difference between the allotment and the recognition of employees' bonuses and directors' and supervisors' remuneration, and the amount of the difference, the reasons for the difference and the circumstances under which the difference was handled, should be stated:

The actual distribution of the compensation to employees, directors and supervisors in 2022 did not differ from the amount estimated in the financial statements for 2023.

9. Buyback of Treasury Stock

None.

10. Corporate Bond (including overseas bond)

None

11. Preferred Shares

None

12. Issuance of Overseas Depositary Receipts

None

13. Employ Stock Warrants

None

14. New Restricted Employee Shares

None

15. Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares

None

16. Implementation of capital utilization plan

It has been executed as scheduled.

V. Operations Profile

1. Business Scope

H301011Securities Dealer

H408011Futures Trading Assistance

1. Amount and proportion of the Company's major operating revenues

Unit: NT\$1,000

Item \ Year	2021		2022		2023	
	Amount	Percentag%	Amount	Percentag%	Amount	Percentag%
Securities Brokerage Business(Note)	457, 031	43. 21	270, 888	655. 20	285, 481	24. 87
Securities proprietary business	588, 464	55. 64	(236, 584)	(572. 23)	849, 864	74. 03
Securities Underwriting Business	6, 459	0. 61	852	2. 06	6, 445	0. 56
Others	5, 725	0. 54	6, 188	14. 97	6, 274	0. 55
Total	1, 057, 679	100. 00	41, 344	100. 00	1, 148, 064	100

Source: Individual financial reports audited by a certified public accountant. (Note: Including futures)

3.Current products (services) of the company

(1) Main Services

- A. Provide centralized market and storefront market brokerage services.
- B. Counseling companies to go public, list on the stock exchange, and recommend them to build the stock exchange.
- C. Provide investors with a variety of financial services.
- D. Other securities-related business approved by the competent authorities.

(2) Main service targets: Domestic investors are the main service targets.

(3) Services and Business Features:

	Service Items	Business Features
Brokerage Business	<p>(1) The business of buying and selling securities commissioned by customers in the central market or storefront market.</p> <p>(2) Customer development and business development</p> <p>(3) Credit investigation and control of customer credit</p> <p>(4) The collation and provision of securities information</p> <p>(5) Acting as the agent for the centralized custody and transfer of marketable securities of customers.</p> <p>(6) Entrusted to handle credit transactions on behalf of customer</p> <p>(7) Customer operation guidance. (8) Borrowings from securities business.</p> <p>(9) Settlement and delivery of stocks and bonds</p> <p>(10) Other matters related to auditing business.</p> <p>(11) Acting as an agent for the sale and purchase of multiple orders.</p> <p>(12) Unrestricted loan business.</p> <p>(13) Futures trading assistance business.</p>	<p>(1) Our company currently has nine brokerage offices, providing a full range of localized services. Our directors and associates all hold the certificates and profession in relative areas, providing multi-areas services to clients kindly and expertly.</p> <p>(2) (2) In order to respond to the market trend and expand the market share of electronic trading, the Company built the most advanced order placing system, expecting a win-win situation for both customers and the Company and actively increasing the market share of electronic orders.</p> <p>(3) On the company's electronic order platform, clients can choose either justwin, web, mobile app and phone speech system to make an order or order in manual customer service; futures and option transaction are mainly taken in electronic trading, and also available on manual platform</p> <p>(4) Our customers can open the online account or sign documents electronically and receive statements via emails to improve convenience and achieve our goal of energy conservation and carbon reduction.</p> <p>(5) OTP sends verification immediately online to protect the clients' privacy and security of using electronic services.</p>
Self-operating Business	<p>(1) To use its own funds to trade various marketable securities and financial derivatives in the centralized market, storefront market, futures market, and other markets.</p> <p>(2) The aggregated transactions in the Emerging Stock Market</p>	<p>The proprietary team uses computer-aided data and observes market fluctuations to determine the direction of the stock market and to exchange information with peers to achieve proprietary growth goals.</p>

Underwriting Business	<p>(1) Assisting and counseling companies in applying for public offerings and raising of various securities or assisting in the issuance of securities, the establishment of an over-the-counter (OTC), listing, and listing services.</p> <p>(2) Assist in raising capital for the issuance of securities such as stocks and convertible bonds.</p> <p>(3) Undertake to assist listed (over-the-counter) enterprises in cash capital increase evaluation and related underwriting business.</p> <p>(4) Provide capital planning, financial and management consulting services.</p> <p>(5) Other matters related to auditing business</p>	<p>(1) Cooperate with peers to secure various underwriting cases.</p> <p>(2) The Company upholds the goal of providing professional financial services to businesses and plays a good medium and provider in the market value chain to enhance operational value.</p> <p>(3) In the future, the Company will focus its relative business on securing the recommendation of high quality enterprises and various types of fund raising cases, including convertible bonds, current capital increase and preferred shares, etc. The Company will also strengthen its financial advisory business to make its underwriting business more competitive.</p>
Bond Business	<p>(1) Public and corporate bonds are traded off.</p> <p>(2) Bonds with repurchase and resale transactions.</p> <p>(3) Short-term interest rate consultation and disclosure of public debt yield. The Company uses its own funds to buy and sell central government bonds and corporate bonds in the market.</p>	<p>(1) With the spirit and concept of service, the Company will cooperate with the government's policy of revitalizing the money and bond markets, and provide investors with the option to buy and sell bonds issued by the government, so that they can use their capital to earn safe and stable interest.</p> <p>(2) Cooperate with other departments to jointly develop and serve customers so that they have more options to operate their funds and create more added value for the company.</p>
Compound Commissioning Business	<p>Currently, trading in foreign securities is limited to the subject matter of transactions on the Hong Kong Stock Exchange and permitted by the competent authorities in Taiwan. In the future, we will be able to expand to the U.S. and Japanese markets depending on actual needs.</p>	<p>It is linked to the brokerage business of the Taiwan stock market to provide investors with diversified services, allowing them to invest in investment markets other than the Taiwan stock market and to learn more about the information related to</p>
Loan Items	<p>The Company engages in capital financing business for the settlement of the purchase of listed or over-the-counter securities. T+5 and semi-annual are included in the scope of brokerage business.</p>	<p>(1) Resolve the borrowings of customers who are unable to deliver due to temporary shortage of funds.</p> <p>(2) Provide a new option for long-term equity holders to revitalize their equity assets on their books. We use our clients' stocks as collateral for lending and borrowing to provide them with a dynamic investment approach that allows them to generate more income. the development of the Taiwan stock market.</p>

Unrestricted loan business	The customer guarantees the facility with securities or other commodities for six months, which may be extended for six months (twice) depending on the customer's creditworthiness.	Solve the clients the temporary funding shortage and make flexible use of the stock assets. We offer the treasury stocks as collateral, making more flexibility than traditional credit loans.
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(4) New products (services) to be developed

- A. Continue to optimize the existing electronic trading system and develop a more functional trading platform.
- B. Promote the new business function mode of "online account opening".

2. Industry overview:

1. Current status and development of the industry:

The impacts of ongoing geopolitical turmoil, such as the Russo-Ukrainian War that began in February 2022 and the " Hamas War " between Hamas-led Palestinian groups and the Israeli military in October 2023, have continued to impede global economic recovery. The United States and Europe have yet to see full demand recovery, while China's economic rebound post-pandemic has not met expectations. The Federal Reserve's decision to halt interest rate hikes has heightened global energy and economic volatility. By the end of 2023, the Taiwan Stock Exchange Weighted Index reached 17,930 points, reflecting an annual increase of 3,793 points or approximately 26.8%.

As we look ahead to 2024, the world continues to confront enduring risks and challenges. This year is being dubbed a "super election year" due to significant elections in populous nations such as the United States, Mexico, India, and Indonesia. The U.S. presidential election in November will notably impact the global economy. With ongoing military conflicts and pivotal elections across several nations, the global economy in 2024 will face escalating geopolitical risks, posing heightened challenges for global economic stability and investment.

One of the major factors impacting Taiwan's stock market in 2024 is the Federal Reserve's monetary policy. The Fed is expected to initiate an interest rate reduction cycle in the second quarter as a preventive measure to support the economy. This, combined with the influence of the U.S. presidential election, is likely to stimulate further growth in U.S. stocks. Taiwan's semiconductor industry is experiencing a strong recovery, and corporate profits are projected to be favorable in 2024. Beyond fundamental considerations, the performance of the U.S. economy is a crucial determinant of financial market dynamics, which will benefit Taiwan's stock market performance. According to the latest forecast by the Taiwan Institute of Economic Research on "2024 Taiwan Macroeconomic Outlook," Taiwan's economic growth in 2024 will be primarily supported by consumption and investment, alongside an improvement in external demand. Global trade is rebounding due to the recovery in the global electronics industry, leading to positive export growth rates in Taiwan and South Korea driven by robust U.S. demand for high-tech products. Additionally, the conclusion of inventory destocking in traditional industries and a gradual recovery in global end-demand indicate a predicted resurgence in global trade volume in 2024. Domestically, stable employment conditions and strong private consumption indicators are expected to sustain consumer spending. Private investment will benefit from the export recovery and the normalization of inventory levels, facilitating firms' investment plans. Furthermore, steady growth in public investment, coupled with a low base effect, is anticipated to shift the fixed capital formation growth rate from negative to positive in 2024. Looking ahead to 2024, the global economy will grapple with various uncertainties such as the Red Sea Crisis, competition in green subsidies, extreme weather events, and ongoing geopolitical risks. Therefore, based on the Taiwan Institute of Economic Research's latest projections, Taiwan's domestic economic growth

rate for 2024 is estimated to be 3.15%.

As we look to the future, the evolution of financial products and the diversification of asset allocation, coupled with advancements in internet technology, are expanding options for investors. This underscores the importance of strengthening online service capabilities in securities information systems and enhancing cybersecurity measures. In addition to our ongoing collaboration with regulatory authorities to drive capital market development and address ESG sustainability, we are exploring cross-industry collaborations and strategic partnerships to offer customers a broader range of financial services. Our focus is also on enhancing the professionalism of our workforce to elevate service quality.

2. Overview of Domestic Stock and Securities Markets

As of the end of 2023, our country had a total of 997 listed companies with an aggregate capitalization of approximately NT\$7.6388 trillion. Additionally, there were 816 companies listed on the over-the-counter market with a combined capitalization of around NT\$757.9 billion.

Number of Listed Companies (OTC)

Unit: NT\$ 100 million

Year	Listed Company (Note 1)			Over-the-Counter Company Company (Note 2)			Unlisted companies(Note 3)	
	Number of companies	Capital		Number of companies	Capital		Number of companies	Capital
		Amount	Growth Rate		Amount	Growth Rate		
1999	462	30,830	12.76%	264	5,138	34.71%	2,018	29,469
(2000 ~ 2011 omitted)								
2012	809	63,850	3.78%	638	6,669	(8.88%)	540	16,859
2013	838	66,100	3.53%	658	6,619	0.37%	584	17,772
2014	854	67,834	2.62%	685	6,796	2.68%	621	17,490
2015	874	69,509	2.47%	712	7,062	3.92%	636	16,820
2016	892	70,217	1.02%	732	7,153	1.28%	639	15,786
2017	907	71,362	1.63%	744	7,224	0.99%	652	15,465
2018	928	71,589	0.32%	766	7,385	2.23%	666	14,510
2019	942	71,556	(0.05%)	775	7,467	1.10%	677	14,835
2020	948	72,384	1.16%	782	7,422	(0.59%)	708	13,755
2021	959	73,853	2.03%	788	7,608	2.51%	747	14,576
2022	971	74,999	1.55%	808	7,420	(2.47%)	785	13,997
2023	997	76,388	1.85%	816	7,579	2.14%	828	13,819

Source: FSC Securities and Futures Bureau website/Key Indicators of Securities and Futures Market

Note 1: Listed companies include first-listed foreign companies.

Note 2: The number of listed stocks includes Class II stocks since April 2000, and the listing and trading system of Class II stocks was officially abolished on Nov. 5, 2004. The listed companies include the first listed foreign companies.

Note 3: Since January 2, 2002, the trading of HSC stock started, unlisted (over-the-counter) companies include HSC.

Regarding the cash capital increases conducted by all securities firms for companies listing on the stock market, over-the-counter market, and emerging markets, the total amount raised in 2023 was NT\$74.38 billion, a decrease of NT\$24.86 billion compared to NT\$99.24 billion in 2022.

Listed and Emerging Companies' Cash Capital Increase Statistics

Unit: NT\$ 100 million

Year	Listed Company		Over-the-Counter Company		Emerging Company	
	Number of companies	Capital increase by cash	Number of companies	Capital increase by cash	Number of companies	Capital increase by cash
2014	37	532.8	46	70.3	40	41.3
2015	34	622.0	33	36.2	36	46.1
2016	25	192.7	24	32.7	31	25.5
2017	38	648.6	34	46.4	35	33.0
2018	43	444.3	31	75.6	40	39.8
2019	46	443.1	37	48.7	22	28.2
2020	49	372.1	39	55.9	41	37.9
2021	67	587.1	55	86.3	39	92.9
2022	62	887.2	45	69.9	52	35.3
2023	65	598.7	51	66.5	55	78.6

Source: FSC Securities and Futures Bureau website/Key Indicators of Securities and Futures Market

According to the above statistics, the government has been actively encouraging the development of the capital market and helping quality enterprises to transform and grow from the capital market, so it has established channels for SMEs to raise capital, such as the Emerging Stock Market, which has been operating for more than 10 years, and the New Stock Market, which was established in 2014. Therefore, the Taiwan securities issuance market has developed more a mature market, and despite the cyclical economic factors, the number of listed or emerging companies and the total amount of capital raised still maintain a considerable economic scale.

(3) Domestic Bond Market

With the widespread adoption of direct finance concepts and the steady development of the capital market, the primary bond market has experienced significant growth. In addition to the government's regular issuance of government bonds each year to meet public infrastructure and fiscal expenditure needs, corporations have increasingly relied on issuing corporate bonds to raise funds. Moreover, the annual increase in the issuance scale of financial bonds aimed at strengthening bank capital has further contributed to the growth of the bond issuance market. As evidenced by bond issuance statistics, the net issuance amount has surged by 226.34% from NT\$1.5236 trillion in 2012 to NT\$3.4486 trillion in 2023.

Bond Issuance Statistics

Unit: NT\$ 100 million

Year	Government Bond		Financial Bond		Net Amount				
					General Corporate Bonds		Conversion of corporate bonds		Total Net Amount
	Period	Net amount	Period	Net amount	Period	Net amount	Period	Net amount	
2012	100	49,343	440	9,904	433	13,641	314	1,595	15,236
2013	103	52,095	408	9,924	468	15,776	294	1,542	17,318
2014	108	54,402	403	10,514	519	17,198	277	1,508	18,706
2015	113	55,694	355	9,889	500	17,082	297	1,554	18,636
2016	116	56,053	346	9,774	500	16,776	270	1,483	18,259
2017	119	56,363	345	9,164	512	17,437	193	1,173	18,610
2018	124	56,025	349	9,045	535	18,120	157	1,174	19,294
2019	129	55,510	356	9,494	569	19,012	166	1,186	20,198
2020	137	56,245	370	10,406	681	23,506	193	1,338	24,844
2021	156	58,393	372	10,476	788	27,169	237	1,488	28,657
2022	158	59,501	391	10,674	841	28,265	259	1,828	30,094
2023	163	60,601	392	10,429	922	32,398	268	2,088	34,486

Source: FSC Securities and Futures Bureau website\ Key Indicators of Securities and Futures Market

As for the Taipei Exchange, the factors influencing annual changes in total trading value are generally analogous to those observed in the centralized market. Furthermore, the total transaction value of the over-the-counter market (including the Emerging Stock Market) has surged from NT\$4.32 trillion in 2013 to NT\$17.5189 trillion in 2023, representing a growth rate of 405.53%.

Centralized and storefront market turnover statistics

Unit: NT\$ 100 million

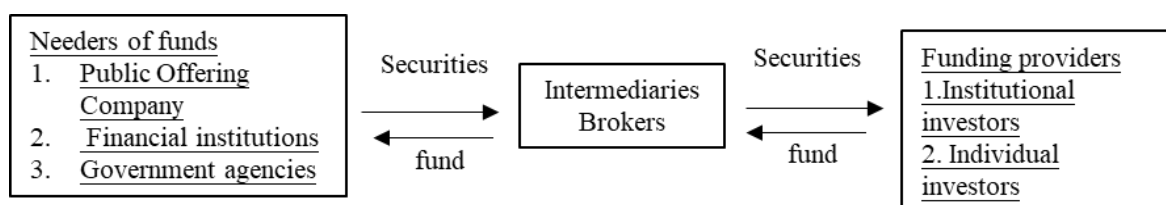
Year	Centralized market		Total transaction value of the storefront market			
	Total Transaction Value	Growth Rate (%)	General	Growth Rate (%)	Emerging Company	Growth Rate (%)
2013	189,409	(6.41)	40,309	36.55	2,891	86.64
2014	218,985	15.61	63,559	57.68	4,195	45.11
2015	201,915	(7.80)	56,892	(10.49)	3,191	(23.93)
2016	167,711	(16.94)	50,503	(11.23)	2,809	(11.97)
2017	239,722	42.94	76,835	52.14	2,647	(5.77)
2018	296,089	23.51	81,455	6	2,403	(9.22)
2019	264,646	(10.62)	76,075	(6.6)	1,790	(25.51)
2020	456,543	72.51	120,871	58.88	5,059	182.63
2021	922,899	102.15	202,759	67.75	12,804	153.09
2022	560,805	(39.23)	148,786	(26.61)	5,972	(53.35)
2023	631,702	12.64	168,474	13.23	6,715	12.44

Source: FSC Securities and Futures Bureau website\ Key Indicators of Securities and Futures Market

(4)Upstream, midstream and downstream industry linkages

The securities industry plays the role of a capital broker, linking the demand for capital,

such as public companies, financial institutions and government agencies, with the supply of capital, such as the investing public and institutional investors. Through the operation of the capital market, the capital demanders can obtain funds at a reasonable cost through the fund raising channel and improve their financial status; while the investing public has the right to distribute the surplus as the company's operation grows, and can enjoy capital gains on the other hand, creating a win-win situation for both the capital demanders and the capital suppliers. The securities industry serves as a bridge between the supply and demand of capital, channeling social lending and general private savings into real and effective investment quickly, so there is no clear distinction between the upper, middle and lower reaches of the industry. Formally, the relationship between the supply and demand of funds and the bridge can be tabulated as follows.



Source: Provided by our company

5. Various development trends and competition of products

The main businesses that a securities dealer can operate are brokerage business, proprietary business and underwriting business. The market share and competition of the above businesses of the Company are described as follows.

(1) Brokerage business

Looking at the brokerage business profile of Taiwan's securities firms, Yuanta Securities still ranks first in the industry with a market share of 12.43%, and has even opened up a gap in market share to KGI Securities, which is in second place. For Yuanta Securities, which has a large retail client base, the volume of Taiwan stocks is surging high and the volume of securities brokers is also considerable. The Company also aims to attract the younger generation to participate in the investment market by enhancing their awareness and recognition through promotional activities and strengthening the e-order platform services.

Overview of brokerage business of major securities firms in Taiwan

Unit: NT\$ 100 million

Manufacturers	2023	
	Amount	Market share (%)
Yuanta	167,127	12.434
KGI	146,739	10.917
Fubon	93,859	6.983
SinoPac	62,279	4.634
Cathay Pacific	52,777	3.926
MasterLink Securities Corp.	44,832	3.335
CAPITAL SECURITIES CORP.	43,887	3.265
Hua Nan SECURITIES	36,595	2.723
President securities corporation	36,155	2.690
Top 10	622,033	50.91
Concord	2,897	0.170

Data Source: Taiwan Stock Exchange

The Company's market share in the centralized trading market was only between 0.16% and 0.20% due to its smaller capitalization and fewer brokerage offices than the top 10 brokerage firms. However, the Company still strives to further develop the domestic brokerage market, continue to enhance the efficiency of its offices, focus on customer relationship management, and enhance the professional wealth management and other related financial expertise of its employees in order to meet the differentiated investment banking needs of its clients. To meet the differentiated investment and financial management needs of our clients, we focus on the management of client relationships and the enhancement of our employees' professional wealth management skills.

(2) Self-operating business

Our proprietary trading operations primarily involve trading securities on both the centralized market and the Taipei Exchange to generate capital gains. The profitability of these operations is highly sensitive to market fluctuations in stocks and bonds, as well as government policies. In this context, effective risk management is prioritized over profit maximization.

In 2023, against a backdrop of geopolitical turmoil and major central banks maintaining a high-interest rate environment, Taiwan's stock market displayed resilience based on strong fundamentals and robust corporate governance. Alongside industry-specific themes, the weighted index fluctuated upwards to 17,930.81 points, marking a 26.83% annual increase. Compared to the global stock and bond market downturn in 2022, Taiwan's stock market performance in 2023 was notably strong. The Company reported net profits from securities sales of NT\$166,658 thousand in 2022 and NT\$86,671 thousand in 2023. These profits primarily reflect the Company's strategy of selectively choosing securities with intrinsic potential and favorable long-term prospects for proprietary trading. Net profits from securities measured at fair value through profit or loss amounted to -NT\$510,573 thousand and NT\$650.543 thousand for 2022 and 2023, respectively.

(3) Self-operating business

In recent years, the domestic securities underwriting market has witnessed intense competition among industry players and limited large-scale fundraising projects annually, leading to unpredictable fluctuations in the number and amount of underwriting cases handled by each underwriter. This has resulted in significant variations in underwriting revenue. Most major underwriting projects in Taiwan are undertaken by leading underwriters, reflecting the ongoing trend of consolidation in the industry. The market landscape for stock underwriting services remains relatively stable. However, under the new underwriting system, securities firms have limited opportunities to earn capital gains from underwriting IPOs. Instead, they are responsible for stabilizing stock prices for a certain period. In response to this regulatory change, underwriters are adopting longer-term strategies, positioning themselves early in the emerging market to secure targets and arrangements, which consequently increases associated risks.

Since the Company did not act as the lead underwriter for any underwriting projects, our underwriting operation fee revenue primarily consists of processing fees and compensation for underwriting securities. The underwriting revenue for 2022 and 2023 was NT\$1,507 thousand and NT\$2,223 thousand, respectively. The net profit from operating securities sales for 2022 and 2023 was NT\$1,789 thousand and NT\$1,572 thousand, respectively. The net profit from securities measured at fair value through profit or loss for operating activities was NT\$-1,990 thousand and NT\$1,923 thousand for 2022 and 2023, respectively.

In the future, our underwriting department will remain committed to developing high-value-added, benchmark, and niche fundraising projects, aiming to participate in IPOs and SPOs (including CBs and ECBs) to primarily capitalize on inventory for capital gains as our

main operational strategy. Moreover, we will establish stable distribution channels in collaboration with key clients in the brokerage (including futures) business, maintaining a professional role as a financial bridge in the capital market to assist more enterprises in listing or raising funds, with the objective of maximizing benefits for clients and contributing to the growth of the domestic capital market.

(III) Technology and R&D Overview

The securities industry is a financial licensing business and new products must be approved by the competent authorities before they can be issued. The Company will continue to bring in experienced professionals in accordance with the government's industrial policy. With the development of talents and technologies in financial instruments, the Company will look for niche markets to invest in that are in line with the Company's strategy, and will actively invest in the research and development of new products to meet the diversified investment needs of our customers in line with the liberalization of the competent authorities.

(IV) Long- and short-term business development plans:

	Short-term Business Development Plan	Long-term Business Development Plan
Brokerage Business	<p>(1) Enhance and promote the functions of the web-based information viewing and order placement system to increase clients' ability to research and judge quotes and select stocks, and to enhance clients' investment tools by providing immediate access to international information, general and even industry and stock-related basic information.</p> <p>(2) Build a variety of mobile order information and trading platforms, and a Hong Kong stock multiple commission information and trading platform to provide customers with a more convenient and real-time trading system.</p> <p>(3) Update the voice order platform and reporting system, and involve deeply in customer relationship management.</p> <p>(4) Revitalize inactive clients and educate clients on a transaction-by-transaction basis and on cash hedge in order to increase market share.</p> <p>(5) Commit to developing a people-oriented company that focuses on the rights and interests of our customers, employees and shareholders.</p> <p>(6) Attract large customers in competitive</p>	<p>(1) With the professional service advantage, the sales staff provides investors with services in Taiwan stocks, futures, and compound entrustment business, and continues to strengthen the professional training of staff and business development strategy to strive for continuous business growth and enhance the quality of services.</p> <p>(2) The Company will optimize our online trading system platform and enhance our online services by providing a variety of electronic platform interfaces, easy and convenient online order placement and quick and easy mobile transactions to enhance the convenience of trading and to meet the needs of our customers with customized services.</p> <p>(3) The business will be optimized simultaneously on the process, system and product sides to improve business efficiency and service quality and to maintain business advantages.</p> <p>(4) Use of new unrestricted securities lending business to expand financial lending interests.</p> <p>(5) Set up customer sub-accounts to facilitate customer transactions</p>

	<p>markets with customized and in-depth content services to increase additional benefits.</p> <p>(7) Cooperate with the company's own credit transactions and counsel customers to make good use of credit transactions.</p> <p>(8) Provide customers with information to facilitate the government's stock market upturn plan, so that customers can invest more smoothly</p>	<p>(6) Set up a multi-delegation trading platform for clients to invest in foreign stocks.</p>
Self-operating Business	<p>The Company observes the changes of various international indices, ETFs, futures, options and other commodities, and tracks the futures indices and ETFs of mainland stocks to achieve arbitrage trading by using various investment portfolios flexibly.</p>	<p>With the long-term goal of gaining capital gains from trading securities in the centralized and front-end markets, the Company will continue to track industry movements in terms of fundamentals, chip movements, and technical analysis, and work hard to achieve our profit goals.</p>
Underwriting Business	<p>(1) In response to the changes in the underwriting market, we strive for IPO and SPO (including CB and ECB) co-sponsorship cases, strengthen fixed income, select industries and future development carefully, pay attention to corporate credit risk, and strive for cases.</p> <p>(2) Establish stable distribution channels with stable and important clients in the brokerage business.</p>	<p>(1) Strengthen the development of financial consulting business.</p> <p>(2) Participate in the investment of listed stocks and underwrite the first listing of domestic and foreign enterprises.</p> <p>(3) Actively participate in collaborative cases and develop steadily in order to obtain capital gains from treasury stock.</p>
Bond Business	<p>(1) Continue to track domestic corporate bonds and look for opportunities to build high-quality corporate bond positions and enhance yields.</p> <p>(2) Improve the return on existing fixed income reinvestments.</p>	<p>(1) Continuously strengthen the ability to research and judge domestic and external general economic trends.</p> <p>(2) Externally, the Company will work with other brokerage firms' bond departments and understand the current market conditions to enhance the profitability of the department.</p> <p>(3) Actively participate in the bidding and trading of the domestic bond market for primary issuance.</p>
Futures Assistance Business	<p>(1) Strengthen the business development of individual stock futures and individual stock options.</p> <p>(2) Cooperate with the education training of the upper hand and to be familiar with each commodity and trading system.</p> <p>(3) Familiar with various trading platforms to provide customers with more efficient system services.</p> <p>(4) For sales staff, strengthen the training of professional intelligence.</p> <p>(5) Strengthen the relationship with customers and enhance differentiated</p>	<p>(1) Integrate spot and futures information to plan long-term business development direction.</p> <p>(2) Cross-promotion policy for securities and futures business.</p> <p>(3) Integrate service business with management system and establish long-term development plan.</p> <p>(4) Long-term training program for new employees.</p> <p>(5) Long-term training program for new employees.</p> <p>(6) Expand more types of futures and option products to provide more</p>

	management. (6) Implement risk management system.	diversified services.
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II. Market and Sales Overview

(1) Market analysis:

1. Main service items and service targets

(I) Service items: The business includes securities brokerage (including futures), proprietary trading, bonds, underwriting, and credit trading.

(II) Service targets: including domestic and foreign legal entities and the general investment public.

2. Market share of the last 3 brokerage businesses

Area	2021		2022		2023	
	Volume	Market share%	Volume	Market share%	Volume	Market share%
Whole market	1,156,799	-	734,855	-	851,110	100
South Region	3,434	0.15	1,986	0.14	2,354	0.14
North Region	1,172	0.05	583	0.04	543	0.03
Total	4,606	0.20	2570	0.17	2,897	0.17

2. Market and Sales Overview

Future market supply and demand and growth

(1) Supply aspect

The total number of securities firms in the country has been decreasing from 183 at the end of 2011 to 102 at the end of 2023. It is expected that the number of major securities firms will continue to decrease due to mergers and consolidations of financial holding companies.

Statistics of securities futures service business

Unit: Number of companies

Year	Total number of securities dealers		Brokers	Self-trade firm	Underwriting firm
	Head Office	Branch			
2011	183	1,094	151	105	75
2002~2012 omitted					
2013	121	993	82	81	54
2014	119	964	78	80	57
2015	120	965	80	81	62
2016	116	910	78	79	59
2017	111	883	74	77	58
2018	108	871	72	76	58
2019	106	853	71	75	58
2020	105	848	70	74	58
2021	105	849	70	74	58
2022	105	849	69	74	59
2023	102	828	67	74	57

Source: FSC Securities and Futures Bureau website, Key Indicators of Securities and Futures Market

In recent years, the FSC has continued to promote financial upgrades to facilitate industrial and economic development. In order to make the securities market more prosperous, the trading system has been appropriately relaxed to create a more efficient trading market. In 2015, the Securities Market Uplift Plan was launched, with the main changes being the relaxation of stock market limit, the relaxation of the range of spot stock equivalent targets, the adjustment of the range of inflation and decline, and the increase of the minimum whole account guarantee maintenance rate from 120% to 130% for credit transactions. In order to continue to strengthen the international competitiveness of the capital market, the Company is once again planning to promote the advanced version of the Securities Market Enhancement Plan, which will be opened up from January 2016, including the opening up of securities dealers to handle unrestricted lending and borrowing of funds, the study of opening up the scope of investment from Mainland China, and the expansion of the scope of pawn trading targets, in order to expand the trading targets and market dynamics of strategic trading for investors.

(2) Supply aspect

With the development of Internet technology, the speed of information dissemination, the increasing income of the people and the increasing variety of investment tools, the national people gradually pay more attention to the concept of investment and financial management, and due to the gradual liberalization and modification of laws and regulations, the willingness of legal entities and foreign investors to invest in Taiwan is also gradually increasing. As a result, the demand for securities-related information is expected to increase and the quality of services provided by securities firms will continue to improve.

4.Competitive Niche

(1) Stable customer base

The Company was established in 1989, and over the years, it has maintained a clear position as a professional brokerage firm, and has been working hard to develop the local market, Currently the number of customers who have opened trading accounts has exceeded 150 thousand, laying the foundation for the Company's sustainable development.

(2) Experienced team and professionals

We are a team of professionals with rich experience in the securities industry, and our staff is recognized and recognized by our clients for their professionalism, integrity and enthusiasm for service, is the key factor for a stable development of the Company's business.

(3) A lean and modest scale of operation

The company maintains a high degree of autonomy and flexibility with a lean and modest scale, and the various departments and business functions take advantage of mutual cooperation and resource sharing to achieve excellent business results with customer service as the guiding principle.

5.Favorable and unfavorable factors of development prospect and countermeasures

(1) Favorable Factors

A. Stock market positive policy.

This year the FSC proposed measures to promote the activation of Taiwan stocks, which are mainly divided into three areas: encouraging securities and peripheral companies to issue more ETF products with more diversified underlying, such as commodity futures, bonds, exchange rates, foreign indices and even thematic underlying, in order to meet the trading needs of different investors; secondly, in terms of market liquidity,expanding the scope to include same-day offsetting transactions, opening up fixed-amount stock purchases, relaxing restrictions on the investment of insurance funds in Taiwan stocks, offering active volume incentives, and encouraging institutional corporations to participate in domestic ETF products. In addition, in April 2017 the Legislative Yuan passed the third reading of the tax reduction bill, which will halve the tax on hedging certificates from the current 0.3% to 0.15%; finally, in terms of promoting Taiwan stocks, the main focus is on encouraging high-quality companies to list and trade on the stock exchange, encouraging listed companies to hold results presentations, and securities peripheral units and brokerage firms to jointly conduct investment promotion business overseas. The trading system of the securities trading market has been to deal-by-ticket matching , and Intraday Odd Lot Trading,with the same-day offsetting transactions.The average daily trading volume of the market will be expanded, which should helpful the performance and profitability of the brokerage

department.

B. Development of Financial Technology

In the Financial 3.0 generation, due to new technology, regulations and new consumer behavior, not only can Internet technology reduce costs, but also provide better services to customers in a safe, fast and convenient integration. This will enable our securities business to diversify and internationalize, and enhance the growth of the securities market. The Company accelerate and adapt to the speed of integration of financial technology in each business. In order to comply with the digital business model, also sync have the ability to integrate financial products and digital services in a more professional manner.

(2) Unfavorable Factors

- A. Brokerage fee income is affected by the low price competition from the industry and the role of brokerage is gradually replaced by Electronic products.
 - a. Online investment trading platform brings low threshold investment and low handling fee, or uses social sharing to make trading easier to get started, and uses the Internet and big data to analyze market, product, customer behavior and other data in detail, so as to carry out professional and rational investment portfolio management for customers.
 - b. In order to meet the diversified investment needs of our customers, in addition to actively exploring new sources of customers, we organize staff education and training to equip them with professional wealth management and other related financial expertise in order to enhance customer satisfaction and strengthen existing customer relationships.
- B. Customer behavior changes, electronic orders are prevalent, and the value of physical locations is weakened in response.
 - a. The need for investors to place orders manually is gradually decreasing and is replaced by placing orders through the computer network or even cell phone APP to complete various trading orders, thus limiting the business development of physical sales offices. For example, we can cooperate with telecommunication companies to set up securities service counters to provide services such as account opening and receipt, financial product explanation and marketing consultation, and set up virtual offices to provide digital multi-service, so that customers are not limited to which account they belong to, and implement the goal of opening one account with multiple points. The goal of providing multiple services at one location is achieved.
 - b. In order to meet the needs of local services and customers, we plan various service locations with different characteristics to enhance the effectiveness of our business locations.
 - c. As the traditional manual order placing business is gradually crowded out and replaced by electronic order placing, for brokerage firms, Internet order placing can reduce the

cost of their business premises and brokerage staff, although there are additional costs for network authentication and computer maintenance. In the long run, this change will make it more convenient for investors to place orders and more flexible for securities firms to allocate manpower. The Company intends to streamline and consolidate its traditional business and to create an environment more conducive to the development of digital finance business in line with the deregulation of laws and regulations.

- d. The proportion of electronic orders showed a trend of year-on-year increase. The popularity of the Internet and the rise of smartphones have caused a change in customer ordering behavior. In order to expand the mobile ordering business and increase the adhesion of mobile ordering customers, the Company has been offering a 30% discount on the handling fee for new customers who place mobile orders since February 2016, resulting in an increase in the proportion of electronic orders year by year. The company has made the promotion of electronic order placement a long-term business priority and actively promoted it so that customers can better understand the advantages of electronic order placement, and the measures to strengthen electronic order placement are as follows.

- (a) Update the network equipment to improve the security and stability of the system

Upgrade network technology-related software and hardware, such as firewall replacement (including subsequent database updates), the addition of a certificate backup system, and the overhaul of the power supply equipment in the data center (including the replacement of generators and UPS), to enhance the system's security and stability, thereby increasing the efficiency of our business operations.

- (b) Continuously cooperate with information vendors to upgrade the system interface of electronic order placement.

In order to respond to the market development trend and expand the market share of electronic trading, the Company has built an online order placement system (justwin) in 2010 and continues to update and maintain it regularly to enhance customer convenience, functionality, and autonomy. By offering various order modes, we have attracted more external customers and improved the overall customer structure.

The Company has the ability to develop and maintain our own securities back-office trading system and database customer management system, and then import the outsourced system or cooperate with an outsourced vendor to develop the system, which can enhance the functionality, control and stability, and make the system and back-office interface more smooth. For the future development direction, the Company intends to provide customers with a variety of program trading modules (API) and customized trading modules in line with the opening of the competent authorities, as well as to create a digitalized account book allocation operating environment and identity identification services.

- (c) Continuously educate customers on the proper use of electronic order carriers.

Our company not only actively assists clients in understanding the functions of electronic order, but also promotes the downloading of our electronic order software to

those who have not utilized it. Through our mobile trading software, clients can learn specific information about their stock holdings such as monthly revenues, major news, and shareholder meeting updates. Further, we educate our customers to use specific push messages so that they can automatically receive specific information about individual stocks without having to search for them individually. The Company hopes that through the comprehensive and real-time services of our information system, we will not lag behind in the speed of receiving information from our customers who place orders manually, and we will also enhance our services to our customers with elaborate customized information applications.

C.Competition in economic scale With the increasing influence of GFCs on the domestic financial market, securities firms incorporated under GFCs have a relative advantage in terms of presence, sales and capital. The subsidiaries of large financial holding companies cross-market and provide value-added services to their clients through their brokerage systems to increase customer satisfaction and develop new clients, while non-member securities firms are restricted in their business scope and slow to liberalize their laws and regulations, making competition in the market more severe.

Countermeasures: Under the wave of financial technology, the relationship between investors and physical sales offices and front desk operators has become weaker than in the past, Securities firms turned to strengthen the timeliness and functional integrity of trading system platform quotations and diversified financial and investment services. It is advantageous for our company as we have also taken the advantage for transition. By implementing and enhancing our systems and our features and advantages, we develop a resilient business scale. The Company's core business is securities brokerage, which is closely coordinated with underwriting, proprietary trading and bond business. Through a flexible, autonomous and highly efficient operation, the Company has developed its own characteristics and competitive advantages by focusing on customer service and cultivating medium-sized and small and medium-sized corporate clients.

(II) Important applications and production processes of major products.

The Company is in the securities service industry, and the business and services provided by the Company do not involve the production of physical products.

Not applicable.

(III) The supply of major raw materials:

The Company is in the securities service industry and its business and services are conducted in accordance with the regulations of the competent authorities.

There are no problems with the supply of raw materials for the general manufacturing industry.

(IV) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together

with the reasons for the increase or decrease. The Company's main customers include individual investors, legal entities, and approved foreign professional investment institutions and natural persons, and in any one of the last two years, the purchase (sales) of each customer did not reach 10% of the Company's total purchase (sales).

(V) Production volume for the last two years: The Company is in the securities service industry and is unable to provide this value in accordance with the general manufacturing industry, so it is not applicable.

(VI) Sales volume for the last two years: The Company is in the securities service industry and cannot provide the value based on the general manufacturing industry, therefore, it is not applicable.

3. Employee Status

The number of workers, average length of service, average age and education distribution of employees for the last two years and as of the printing date of the annual report.

Unit: people; %

Year		2022 (people)	2023 (people)	2024 (As of Mar. 31)
Number of Employees	Manager	25	25	26
	Staff	187	189	182
	Total	212	214	208
Average age		51.72 (years old)	52.4(years old)	53. 17(years old)
Average Length of Service		17. 50 (years)	17. 50(years)	18. 51(years)
Ratio of education distribution	PhD	0%	0%	0%
	Master	3. 72%	4. 88%	4. 83%
	College	73.49%	72.20%	72.46%
	High School	22.79%	22.93%	22.71%
	Below High School	0%	0%	0%

4. Information on environmental protection expenses

(including compensation and environmental protection audit results for violations of environmental protection laws and regulations, the date of sanction, sanction number, provisions of violations, contents of violations, and sanctions should be listed), and the estimated amount of current and possible future occurrences and response measures should be disclosed: The Company is engaged in the securities service industry, so there is no environmental pollution problem.

5. Labor Relations:

(I) List the company's employee welfare measures, training, training and retirement systems

and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees.

1. Employee welfare measures

- (1) All employees participate in labor insurance and universal health insurance.
- (2) Occasional recreational activities such as birthday celebrations, trips, etc.
- (3) Wedding and funeral ceremonies and sympathy for the sick and wounded.
- (4) To set up a welfare savings club, the company also provides subsidies for the monthly contributions of participating employees.
- (5) The Employee Welfare Committee was established and We provide various subsidies for employees' weddings, funerals, celebrations, and illness, and offer group comprehensive insurance covering medical and accident expenses for our employees.

2. Further training, training and implementation status

(1) Statistics on the number of employees attending various training courses in the latest year

A. External courses

Type of courses	Total in 2022 (person/hours)
	Hours
Securities Related Regulations Course	136
Securities pre-employment training	187
Securities on-the-job training	506
Futures Related Regulations Course	7.5
Futures pre-employment training	36
On-the-job training in futures	633
Financial and Accounting Personnel Training	0
Internal audit and internal control training	68
Practical Management Training	183
Money Laundering Prevention Training	418
Introduction to Financial Consumer Protection Law and Case	599.3
Fire Management Training	30
Occupational Safety and Health Managers	35
Total	2838.8

B. Implementations of the company organizing internal promotion and education aiming:

In 2022, a total of 17,847 person-times participated in education and training on laws and regulations, information

security education and training, anti-money laundering and anti-terrorism education and training, totaling 8,923.5 hours.

(2) The most recent annual professional training courses and hours attended by
accounting executives

(III) The most recent annual professional training courses and hours attended by auditing executives

Training Session Dates	Organizing Institution	Course Name	Number of class hours	Attendees
2023.11.29	Chinese National Futures Association-Online	Seminar on Anti-Money Laundering and Counter-Terrorist Financing Laws: Analysis and Case Studies	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.11.16 2023.11.15 2023.09.20	Taiwan Stock Exchange Corporation	2023 Regulatory Compliance and Business Promotion Course for Securities Industry Professionals	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.11.10 2023.11.08 2023.11.07	Taipei Exchange	2023 Seminar on Over-the-Counter Trading Market Transaction System Guidance	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.10.05 2023.10.19 2023.10.20	Taiwan Stock Exchange Corporation	2023 Seminar on Settlement and Delivery, Error Reporting, Default Declaration, and Subscription Auction Business for Securities Firms	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.10.05	Chinese National Futures Association-Online	Analysis of Financial Consumer Protection Laws and Emerging Trends with an Emphasis on Fair Customer Treatment.	3H	Hui-chuan Wu, Hsiu-chen Wu
2023.10.13	Securities and Futures Institute-Online	Seminar on Compliance with Securities and Futures Laws (Including Trading Assistants)	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.10.25	Taiwan Securities Association	Fair Treatment of Customers and Anti-Money Laundering Measures	3H	Hui-chuan Wu
2023.10.25	Taiwan Securities Association	Recent Developments in International Carbon Tariffs and Sustainable Business Strategies for the Securities and Financial Sector.	3H	Hui-chuan Wu
2023.08.24 2023.08.17	Chinese National Futures Association	Strengthening Cybersecurity: Discussion on Current Cybersecurity Issues in the Securities and Futures Industry within the Context of Government Zero Trust Network Initiatives	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Yin-ying Su, Chia-li Wang

Training Session Dates	Organizing Institution	Course Name	Number of class hours	Attendees
2023.07.10 2023.07.11	Securities and Futures Institute-Online	Training Program for Talent in Key Industries and Securities Underwriting	12H	Hui-chuan Wu
2023.05.24 2023.06.13	Chinese National Futures Association	Seminar on Anti-Money Laundering and Counter-Terrorist Financing Laws: Analysis and Case Studies	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.06.14	Securities and Futures Institute-Online	2023 Securities Industry Regulatory Compliance Seminar	6H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.10.12	Financial Examination Bureau	2023 Annual Internal Audit Forum for Securities Firms	2H	Hui-chuan Wu, Hsiu-chen Wu
2023.05.12 2023.05.22 2023.05.23	Taiwan Stock Exchange Corporation	2023 Annual Seminar on Internal Control System Standards and Compliance for Securities Firms	4H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.06.30 2023.06.29 2023.06.28 2023.06.27	Taiwan Futures Exchange	2023 Annual Seminar on Amendments to Internal Control System Standards for Futures Firms and Futures Trading Assistants, and Guidance on Anti-Money Laundering and Counter-Terrorist Financing Prevention	3H	Hui-chuan Wu, Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.07.19 2023.06.14 2023.04.19 2023.03.29 2023.03.08 2023.02.22	Taiwan Securities Association-Online	Overview of Financial Consumer Protection Laws and Compliance (Fair Customer Treatment).	3H	Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2023.11.08 2023.11.10 2023.11.17	Taiwan Depository & Clearing Corporation	2023 Second-Half Seminar on Central Depository Business Promotion	3H	Hsiu-chen Wu, Yu-wen Cheng, Hsiu-li Yen, Jen-chih Chou, Shu-chuan Hsu, Chiuang-yi Chiu, Hsiao-wen Yeh, Chien-ju Wu, Yin-ying Su, Chia-li Wang
2024.01.18	Accounting Research and Development Foundation-WEBEX Online Meeting	Seminar on Financial Technology and Sustainable Digital Reporting	3H	Hui-chuan Wu

3.Retirement systems and the circumstances of their implementation:

In accordance with the regulations of the Labor Standards Act, 4.1% of an employee's monthly salary is allocated to a retirement fund, which is deposited into a special account at the Bank of Taiwan. Also, according to the Labor Standards Act, retirement payments for

employees are processed. Starting from July 1st, 2005, employees who choose to apply the Labor Pension Act retirement pension system will have 6% of their monthly salary allocated to their personal retirement fund account at the Labor Insurance Bureau.

4.The agreement between labor and management and the protection of employees' rights and interests:

- (1) The company adopts an open and two-way communication approach for all policy promotion and employee opinion understanding to maintain a harmonious relationship between employers and employees. In addition, each employee's rights and interests are protected in accordance with the relevant laws and regulations.
- (2) Set forth the losses suffered from labor disputes in the most recent year and as of the date of printing of the annual report (including labor inspection results in violation of the Labor Standards Law, the date of the penalty, the word number of the penalty, the provision of the violation, the content of the violation, and the content of the penalty should be set forth), and disclose the estimated amount of current and possible future losses and response measures, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated: there was no violation of any laws and regulations, nor was there any loss due to labor disputes.

5.Employee Safety and Workplace Environment Protection Measures and Impementation
Environmental Maintenance

The Company and its subsidiaries have assigned employees with certified fire safety management qualifications and have legally developed fire plans for each workplace, conducting regular fire drills and annual inspections and maintenance of fire safety equipment to ensure office fire safety.

The Company places great importance on the physical and mental health of employees, providing legally required labor and health insurance coverage.

The Company has surveillance systems in place, reinforces access control management, and establishes emergency evacuation routes and exits to ensure employee safety.

Additionally, the Company regularly replaces water purifier filters and conducts annual water quality testing to maintain the hygiene and quality of drinking water for employees.

Number of reported occupational injuries in 2023: 0

Number of employees injured in occupational incidents in 2023: 0

In compliance with the Labor Safety and Health Act, the Company implements measures for labor safety and health protection to prevent occupational injuries, with a disablement injury frequency of 0 in 2023 and no recorded occupational injury incidents.

Employee Health Management Measures

The Company places great importance on the physical and mental well-being of our employees. We provide mandatory labor and health insurance coverage for our employees as required by law and conduct regular education and training on health, safety, and hygiene to

promote a safe and healthy working environment.

To safeguard the health of our colleagues, the Company sponsors health check-ups every two years.

All our branches and workplaces are covered by public liability insurance to protect customer interests.

The Employee Welfare Committee has secured group insurance coverage for all employees from March 2023 to March 2024.

Additionally, senior and mid-level managers have enhanced group accident insurance coverage from May 2023 to May 2024 to ensure the protection of employee rights and the implementation of workplace safety measures.

6.Cyber security management:

- (1) The information security department of the company has set up a person in charge of the information security department and a person in charge of information security.

The Company set up the information security department and the information security department supervisor to assist the electricity capital department and the electricity coupon department, coordinate information security, and formulate various information security and disaster response measures to strengthen information and communication security, to prevent the information system and related data from being improperly used, leaked, tampered with, destroyed, etc., and to ensure the security of the information system and its data connected to the Internet, and to maintain the smooth operation of the computer, and the security, integrity and confidentiality of equipment and data, implement the management of computer information use, maintain the effective use of computer resources, and expect the overall information business to proceed smoothly. The Company continues to strengthen management and improve defense capabilities for important information systems to comply with regulations and information security requirements, and regularly review and implement improvements including information security measures, education and training, and publicity to ensure that the company's important confidential information is not leaked.

- (2) concrete management programs, and investments in resources for cyber security management:

The company has established comprehensive network and computer-related information security protection measures, but cannot guarantee that its control can completely avoid any third-party malware and hacker attacks. In order to prevent malicious hackers and reduce the damage caused by such attacks, relevant improvement measures are implemented and continuously updated.

In response to DDOS attacks, the company has established ISP traffic cleaning services to avoid attacks. Provide a mobile APP for customers to use, and entrust a certified third-party testing laboratory to conduct information security testing every year, and in the signed service contract, require them to comply with confidentiality and network security regulations, but cannot guarantee that every third-party service provider will strictly abide by these obligations. In the event of a major information service abnormal event or an information security incident, it will be promptly

handled in accordance with the established information security incident notification mechanism. The resources invested in data communication security management are IT personnel salary, software and hardware purchase, Maintenance, etc., have been budgeted and implemented annually.

(3) Major information security incidents:

In the most recent year and up to the date of publication of the annual report, there has been no loss, possible impact and countermeasures due to major information security incidents.

7. Significant contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Housing Lease Agreement	Chengshen Dental Clinic	2022/12/05~2025/12/04	For lease at 2F-West Side, No. 213, Sec.2, Xinyi Road, Taipei, Taiwan	None
Housing Lease Agreement	Trust Me Eye Center	2017/01/16~2026/01/15	For lease at 2F, No. 98, Sec. 4, Xinyi Road, Taipei, Taiwan	None
Housing Lease Agreement	Chen Han Wei	2024/01/01~2026/12/31	No. 305, Sec. 2, Minzu Road, West Central District, Tainan, Taiwan	None
Contract of software maintenance	The SYSCOM Group	2023/01/01~2025/12/31	Contract of securities exchange background system maintenance	None
Giant Star Building	Wan-chen Chen	2021/01/01~2025/12/31	Concord International Securities Co. Ltd B1, No. 144-1, Zhonghua Road, Tainan City Notes: None	N/A
Lease Contract	Te-chang Pharmacy	2023/12/01~2033/11/30	Concord International Securities Co. Ltd No. 242, Section 3, Zhonghua East Road, East District, Tainan City (for rental)	N/A

VI. Financial Information

1. Condensed Balance Sheet and Income Statement in the Past Five Years

(I) Condensed Individual Balance Sheet - Based on IFRS

Unit: In Thousand New Taiwan Dollar

Year Item		Financial Status over latest 5 fiscal years				
		2019	2020	2021	2022	2023
Current assets		3,583,394	4,946,891	6,690,528	3,910,530	5,960,848
Property and equipment		707,534	713,604	668,037	651,031	639,940
Other non-current assets		691,699	804,155	1,038,777	972,020	1,027,157
Current liability	Before distribution	1,359,983	2,404,833	3,621,705	1,211,270	1,933,895
	After distribution	1,490,603	2,547,327	3,772,749	1,253,965	2,088,136
Non-current liability		85,922	86,087	50,469	30,094	35,253
Share capital		2,374,904	2,374,904	2,517,398	2,668,442	3,084,811
Capital Surplus	Before distribution	1,087,425	1,412,631	1,815,957	1,301,072	2,126,895
	After distribution	956,805	1,127,643	1,513,869	1,258,377	1,664,173
Total assets		4,982,627	6,464,650	8,397,342	5,533,581	7,627,945
Total liabilities	Before distribution	1,445,905	2,490,920	3,672,174	1,241,364	1,969,148
	After distribution	1,576,525	2,633,414	3,823,218	1,284,059	2,123,389
Equity Total	Before distribution	3,536,722	3,973,730	4,725,168	4,292,217	5,658,797
	After distribution	3,406,102	3,831,236	4,249,522	4,249,522	5,504,556

Note : 1. The financial status in respect of fiscal years have been audited by CPA.

2. Other non-current assets refer to those other than real estate & equipment classified under non-current assets.

(II) Condensed Consolidated Comprehensive Income Statement - Based on IFRS

Unit: In Thousand New Taiwan Dollar

Item \ Year	Financial Status over latest 5 fiscal years				
	2019	2020	2021	2022	2023
Net Sales	333,592	729,816	1,057,679	41,344	1,148,064
Operating Expenses	221,587	266,731	346,746	254,441	310,848
Profit/loss shares of Affiliates and Joint Venture recognized using Equity method	—	—	—	—	—
Other gains and loss	26,470	27,389	28,147	22,299	43,753
Profit/loss before tax	138,475	490,474	739,080	(190,798)	880,969
Profit/loss after tax	135,652	469,077	703,020	(224,661)	875,977
Earnings per share (.00)(Note2)	0.54	1.86	2.79	(0.84)	3.18

*1: CPA has audited above financial statements across listed years.

*2: Earnings per share is calculated by retrospectively proportional adjustment of previous years in case of capitalization of retained earnings or capitalization of capital surplus.

(3) CPA Names and Audit Opinions for latest 5 years

Year	CPA Firm Name	CPA Name	Audit Opinion
2019	Baker Tilly Clock & Co	Cheng,Hsien-Hsiu Ting,Hung-Hsun	Unqualified opinion
2020	Baker Tilly Clock & Co	Cheng,Hsien-Hsiu Chou,Yin-Lai	Unqualified opinion
2021	Baker Tilly Clock & Co	Cheng,Hsien-Hsiu Chou,Yin-Lai	Unqualified opinion
2022	Baker Tilly Clock & Co	Cheng,Hsien-Hsiu Chou,Yin-Lai	Unqualified opinion
2023	Baker Tilly Clock & Co	Chou,Yin-Lai Tseng,,Kuo-Fu	Unqualified opinion

2. Significant Financial Ratio Analysis for latest 5 years

Analysis item			Fiscal year		Financial analysis for latest five fiscal years				
					2019	2019	2020	2021	2022
Capital structure analysis %	Debt ratio		29.02	38.53	43.73	22.43	25.81		
	Long term funds to fixed assets		512.01	568.92	714.88	663.92	889.78		
Liquidity analysis %	Current ratio		263.49	205.71	184.73	322.84	308.23		
	Quick ratio		263.17	205.60	184.69	322.84	308.23		
Return on investment analysis	Return on total assets(%)		2.82	8.20	9.46	(3.23)	13.31		
	Return on equity(%)		3.81	12.49	16.16	(4.98)	17.61		
	Accounted for paid-in capital%	Operation income to capital	4.72	19.50	28.24	(7.99)	27.14		
		Pre-tax income to capital	5.83	20.65	29.36	(7.15)	28.56		
	Net income to sales (%)		40.66	64.27	66.47	(543.40)	76.30		
	Earnings per share(.00)		0.54	1.86	2.63	(0.82)	3.18		
Cash flow	Cash flow ratio(%)		5.66	-	-	112.26	-		
	Cash flow adequacy ratio(%)		-	-	-	-	-		
	Cash flow reinvestment ratio(%)		-	-	-	29.57	-		
Specified ratio %	Debt to Equity Ratio		40.88	62.68	77.72	28.92	34.80		
	Fixed assets to total assets ratio		22.79	17.86	13.83	20.90	15.21		
	Total underwriting amount to the balance of its current assets less current liabilities ratio		0.85	0.02	0.88	1.13	0.64		
	Total Amounts of Margin Loan to Equity Ratio		28.11	29.90	36.60	22.33	21.94		
	Total Amount of Short Sales to Equity Ratio		1.48	1.38	1.04	1.33	0.43		

Note: The reason of change of diversified financial ratios within last 2 years (increase/decrease by up to 20%)

- (1) Long term funds to fixed and Return on equity: The main reason is that the current profit increased.
- (2) Operation income to capital and Pre-tax income to capital: The main reason is that the prosperity of Taiwan stock for the year significantly rose up the broker commission income, net gains on sale of securities held for operations, and gain on valuation of operating securities more than the previous period.
- (3) Earnings per share: The main reason is that the current profit increased.
- (4) Debt to equity ratio: The main reason is that the prosperity of Taiwan stock for the year increased the client financing amount and the loan and authorized underwriting payment for shares, leading to the incline of related ratio.
- (5) Fixed assets to total assets ratio: The main reason is that the prosperity of Taiwan stock for the year inclined the operating securities and margin loans receivable compared to the previous period leading to the decrease of related ratio.
- (6) Total underwriting amount to the balance of its current assets less current liabilities ratio: The main reason is that the current underwriting marketable securities inclined.
- (7) Total amounts of margin loan to equity ratio: The main reason is that the prosperity of Taiwan stock for the year rose the clients' willingness to loan, resulting in increased bond receivable financing, and total amounts of margin loan to equity ratio.
- (8) Total Amount of Short Sales to Equity Ratio: The main reason is that the current short sales amount decreased.

- (9) Ratio of total loan-to-net value of financing: mainly due to the sluggish stock market in the current period, the customer's desire for financing has decreased, which has reduced the securities financing receivables in the current period, resulting in a decline rate.
- (10) Ratio of total securities claims to net value: mainly due to the increase in securities claims in the current period.

*The above financial information has been audited and cleared by our auditors.

*If the Company prepares individual financial reports, it should prepare a separate analysis of the Company's individual financial ratios.

* If the financial information of IFRSs is less than five years, the following table should be prepared separately

(2) Financial information of ROC SFASs.

Note 1: Information of any year that has not been audited by an accountant should be noted.

Note 2: As of the printing date of the annual report, financial information of companies whose shares are listed or traded on the stock exchange should be disclosed if they have been audited or reviewed by an accountant most recently.

Note 3: At the end of this table, the following formula should be shown.

1. Financial structure

(1) Debt to assets ratio = total liabilities / total assets.

(2) Ratio of long term funds to property, plant, and equipment (total equity + non-current liabilities) / net worth of property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets – inventory – contract property – prepaid items) / current liabilities.

3. Operating capacity

(1) Account receivable turnover (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of account receivable (including accounts receivable and notes receivable resulted from business operation).

(2) Days sales in account receivable = 365 / account receivable turnover.

(3) Inventory turnover = cost of goods sold / average inventory.

(4) Account payable turnover (including accounts payable and notes payable resulted from business operation) = operating costs / average balance of account payable (including accounts payable and notes payable resulted from business operation).

(5) Average days in sales = 365 / inventory turnover.

(6) Property, plant and equipment turnover = net sales / average net worth of property, plant and equipment.

(7) Total assets turnover = net sales / average total assets.

4. Profitability

(1) Ratio or return on total assets = [net income + interest expense × (1 tax rate)] / average total assets.

(2) Return on equity = net income / average net equity.

(3) Profit ratio = net income / net sales.

(4) Earnings per share = (net income preferred stock dividend) / weighted average stock shares issued (Note 4)

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activity / current liabilities

(2) Cash flow adequacy ratio = (net cash flow from operating activities within five year / (capital expenditure + inventory increase + cash dividend) within five year

(3) Cash reinvestment ratio = (net cash flow from operating activity cash dividend) / (total fixed assets + long term investment + other non-current assets + working capital).

(Note 5)

6. Leverage

(1) Operation balance = (net operating income operating variable cost and expense) / operating income.

(2) Financial balance = operating income / (operating income interest expense).

Note 4: The above formula for calculating earnings per share should be measured with special attention to

the following items.

1. Based on the weighted-average number of common shares, rather than the number of shares outstanding at the end of the year.
2. The weighted-average number of shares should be calculated by considering the period of liquidity of the shares.
3. Whenever there is a capital increase from earnings or capital surplus, the calculation of earnings per share is adjusted retroactively for prior years based on the percentage of capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends for the year, whether paid or unpaid, should be deducted from net income after tax or increased by net loss after tax. If the preferred stock is non-cumulative, the preferred stock dividends should be deducted from net income if there is after-tax profit; if there is a loss, no adjustment is required.

Note 5: The above formula for calculating earnings per share should be measured with special attention to the following items.

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increases in inventories are included only if the ending balance is greater than the opening balance, and are calculated as zero if inventories decrease at year-end.
4. Cash dividends include cash dividends on common stock and preferred stock.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: Issuers should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgments are involved, note the reasonableness and maintain consistency.

Note 7: If the Company's stock has no par value or the par value per share is not NT\$10, the calculation of the ratio of paid-in capital in the preceding paragraph is based on the ratio of equity attributable to the owners of the parent company in the balance sheet.

3.. Audit Committee's Review Report on the Latest Annual Financial Report

Concord International Securities Co., Ltd.

Audit Committee Report

The company's 2023 financial report was verified and signed by Accountants Chou, Yin-Lai and Tseng, Kuo-Fu from Baker Tilly Clock & Co, and issued an unqualified verification report, together with the business report and the profit distribution proposal, etc., all members believe that there is no discrepancy after the audit committee has completed its deliberation, and prepare a report in accordance with the Securities Exchange Law and the Company Act.

Please verify.

Sincerely,

Concord International Securities Co., Ltd. 2024 Shareholders' Meeting

Concord International Securities Co., Ltd. The Audit Committee

Convener : Hsu, Shun-Fa

Feb 19, 2024

4.The most recent annual financial report

The most recent annual financial report, including the auditors' report, two-year comparative balance sheet, consolidated statement of income, statement of changes in shareholders' equity, statement of cash flows, and notes or schedules.

Independent Auditors' Report

NO.01631120A

To the Board of Directors of Concord International Securities Company Ltd.,

Opinion

We have audited the financial statements of Concord International Securities Company ("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying financial statements present fairly, in all material respect, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Concord International Securities Company with the Code of Professional Ethics for Certified Public Accountants in the Republic of China and fulfill our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for 2023 are stated as follows:

Revenue recognition

Description

Please refer to Note 4(15) for the accounting policies on revenue recognition.

Concord International Securities Company Ltd. provides Buying on Margin services that customers buy securities under margin loan are required to pay interest based on margin rates. Due to the huge transaction amount and quantity, Concord International Securities Company Ltd. recognizes interest revenue under accrual basis, and thus exists the risk of whether interest income is recognized correctly. Also, margin interest revenue is considered as a part of important revenue. Therefore, we consider the margin interest revenue accounted for accrual basis as one of the matters of most significance to our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Tested the effectiveness of overall financing control, including interest calculation method, record and way of calculation, etc.
2. Obtained the calculation detail of security financing interest receivable, selected samples and recalculated with contract margin rates.
3. Conducted analytical review on interest revenue

Responsibilities of management and those charged with governance for financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants", and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statement that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing Concord International Securities Company's financial reporting process.

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 standard 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 auditing standard, we exercise professional judgement 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 Concord International Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Concord International Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Concord International Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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.

Baker Tilly Clock& Co.

Accountant : _____
Cheng, Shan Shiu

Accountant : _____
Chou, Yin Lai

No. Financial-Supervisory-Securities-VI-0930146900

No.Taiwan-Financial-Securities-VI-53585

February 19, 2024

Concord International Securities Company Limited

Balance Sheets

For the years ended December 31, 2023 and 2022

(In Thousand NTs of New Taiwan Dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
Codes	Items		Amount	%	Amount	%
110000	Current assets					
111100	Cash and cash equivalents	4,6	\$ 69,686	1	\$ 104,215	2
112000	Current financial assets at fair value through profit or loss	4,7	3,360,518	44	1,957,633	36
114030	Margin loans receivable	4,8	1,241,743	16	958,637	17
114066	Receivable of money lending-any use	4,8	22,370	—	5,582	—
114130	Accounts receivable	4,8	1,030,978	14	629,711	11
114150	Prepayments		1,856	—	2,126	—
114170	Other receivables	4	26,991	—	26,301	1
119000	Other current assets	9	206,706	3	226,325	4
110000	Total current assets		5,960,848	78	3,910,530	71
120000	Non — current assets					
123200	Non-current financial assets at fair value through other comprehensive	4,10	558,477	7	506,660	9
125000	Property and equipment	4,11	639,940	9	651,031	12
125800	Right-of-use assets	4,12	6,870	—	8,019	—
126000	Investment property	4,13	164,599	2	163,524	3
127000	Intangible assets	4,14	3,458	—	7,053	—
128000	Deferred tax assets	4,24	6,703	—	6,285	—
129000	Other non-current assets	15	287,050	4	280,479	5
120000	Total noncurrent assets, net		1,667,097	22	1,623,051	29
	Total Assets		\$ 7,627,945	100	\$ 5,533,581	100

(Please refer to the accompanying notes to the financial statements.)

Concord International Securities Company Limited
Balance Sheets (continued)
For the years ended December 31, 2023 and 2022

(In Thousand NTs of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
Code	Items		AMOUNT	%	AMOUNT	%
210000	Current liabilities					
211100	Current short-term debt	16	\$ 720,000	10	\$ 340,000	6
211200	Commercial paper payable	17	49,979	1	—	—
214040	Securities financing refundable	8	22,757	—	68,935	1
214050	Deposits payable for securities	8	24,557	—	57,079	1
214090	Special account subsidiary ledger		4,930	—	52	—
214110	Notes payable		1,316	—	1,807	—
214130	Accounts payable	18	1,037,181	14	638,260	12
214160	Receipts under custody		5,300	—	41,497	1
214170	Other payables	19	61,056	1	39,133	1
214600	Current tax liabilities	4,25	5,429	—	23,193	—
216000	Current lease liabilities		1,147	—	1,135	—
219070		4,20	26	—	26	—
219990	Other current liabilities		217	—	153	—
210000	Total current liabilities		1,933,895	26	1,211,270	22
220000	Noncurrent liabilities					
224020	Long-term deferred revenue		—	—	344	—
226000	Non-current lease liabilities		5,951	—	7,099	—
229030	Guarantee deposit received		1,557	—	927	—
229070	Non-current net defined benefit	4,20	27,745	—	21,724	1
220000	Total noncurrent liabilities		35,253	—	30,094	1
	Total Liabilities		1,969,148	26	1,241,364	23
301000	Capital					
301010	Common stock		3,084,811	40	2,668,442	48
302000	Total capital surplus		192,145	3	119,609	2
304000	Retained earnings (or accumulated					
304010	Legal reserve		204,771	3	204,771	4
304020	Special reserve		1,052,683	14	1,052,683	19
304040	Retained earnings unappropriated (accumulated deficit)		869,441	11	43,618	—
305000	Total other equity interest		254,946	3	203,094	4
	Total Equity	21	5,658,797	74	4,292,217	77
	Total liabilities and equity		\$ 7,627,945	100	\$ 5,533,581	100

(Please refer to the accompanying notes to the financial statements.)

Chairman: Wang, Wen-Tsu,

Manager: Pan, Hua Jian,

Accounting manager: Chou, Tin Ho

Concord International Securities Company Limited
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

(In Thousand NTs of New Taiwan Dollars)

Codes	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
400000	Revenues		\$ 1,148,064	100	\$ 41,344	100
401000	Brokerage handling fee revenue	23	222,632	20	197,808	478
404000	Revenues from underwriting business		2,967	—	1,507	4
410000	Gains (losses) on sale of operating securities	23	88,243	8	168,447	408
421200	Interest revenue	23	60,306	5	70,167	170
421300	Dividend revenue		118,569	10	113,451	274
421500	Valuation gains (losses) on operating securities at fair value through profit or loss	23	652,466	57	(512,563)	(1,240)
424100	Futures commission revenues		2,513	—	2,155	5
425300	Impairment loss (impairment gain and reversal of impairment loss)		—	—	107	—
428000	Other operating income		368	—	265	1
500000	Total expenditure and expense		(310,848)	(27)	(254,441)	(615)
501000	Brokerage handling fee expense		(15,575)	(2)	(13,738)	(33)
502000	Proprietary handling fee expense		(76)	—	(62)	—
503000	Refinancing processing fee expenses		(52)	—	(73)	—
504000	Underwriting operation processing fee expenses		(96)	—	(54)	—
521200	Finance costs		(13,082)	(1)	(9,441)	(23)
531000	Employee benefits expenses	25	(197,513)	(17)	(149,593)	(362)
532000	Depreciation and amortization expense	25	(23,951)	(2)	(21,263)	(51)
533000	Other operating expense		(60,503)	(5)	(60,217)	(146)
5xxxxx	Non-operating income(loss)		837,216	73	(213,097)	(515)
602000	Other gains and losses	23	43,753	4	22,299	54
902001	Profit (loss) from continuing operations before tax		880,969	77	(190,798)	(461)
701000	Income tax expense (benefit)	4,24	(4,992)	(1)	(33,863)	(82)
902005	Profit (loss)		875,977	76	(224,661)	(543)
805000	Other comprehensive income					
805500	Components of other comprehensive income that will not be reclassified to profit or loss		44,393	4	(57,246)	(138)
805510	Gains (losses) on remeasurements of defined benefit plans		(9,323)	(1)	14,830	36
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income		51,852	5	(69,110)	(167)
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		1,864	—	(2,966)	(7)
	Other comprehensive income		44,393	4	(57,246)	(138)
902006	Total comprehensive income		\$ 920,370	80	\$ (281,907)	(681)
	Earnings per share	22				
975000	Total Basic earnings per share		\$ 3.18		\$ (0.82)	
985000	Total Diluted earnings per share		\$ 3.18		\$ (0.81)	

(Please refer to the accompanying notes to the financial statements.)

Chairman: Wang, Wen-Tsu,

Manager: Pan, Hua Jian,

Accounting manager: Chou, Tin Ho

Concord International Securities Company Limited
Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022

(In Thousand NTs of New Taiwan Dollars)

Items	Common stocks	Capital surplus	Retained earnings			Total other equity interest	Total Equity
			Legal reserve	Special reserve	Accumulated profit or loss	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Equity at January 1, 2022	2,517,398	119,609	135,940	915,020	764,997	272,204	4,725,168
Appropriations of 2021 earnings							
Legal reserve appropriated			68,831		(68,831)		
Special reserve appropriated				137,663	(137,663)		
Cash dividends of ordinary share					(151,044)		(151,044)
Stock dividends of ordinary share	151,044				(151,044)		
Profit (loss)					(224,661)		(224,661)
Other comprehensive income					11,864	(69,110)	(57,246)
Total comprehensive income					(212,797)	(69,110)	(281,907)
Equity at December 31, 2022	\$ 2,668,442	\$ 119,609	\$ 204,771	\$ 1,052,683	\$ 43,618	\$ 203,094	\$ 4,292,217
Appropriation of 2022 earnings							
Cash dividends of ordinary share	—	—	—	—	(42,695)	—	(42,695)
Capital reserve distribution cash dividends	—	(10,674)	—	—	—	—	(10,674)
Capital reserve distribution stock dividends	53,369	(53,369)	—	—	—	—	—
Profit (loss)	—	—	—	—	875,977	—	875,977
Other comprehensive income	—	—	—	—	(7,459)	51,852	44,393
Total comprehensive income	—	—	—	—	868,518	51,852	920,370
Capital increase	363,000	136,579	—	—	—	—	499,579
Equity at December 31, 2023	\$ 3,084,811	\$ 192,145	\$ 204,771	\$ 1,052,683	\$ 869,441	\$ 254,946	\$ 5,658,797

(Please refer to the accompanying notes to the financial statements.)

Chairman: Wang, Wen-Tsu,

Manager: Pan, Hua Jian,

Accounting manager: Chou, Tin Ho

Concord International Securities Company Limited

Statements of Cash Flow

From January 1 to December 31, 2023 and 2022

(In Thousand NTs of New Taiwan Dollars)

Items	2023	2022
	AMOUNT	AMOUNT
Cash flows from (used in) operating activities, indirect method:		
Profit (loss) before tax	\$ 880,969	\$ (190,798)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	17,838	16,479
Amortization expense	6,113	4,784
Expected credit gain / Provision (reversal of provision) for bad debt expense	—	(107)
Net gain on financial assets or liabilities at fair value through profit or loss	(652,466)	512,563
Interest expense	13,082	9,441
Interest income (including financial income)	(66,451)	(72,924)
Dividend income	(118,569)	(113,451)
Stock-based compensation cost	31,309	—
Gain on disposal of property, plant and equipment	(600)	(1)
Loss (gain) on non-operating financial products at fair value	(5,741)	4,251
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	(744,678)	277,725
Decrease (increase) in margin loans receivable	(283,106)	770,725
Decrease (increase) in refinancing margin	—	2,951
Decrease (increase) in refinancing collateral receivable	—	2,459
Decrease (increase) in receivable of securities business money lending	(16,788)	3,302
Decrease (increase) in accounts receivable	(401,267)	573,440
Prepayments	270	(381)
Decrease (increase) in other receivable	194	(1,512)
Decrease (increase) in other current assets	19,619	635,062
Increase (decrease) in securities financing refundable deposits	(46,178)	22,438
Increase (decrease) in deposits payable for securities financing	(32,522)	7,892
Increase (decrease) in notes payable	(491)	236
Increase (decrease) in accounts payable	398,921	(579,896)
Increase (decrease) in receipts under custody	(36,197)	(636,428)
Increase (decrease) in other payable	21,563	(33,563)
Increase (decrease) in net defined benefit liability	(3,302)	(3,752)
Increase (decrease) in other current liabilities	64	—
Increase (decrease) in long-term deferred revenue	(344)	(1,034)
Increase (decrease) in special account subsidiary ledger customer equity	4,878	5
Cash inflow (outflow) generated from operations	(1,013,880)	1,209,906
Interest received	67,036	80,581
Dividends received	117,100	113,451
Interest paid	(12,649)	(9,296)
Income taxes paid	(21,310)	(34,843)
Net cash inflows (outflow from operating activities)	(863,703)	1,359,799

Concord International Securities Company Limited
Statements of Cash Flows (continued)
January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Items	2023	2022
	AMOUNT	AMOUNT
Cash flows from (used in) investing activities:		
Decrease in capital reduction of financial assets at fair value through other comprehensive income	35	—
Acquisition of property and equipment	(14,656)	(5,377)
Disposal of property and equipment	600	40
Acquisition of intangible assets	(2,222)	(3,743)
Increase in other non-current assets	—	(153)
Decrease in other non-current assets	1,116	—
Net cash flows from (used in) investing activities	(15,127)	(9,233)
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,660,000	3,560,000
Decrease in short-term loans	(8,280,000)	(3,910,000)
Increase in commercial papers payable	2,710,000	3,600,000
Decrease in commercial papers payable	(2,660,000)	(4,440,000)
Increase in guarantee deposit received	630	—
Decrease in guarantee deposit received	—	(144)
Payments of lease liabilities	(1,136)	(1,213)
Cash dividends paid	(53,463)	(151,071)
Capital increase	468,270	—
Net cash inflows (outflow) provided from financing activities	844,301	(1,342,428)
Net increase (decrease) in cash and cash equivalents	(34,529)	8,138
Cash and cash equivalents at beginning of period	104,215	96,077
Cash and cash equivalents reported in the statement of financial position	\$ 69,686	\$ 104,215

(Please refer to the accompanying notes to the financial statements.)

Chairman: Wang, Wen-Tsu, Manager: Pan, Hua-Jian, Accounting manager: Chou, Tin-Ho

Concord International Securities Company Limited

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Expressed in thousand NTs of New Taiwan dollars, except as otherwise indicated)

1. History and organization

Concord International Securities Company was incorporated as a comprehensive securities firm approved by the Securities and Futures Bureau of the Financial Supervision and Administration Commission of the Executive Yuan in November, 1989. The company was approved to list on emerging stock market on January 5, 2009 and was approved to list on over the counter stock market on December 27, 2017 with registered number 10601021151

The Company is authorized to conduct the following businesses:

- (1) Underwriting of marketable securities;
- (2) Trading of marketable securities on the account of its customers or on its own on a centralized securities exchange market;
- (3) Trading of marketable securities at the Company's branches;
- (4) Margin loan, short sale and refinancing;
- (5) Securities business money lending;
- (6) Dealership of foreign marketable securities;
- (7) Futures trading on a proprietary basis;
- (8) Other relevant services as approved by the authority in charge.

The Company merged Rui Shun Security Corporation on November 12, 2007 and regarding the date as reference date. The Company is taken as the surviving company.

2. Approval date and procedures of the financial statements

The financial statements were authorized for issue by the board of directors on February 19, 2024.

3. New standards, amendments and interpretations adopted

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission, R.O.C (hereinafter referred to as "FSC")
New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024 (Note 2)
Amendments to IAS 1 'Classification of Liabilities as Current or Non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current Liabilities with Covenants'	January 1, 2024
Amendments to IAS7 and IFRS7, 'Supplier Finance Arrangements'	January 1, 2024 (Note 3)
Note 1: Unless otherwise stated, the above newly issued/amended/ revised standards or interpretations shall be effective for annual reporting periods beginning on or after the respective dates.	
Note 2: Sellers who are also lessees shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of International Financial Reporting Standard 16.	
Note 3: Exemptions from certain disclosure requirements upon initial application of this amendment.	

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Influence of new standards issued by IASB but not yet included in the IFRSs endorsed by the FSC

The following new standards, interpretations and amendments have been issued by IASB but not yet included in the IFRSs endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board (Note 1)
Amendment to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contract'	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9— Comparative Information'	January 1, 2023
Amendment to IAS 21, 'Lack of Exchangeability'	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above newly issued/amended/ revised standards or interpretations shall be effective for annual reporting periods beginning on or after the respective dates.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact amounts shall be recognized in retained earnings as of the initial application

date. When the Company uses a non-functional currency as the reporting currency, the impact amounts shall adjust the exchange differences of foreign operations under equity as of the initial application date.

The Company is evaluating the impact of its initial adoption of the aforementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

4. Summary of significant accounting policies

The Company's significant accounting policies are described below:

(1) Statement of compliance

The financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (IFRSs) as endorsed by the FSC.

(2) Basis of preparation

1) Basis of measurement

Except defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligations, these financial statements have been prepared under the historical cost convention.

2) Functional and presentation currency

The financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand NT.

(3) Classification of current and non-current items

An asset is classified as current under one of the following criteria:

- 1) Assets held for the trading purposes;
- 2) Assets that are expected to be realized within twelve months from the balance sheet date;
- 3) Cash and cash equivalent, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

A liability is classified as current under one of the following criteria:

- 1) Liabilities incurred for the trading purposes;
- 2) Liabilities that are to be paid off within twelve months from the balance sheet date; (Long-term refinancing and payment term reschedule done between balance sheet date and release of financial statement, are recognized as current liabilities)
- 3) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty,

result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities are not classified as the aforementioned conditions, are classified as non-current assets and non-current liabilities.

(4) Cash equivalents

- 1) Cash and cash equivalents of the company mean cash in treasury, bank deposits and highly liquid investment.
- 2) Cash equivalents means the short-term and highly liquid time or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(5) Financial instruments

Financial assets and liabilities should be recognized when the company becomes one of the parties in the contract.

If financial assets or financial liabilities are not measured at fair value through profit or loss, they should be measured at fair value plus transaction costs directly attributed to acquiring or issuing financial assets and liabilities measured at fair value through profit or losses at initial recognition. Transaction costs directly attributed to acquiring or issuing financial assets and liabilities measured at fair value through profit or losses are recognized as profit or losses.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

(1) Classification and measurement

Financial assets held by the company are classified as financial assets at fair value through profit or loss, financial assets measured at amortized cost and fair value and financial assets at fair value through other comprehensive income.

A. Financial assets at fair value through profit or losses

Financial assets at fair value through profit or losses include equity investments that are not measured at fair value through other comprehensive income and debt instrument that are not measured at amortized cost or fair value through other comprehensive income.

Profit or losses from financial assets at fair value through profit and losses remeasurement are recognized as profit and losses, not include dividends and interests. Definition of fair value refers to note (35) at Financial Instrument.

B. Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following criteria:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized as profit or loss. Any gain or loss on derecognition is recognized as profit or loss.

Interest rates are calculated by effective interest rates times book values of financial assets except following criteria:

- (a) Acquired or initial financial assets with credit impairment, interest incomes are calculated by effective interest rate after credit adjustment times amortized cost financial assets.
- (b) Acquired or initial financial assets with no credit impairment, but subsequently change into credit impaired assets, interest incomes are calculated by effective interest rate times amortized cost financial assets.

C. Equity investments at fair value through other comprehensive income

The Company could make an irrevocable election at initial recognition to measure equity instruments that are not held for trading purpose and contingent consideration equities not recognized by corporation mergers at fair value through other comprehensive income.

The changes in fair value of equity investments that were recognized as other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.

Dividends are recognized as revenue when the right to receive payment is established unless the dividend clearly represents recover of investment.

(2) Impairment of financial assets

The company measures impairment losses of amortized cost financial assets, including account receivable, at expected credit losses at each reporting date.

The Company recognizes impairment provision of account receivable for the lifetime expected credit losses. The impairment provision of other financial assets for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses if such credit risk has increased since initial recognition.

Expected credit losses are weighted average credit losses that take default risk as weight. 12 months expected credit losses mean stand for expected credit losses of financial instruments could arise from probable default causing events of financial instruments occurs in 12 months after balance sheet date, and lifetime expected credit losses mean stand for expected credit losses arise from of all probable default causing events of financial instruments in financial instruments occurs in lifetime.

The book amounts of impairment losses of all financial assets are reduced by allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

On derecognition of a financial asset in its entirety, the difference between book value and collection received plus sum of any cumulated profit or losses recognized as other comprehensive income shall be recognized as profit or losses.

On derecognition of an equity investment measured at fair value through other comprehensive income in its entirety, cumulative profit or losses are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.

2) Financial liabilities and equities instrument

(1) Classification of financial liabilities or equity instrument

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

A. Equity instrument

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

B. Financial liabilities

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

a. Financial liabilities at fair value through profit and losses

Financial liabilities at fair value through profit and losses, include financial liabilities holding for transaction and financial liabilities designated at fair value through profit and losses. Financial liabilities meet one of the following criteria are classified as held for transaction:

- (a) The purpose of acquisition is for selling in short terms;
- (b) Financial instruments are initially recognized as a part of the identifiable combination of financial instruments

which are managed in a centralized way, and for which there are objective evidences that prove that the enterprise will manage the combination by way of short-term profit-making in the near future; or

- (c) Being derivative instruments, but except financial guarantee contracts and designated derivative instruments which are effective hedging instruments.

Structured contracts which contain one or more embedded derivatives could be designated as liabilities measured at fair value through profit or losses; the contract is designated to be measured at fair value through profit or losses when it meets one of the following reasons and could provide more relevant information:

- (a) The designation can eliminate or significantly reduce inconsistency of measurement or recognition.
- (b) A set of financial assets, liabilities or both are managed on fair value basis and the performances are also reviewed on the basis. The information of investment portfolio that the company provides manage level with is also based on fair value.

The profit or losses arise from financial liabilities remeasurement are recognized as profit or losses, which include interests paid by the financial liabilities.

The above designated financial liabilities measure at fair value through profit or losses that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or losses; and the residual fair value amount movements of the liabilities shall be presented in profit or losses.

b. Financial liabilities measured at amortized costs

Financial liabilities measured at amortized costs include account payable and loan, etc., are measured at effective interest method after initial recognition. On derecognition of financial liabilities and on amortization through effective interest method, all relevant profit and losses and amortizations are recognized as current profit and losses.

Calculation of costs after amortization considers discount or premium and transaction cost at the time period of acquisition.

(2) Derecognition of financial liabilities

The Company derecognizes financial liabilities only when obligation is discharged, cancelled, or expired. On derecognition of financial liabilities, the differences between book value and sum of collection paid or payable, include any transferred non-cash assets or liabilities.

(3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently have a legally enforceable right to set off the amounts and he intend either to settle them on a net basis or to realize the asset and settle the liability

simultaneously.

3) Fair value of financial instruments

Fair value of financial asset traded in active markets is market price at each end of the reporting period, transaction costs are not considered.

Fair value of financial assets traded at non-active market is decided by appropriate valuation technique. The valuation technique includes using current fair market transaction, referring to the current fair value of another financial instrument that is substantially same, and discounted cash flow analysis or the valuation model.

(6) Bonds with resell and repurchase agreements

Bond transactions under repurchase or resale agreements are stated at the amount of actual payment or receipt. If the transaction is for financing purpose, when transactions of bonds with a condition of resale agreements occur, the actual payment or receipt shall be recognized as 'bonds purchased under resale agreements' under current assets. When transactions of bonds with a condition of repurchase agreements occur, the actual payment or receipt shall be recognized as 'bonds sold under repurchase agreements' under current liabilities. Any difference between the actual payment/receipt and predetermined redemption (repurchase) price is recognized as interest income or interest expense.

(7) Margin loan, short sale and refinancing

Margin loan represents loans extended to customers and is accounted for as receivables for securities provided as collateral. Such loans are secured by the securities purchased by customers. These securities are recorded through memo entries and are returned when the loans are repaid.

Short sale represents securities lent to customers and the deposits received from customers on securities lent out are accounted to guarantee deposited for securities lent. The proceeds from sales of securities lent to customers, net of securities transaction tax, commission and financing charges, is retained by the Company and are recorded under the proceeds payable from securities lent. These securities lent to customers for short sales are recorded through memo entries. The deposits received and the proceeds from short sale will be returned to customers while the securities are returned and paid off.

Refinancing margin loan means that the Company operates margin loan business, if capital is insufficient, the Company can refinance from securities finance companies, recorded as borrowed funds refinanced, and securities from margin loan are regarded pledged.

Refinancing short sale means the Company operates short sale business, if securities are insufficient, the Company can borrow securities from securities finance companies. For securities refinancing, the Company pays margin deposits to securities finance companies and these margin deposits are recorded as refinancing margin. The proceeds from the short sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral which are recorded as proceeds payable from securities lent and receivable on refinancing collateral respectively.

(8) Security loan

The company recognizes account receivable of security loan as loan receivable and recognizes bad debt for the possible recover of account

receivable; collaterals acquired from security loan are recorded at memo entry.

(9) Property and equipment

Property and equipment take acquisition cost as recognition basis, and present after less accumulated depreciation and accumulated impairment. The cost aforementioned includes destruction of property and equipment, cost of remove and restore at the place it locates and interest expenditure arises from unfinished project.

On significant component item of property and equipment be allocated regularly, the Company takes the item as individual asset and recognizes it separately with specific useful life and depreciation method. Carrying amount of the reset part is derecognized as accordance with IFRS 16“Derecognition”.

Depreciation is recognized on straight-line basis with useful years as follows:

Building (including affiliate equipment) 18~60 years

Equipment 3~8 years

If items of property and equipment or any important components after initial recognition are disposed or expected no future economic benefit inflow arises from usage or disposal, they shall be derecognized and delisted and profit or loss arise from the disposal shall be recognized.

The residual value, useful lives and depreciation method are evaluated at the end of every financial year, if the expected values were different from the previous, the change shall be taken as “Changes in accounting estimates”.

(10) Lease

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

1. The Company as Lessor

When lease terms transfer substantially all risks and rewards incidental to ownership of the asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments, net of any lease incentives, are recognized as revenue on a straight-line basis over the lease term. Initial direct costs incurred to obtain operating leases are capitalized as part of the carrying amount of the leased asset and recognized as an expense on a straight-line basis over the lease term.

When a lease includes both land and building elements, the Company evaluates the classification of each element as a finance lease or operating lease based on whether substantially all risks and rewards incidental to ownership of each element have been transferred to the lessee. Lease payments are apportioned between land and building based on the relative fair values of the leasehold interest in the land and building on the date the lease contract is entered into. If lease payments can be reliably apportioned to these two elements, each element is classified according to the applicable lease classification. If lease payments cannot be reliably apportioned to

these two elements, the lease as a whole is classified as a finance lease, except if both elements clearly meet the criteria for classification as an operating lease, in which case the lease as a whole is classified as an operating lease.

2. The Company as Lessee

For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term, right-of-use assets and lease liabilities of other leases are recognized as the commencement date.

The right-of-use asset is initially measured at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement amount of lease liabilities is adjusted. Right-of-use asset is solely presented in balance sheet.

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

Lease liabilities are measured at present value of lease payments (include fix payment, variable lease payments that vary according to an index or a rate). If interest rate implicit in a lease is easy to determine, lease payment can be discounted at the interest rate. If the interest rate is not easy to determine, the lessee's incremental borrowing rate of interest shall be applied.

The Company subsequently measures the lease liability at amortized cost using interest method and recognizes interest expense over the lease term. The lease liability is re-measured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

(11) Investment property

Investment property applies to the accounting for either property held to earn long-term rental income or for capital appreciation or for both, instead of property held for use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost at initial recognition and also subsequently measured at cost, and depreciation expenditure is recognized in accordance to depreciable amounted at after initial recognition. Depreciation method, useful life and residual value are in accordance to the rule of property and equity. Cost includes expenditure that is directly attributable to the acquisition of the investment property. On usage of investment property change, invest and reclassified as property and equipment, they should be reclassified as property and equipment at the carrying account at reclassification.

(12) Intangible assets

Intangible assets that are solely acquired by the Company and have finite useful lives are measured at cost, and subsequent measured at cost less accumulated amortization and any accumulated impairment losses. The Company uses the straight-line method over the useful lives for amortization. Depreciation method, useful lives and residual value are reviewed at each balance sheet date. Unless these assets are disposed before economic life, the residual values of intangible assets with finite useful lives are zero. Influence of accounting changes is dealt with prospective application.

Useful lives and amortization method of intangible assets with finite useful lives are as follows:

Type	Useful life	Amortization method
Cost of software	1~4 years	Straight -line method on finite useful life

(13) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets which is applicable to IFRS 36 “Asset impairment” where there is an indication that they are impaired. If there are circumstances for recognizing impairment loss or required to measure impairment losses on an asset regularly. If the circumstances exist, the Company immediately measures recoverable amount of the asset or cash generating unit. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value or value in use.

Except goodwill, the Company evaluates assets if there are circumstances for recognizing impairment loss for an asset in prior years no longer exist or diminish. If the circumstances exist, the Company immediately measures recoverable amount of the asset or cash generating unit. If recoverable amount increases due to estimate service potential changes of the asset, then reverse impairment. Only at reversed carrying amount does not exceed asset under circumstance that impairment losses had not been recognized, less depreciated or amortized carrying amount.

(14) Liability reserve

On possible present obligation (legal or constructive) that arises from past event for payoff and the amount can be measured reliably, the Company recognizes liability reserve. Amount of liability reserve recognition considers risk and uncertainty of obligation, and is the best estimation of payment required for obligation payoff. If liability reserve is measured at the cash flow of present obligation payoff, the carrying amount is present value of the cash flow.

(15) Revenue recognition

The company’s contractual revenue is mainly from proving services, the accounting treatments are explained as follows:

Services provided by the Company include brokerage, underwriting, stock agency and consultancy service. The services are solely priced or negotiable and are provided on the basis of number of times, at a certain point in time that the performance obligation is met, thus the revenue is recognized when the performance obligation is met.

Most of the contract agreement amounts of the Company are averagely charged in the contract term after providing services, the Company recognizes contract assets when having the right to transferring service to customer but still not have the right to charge collection unconditionally. However, since part of the collection are charged to customers when signing contract, the Company bears obligation to offer services consequently, thus recognizes part of the contract as contract liabilities.

The term of aforementioned contract liabilities reclassified to revenue usually less than one year, it doesn’t cause arise of significant financial component.

(16) Borrowing costs

Borrowing cost directly attribute to acquire, build or produce asset that meets requirement (assets that must reach the intended use or sale status after a considerable period of time) is deemed as part of asset cost until almost all necessary activities for making the asset reach the intended use or sale status are done.

Except the above, all other borrowing costs are recognized as profit or losses in the current period.

(17) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B. Termination benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided; Defined retirement benefit plans recognize defined benefit cost at actuarial results.

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

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plan or reductions in future contributions to the plans.

(18) Share-based payment arrangement

Employee stock options are measured at fair value of the equity instruments granted and the best estimate of the expected number of options to vest on the grant date.

The expense is recognized on a straight-line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve. If the options vest immediately on the grant date, the entire expense is recognized immediately on that date. In the case of cash-settled share-based payments where employees subscribe for shares, the grant date is the date on which the number of shares subscribed by the employees is determined.

The Company revises its estimate of the expected number of employee stock options to vest at each balance sheet date. Any adjustments to the original estimate are recognized in profit or loss, resulting in the cumulative expense reflecting the revised estimate, with a corresponding adjustment to the share-based payment reserve.

(19) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity

or other comprehensive income, all taxes are recognized as profit or loss.

A. Current income tax

Current income tax is based on current year's taxable income. Since part of the profit and expense is recognized as taxable or deductible items of other years or recognized as not taxable or deductible items in accordance with relevant tax laws, leading to the difference between taxable income and net income reported by comprehensive income statement. The company's current income tax expense relevant liability is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Underestimated or overestimated incomes taxes from past years are recognized as adjustment of current income tax.

The portion of undistributed earnings and additional tax on profit-seeking enterprise income of the Company was resolved to be recognized as current expenses at the shareholders' meeting.

B. Deferred income tax

Deferred income tax is recognized as accordance to carrying asset and carrying amount of liabilities and temporary difference arises from the basis of taxable income calculation. Deferred income tax liabilities are recognized as all taxable temporary differences in the future; Deferred income tax assets are recognized only at it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and deferred income tax liabilities could only be offset at the following condition: (i) Corporation has legally enforceable right to offset current income tax assets and current income tax liabilities; and (ii) Deferred income tax assets and liabilities are levied by the same taxation authority on either the same entity or different entities that intend to settle current income tax liabilities and assets at every future term of significant amount's deferred income tax liabilities and assets are anticipated to settle and recover on a net basis, or realize assets and settle liabilities simultaneously.

Carrying amounts of deferred income tax assets shall be reviewed at every end of reporting period, and carrying amounts of not possible to have sufficient taxable income to recover all of or part of assets shall be reduced. Assets not initially recognized as deferred assets are also reviewed at the end of reporting period, and increase carrying amount of probable that taxable income available for recover all of or part of assets.

Deferred income tax assets and liabilities are measured based on the tax rate of the anticipated period that the future assets realization or the liabilities settlement requires, which is based on the effective or existing tax rate at the balance sheet date. Deferred income tax liabilities and assets' measurement reflects the tax consequences of entity are expected to recover or settle the carrying amount of its assets and liabilities at the end of reporting period.

5. Major sources of significant accounting assumptions, judgments and estimation uncertainty

The Company's management shall properly exercise its professional judgment, estimates, and assumptions on the information of the key risks that is not easy to be obtained from other resources and could affect the carrying amounts of financial assets and liabilities while adopting critical accounting policies as stated in Note (4).

The Company evaluates the estimates and assumptions on an ongoing basis and recognizes the adjustment of the estimates only in the period which is affected by the adjustment. If the adjustment simultaneously affects both the current and future periods, it should be recognized as both periods.

Relevant information on key assumptions to be made in the future, key sources of assumption uncertainty made at balance sheet date, and assumptions and estimates that may cause key risks that could affect the carrying amounts of financial assets and liabilities are as follows:

(1) Fair value of financial instruments

The Company use valuation technique to determine the fair value of financial instruments not traded at active market, relevant estimation, assumption and book value are referred to Note (35) at 'Financial instrument fair value'.

(2) Impairment assessment of non-financial assets(except goodwill)

During assessment of assets impairment, the Company relies on subjective judgment and determines specific assets segment's independent cash flow, assets useful lives and probable arising benefit and expense in the future according to usage of assets and characteristic of industries. Any changes of economic situation and changes of estimation due to company strategy could cause significant impairment in the future.

(3) Calculation of net defined benefit liabilities

When calculating present value of benefit obligation, the Company needs to use judgment and estimation to decide relevant actuarial assumption, including discount rate and salary growth rate in the future, at end of the reporting period. Any actuarial assumption changes could significantly affect the amount of defined benefit obligation.

6. Cash and cash equivalent

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Allowance	\$ 273	\$ 273
Demand deposits	34,372	58,891
Check deposit	41	51
Time deposit with original maturity of within 3 months	35,000	45,000
Total	<u>\$ 69,686</u>	<u>\$ 104,215</u>

Interest rate of bank deposit at balance sheet day shows as follows:

Time deposit	<u>December 31, 2023</u> <u>1.570%</u>	<u>December 31, 2022</u> <u>1.445%</u>
7. Financial assets measured at fair value through profit and losses — current		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Measured at fair value through profit and losses</u>		
Non derivative financial assets		
Listed Open-Ended Fund and money market instruments	\$ 14,631	\$ 8,890
Operating Securities-dealer	3,342,846	1,944,344
Operating Securities-underwriting	3,041	4,399
Total	<u>\$ 3,360,518</u>	<u>\$ 1,957,633</u>
(1) Listed Open-Ended Fund and money market instruments		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Measured at fair value through profit and losses</u>		
Listed Open-Ended Fund, money market instruments and other marketable securities	\$ 10,000	\$ 10,000
Listed Open-Ended Fund, money market instruments and other marketable securities-adjustment for change	4,631	(1,110)
Total	<u>\$ 14,631</u>	<u>\$ 8,890</u>
(2) Operating Securities — dealer		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Measured at fair value through profit and losses</u>		
Centralized Order Market-stock	\$ 2,351,037	\$ 1,606,233
Over-the-counter-stock	37,062	37,062
Emerging stock market-stock	26,513	23,357
Others	3	3
Subtotal	<u>2,414,615</u>	<u>1,666,655</u>
Adjustment of Operation Securities - dealer	928,231	277,689
Total	<u>\$ 3,342,846</u>	<u>\$ 1,944,344</u>

(3) Operating Securities — underwriting

	December 31, 2023	December 31, 2022
<u>Measured at fair value through profit and losses</u>		
Centralized Order Market-stock	\$ 2,937	\$ 6,105
Over-the-counter-stock	—	114
Subtotal	2,937	6,219
Adjustment of operation Securities -underwriting	104	(1,820)
Total	<u>\$ 3,041</u>	<u>\$ 4,399</u>

8. Margin loans receivable/Account receivable/Loans receivable

(1) Margin loan and short sale

Guaranteed securities provided from customers and securities lent to customers by the Company on margin loan and short sale business are:

	December 31, 2023		
	Stock number (in thousand NT shares)	Book value	Market price
Margin guarantee securities		\$ 388	\$ 2,426,9
Short sale lending securities		\$	\$ 2
	December 31, 2022		
	Stock number (in thousand NT shares)	Book value	Market price
Margin guarantee securities		\$ 34	\$ 1,563,
Short sale lending securities		\$	\$

When the Company operates security margin loan business, the financing fund loaned to stock buyer is recognized as security margin receivable, the stock bought by margin buyers is deemed as collateral. The Company's security margin receivable for the year ended December 31, 2023 and December 31, 2022 were 1,241,743 thousand NT Dollars and 958,637 thousand NT dollars, respectively.

The Company operates security short selling business, deposit received from short sellers is recognized as short selling deposit, and the amount received from short selling is deemed as collateral and recognized as short selling collateral, the Company's short selling deposit in 2023 and at December 31, 2022 were 22,757 thousand NT Dollar and 68,935 thousand NT Dollar, and short selling collateral receivable were 24,557 thousand NT Dollar and 57,079 thousand NT Dollar.

The Company operates short sale business, if securities are insufficient, the Company can borrow securities from securities finance companies. For securities refinancing, the Company pays margin deposits to securities

finance companies and these margin deposits are recorded as refinancing margin. The proceeds from the short sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral which are recorded as proceeds payable from securities lent and receivable on refinancing collateral respectively. The Company's refinancing deposit balance in 2023 and at December 31, 2022 were 0 thousand NT dollars, and receivable on refinancing collateral were 0 thousand NT dollars.

The company calculates margin maintenance rate every day in accordance to "Operating Rules for Securities Firms Handling Margin Purchases and Short Sales of Securities", when margin maintenance rate is lower than 130%, the Company announces principal to pay the margin difference. Thus, management level of the Company think credit risks are significantly decreased.

(2) Receivable of securities business money lending

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Receivable of securities business money lending non-restricted	22,370	5,582

The Company operates securities loan receivable business and takes securities bought or held by customers as collateral. Thus, Management level of the Company think credit risks are significantly decreased.

(3) Detail of accounts receivable

<u>Accounts receivable</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Settlement receivable	\$ 1,026,276	\$ 627,409
Receivable on securities purchased for customers	4,209	2,141
Other	493	161
Less: provisions	—	—
Total	<u>\$ 1,030,978</u>	<u>\$ 629,711</u>

In order to decrease credit risk, the Company makes relevant interior control system and methods for line of credit determination and credit approval's procedure, and also reviews recoverable payment of account receivables one by one on balance sheet date to make sure that unrecoverable payment receivable has recorded appropriate impairment losses. Thus, Management level of the Company think credit risks are significantly decreased.

The Company takes simplified method of IFRS 9, and recognizes allowance for losses of payment receivable in accordance to lifetime expected credit losses. Lifetime expected credit loss consider customers' default records and financial situation and industry economic situation and prospect, and set expected credit loss rate with overdue days of payment receivable.

The Company's allowances for losses of measured security financing receivable, security loan receivable, and account receivable are as follows:

December 31, 2023

	Security financing	Security loan	Security settlement	Other	Total
Expected credit loss rate	0%	0%	0%	0%	
Total carrying amount	\$ 1,241,743	\$ 22,370	\$ 1,030,485	\$ 493	\$ 2,295,091
Allowance for losses (lifetime expected credit losses)	—	—	—	—	—
Amortized cost	<u>\$ 1,241,743</u>	<u>\$ 22,370</u>	<u>\$ 1,030,485</u>	<u>\$ 493</u>	<u>\$ 2,295,091</u>

December 31, 2022

	Security financing	Security loan	Security settlement	Other	Total
Expected rate of credit losses	0%	0%	0%	0%	
Total carrying amount	\$958,637	\$ 5,582	\$629,550	\$ 161	\$ 1,593,930
Allowance for losses (lifetime expected credit losses)	—	—	—	—	—
Amortized cost	<u>\$958,637</u>	<u>\$ 5,582</u>	<u>\$629,550</u>	<u>\$ 161</u>	<u>\$ 1,593,930</u>

If the above account receivable components are classified as consignment trading payments of securities and consignment trading handling fee revenue, relevant payments are collected in two business days after balance sheet day; if classified as financing business relevant payment, they will be collected together with the fund at the due date, so it will not be overdue.

Accounts that are not overdue are mainly derived from dealer's sales of share revenue and future commission revenue, etc. Sales of share revenue for the year ended December 31, 2023 and December 31, 2022 were 140 thousand NT Dollar and 0 thousand NT Dollar, respectively.

Changes of security financing receivable, security loan receivable, allowance for losses of account receivable are as follows:

	January 1, 2023 to December 31,	January 1, 2022 to December 31,
Opening balance	\$ —	\$ —
Add: current credit impairment losses	—	—
Less: Current offset	—	—

Ending balance	\$ —	\$ —
9. <u>Other current assets</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Restricted assets	\$ 196,185	\$ 184,033
Pending settlement	4,032	3,643
Authorized underwriting payment for shares	1,496	38,594
Clients' funds in settlement account and separate account ledger	4,990	52
Others	3	3
Total	<u>\$ 206,706</u>	<u>\$ 226,325</u>

(1) Restricted assets interest rate at balance sheet day is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposit	0.555% ~ 1.57%	0.12% ~ 1.445%

(2) About providing guarantee and pledge please refers to Note (28)

10. Financial assets measured at fair value through other comprehensive profit or losses-non current

<u>Company</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Equity instruments others</u>		
Non-listed stock	\$139,866	\$135,008
<u>Operating Securities — dealer</u>		
Centralized Order Market-stock	418,611	371,652
Total	<u>\$ 558,477</u>	<u>\$ 506,660</u>

The above equities are held for medium long term, thus are designated to measure at fair value through other comprehensive profit or losses.

11. Property and equipment

	2023				
Item	Opening balance	Adding	Disposal	Interior transfer	Ending balance
<u>Costs</u>					
Land	\$481,322	\$ —	\$ —	\$ —	\$481,322
Buildings	396,634	—	—	(9,462)	387,172
Equipment	30,174	6,673	(3,004)	—	33,843
Idle assets- others	15,405	—	—	—	15,405
Subtotal	<u>923,535</u>	<u>\$ 6,673</u>	<u>\$ (3,004)</u>	<u>\$ (9,462)</u>	<u>917,742</u>
<u>Accumulate d depreciation and impairment</u>					
Buildings	247,934	\$ 7,633	\$ —	\$ (5,776)	249,791

Equipment	17,111	6,133	(3,004)	—	20,240
Idle assets- others	7,459	312	—	—	7,771
Subtotal	<u>272,504</u>	<u>\$ 14,078</u>	<u>\$ (3,004)</u>	<u>\$ (5,776)</u>	<u>277,802</u>
Net	<u>\$651,031</u>				<u>\$639,940</u>

Item	2022				
	Opening balance	Adding	Disposal	Interior transfer	Ending balance
<u>Costs</u>					
Land	\$ 481,322	\$ —	\$ —	\$ —	\$ 481,322
Buildings	422,393	—	—	(25,759)	396,634
Equipment	34,746	2,989	(7,561)	—	30,174
Idle assets- others	2,705	—	—	12,700	15,405
Subtotal	<u>941,166</u>	<u>\$ 2,989</u>	<u>\$ (7,561)</u>	<u>\$ (13,059)</u>	<u>923,535</u>
<u>Accumulate d depreciation and impairment</u>					
Buildings	251,915	\$ 8,225	\$ —	\$ (12,206)	247,934
Equipment	19,856	4,777	(7,522)	—	17,111
Idle assets- others	1,358	83	—	6,018	7,459
Subtotal	<u>273,129</u>	<u>\$13,085</u>	<u>\$ (7,522)</u>	<u>\$ (6,188)</u>	<u>272,504</u>
Net	<u>\$ 668,037</u>				<u>\$ 651,031</u>

(1) The Company's idle assets are part of the floors of Chi Can branch and Nan Jing branch.

(2) Detail for Property and equipment provided as collateral, please refers to Note (28).

(3)Property and equipment have no circumstances of capitalization of interest.

12. Lease

(1) Right- of- use assets

Item	2023
------	------

	Opening balance	Increase	Decrease	Ending balance
<u>Costs</u>				
Land	\$ 12,495	\$ —	\$ —	\$ 12,495
<u>Accumulated depreciation</u>				
Land	4,476	1,149	—	5,625
Net	<u>\$ 8,019</u>	<u>\$ (1,149)</u>	<u>\$ —</u>	<u>\$ 6,870</u>

	2022			
Item	Opening balance	Increase	Decrease	Ending balance
<u>Costs</u>				
Land	\$ 12,311	\$ 184	\$ —	\$ 12,495
<u>Accumulated depreciation</u>				
Land	3,330	1,146	—	4,476
Net	<u>\$ 8,981</u>	<u>\$ (962)</u>	<u>\$ —</u>	<u>\$ 8,019</u>

(2) Lease liabilities

Item	December 31, 2023	December 31, 2022
Current	<u>\$ 1,147</u>	<u>\$ 1,135</u>
Non-current	<u>\$ 5,951</u>	<u>\$ 7,099</u>
Discount rate of lease liabilities	1.05%	1.05%

(3) Important leasing activities and terms

The Company leases several lands for operation purpose, part of the land affiliates rights to renew at the expiry of lease. The Company has already recorded rights to renew at the expiry of lease at lease liabilities. According to the contract, the Company may not sublease the underlying lease asset to others without leaser's agreement.

(4) Lease contract relevant profit or losses items are as follows:

Items that affect current profit and losses	2023	2022
Interest expenditure of lease liabilities	<u>\$ 80</u>	<u>\$ 92</u>
Expenditure for short term lease	<u>\$ 10</u>	<u>\$ 10</u>
Total amount of leasing cash outflow	<u>\$ 1,225</u>	<u>\$ 1,223</u>

13. Investment property

2023					
Item	Opening balance	Adding	Disposal	Interior transfer	Ending balance
<u>Costs</u>					
Land	\$ 109,850	\$ —	\$ —	\$ —	\$ 109,850
Building	123,059	—	—	9,462	132,521
Subtotal	232,909	\$ —	\$ —	\$ 9,462	242,371
<u>Accumulated depreciation</u>					
Building	69,385	\$ 2,611	\$ —	\$ 5,776	77,772
Net amount	\$ 163,524				\$ 164,599

2022					
Item	Opening balance	Adding	Disposal	Interior transfer	Ending balance
<u>Costs</u>					
Land	\$ 109,850	\$ —	\$ —	\$ —	\$ 109,850
Building	110,000	—	—	13,059	123,059
Subtotal	219,850	\$ —	\$ —	\$ 13,059	232,909
<u>Accumulated depreciation</u>					
Building	60,949	\$ 2,248	\$ —	\$ 6,188	69,385
Net amount	\$ 158,901				\$ 163,524

- (1) Investment property held by the Company only disclose its fair value's information but are not measured at fair value, fair value level of the investment property is at level 3.

Fair value of investment property held by the Company for the year ended of December 31, 2023 and December 31, 2022 were 451,817 thousand NT Dollar and 404,493 thousand NT Dollar, respectively. The fair value mentioned are evaluated by the management level of the Company with evaluation model that is generally accepted by market participants, the evaluation is based on the deal price of neighborhood lot.

- (2) Rent revenue arises from investment property in 2023 and 2022 are 8,016 thousand NT Dollar and 6350 thousand NT Dollar, respectively.

- (3) The Company as lessor

1) The Company leases the investment properties as operating leases. The lease terms are scheduled to expire from December 2025 to

November 2033.

2) As of December 31, 2023, the signed lease payments receivables are as below:

	Amount
In 1 year	\$ 9,588
1~5 years	20,458
Over 5 years	8,850
Total	<u>\$ 38,896</u>

(4) The status of investment property provided for guarantee of borrowing, please refers to Note (28).

14. Intangible assets

	2023			
Item	Opening balance	Adding	Disposal	Ending balance
<u>Cost</u>				
Computer software	\$ 15,635	\$ 2,222	\$ (8,178)	\$ 9,679
<u>Accumulated depreciation</u>				
Computer software	8,582	5,817	(8,178)	6,221
Net amount	<u>\$ 7,053</u>	<u>\$ (3,595)</u>	<u>\$ —</u>	<u>\$ 3,458</u>

	2022			
Item	Opening balance	Adding	Disposal	Ending balance
<u>Cost</u>				
Computer software	\$ 13,437	\$ 3,743	\$ (1,545)	\$ 15,635
<u>Accumulated depreciation and impairment</u>				
Computer software	5,633	4,494	(1,545)	8,582
Net amount	<u>\$ 7,804</u>	<u>\$ (751)</u>	<u>\$ —</u>	<u>\$ 7,053</u>

The amortization expenditure amounts recognized and accrued at operation expenditure in statement of comprehensive income by the Company in 2023 and 2022 were 5,817 thousand NT Dollar and 4,494 thousand NT Dollar, respectively.

15. Other noncurrent assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Operation guaranteed deposits	\$ 240,000	\$ 240,000
Clearing and settlement fund	25,550	27,709
Refundable deposits	6,001	6,000
Deferred expenditure	1,300	554
Prepayment for equipment	14,199	6,216
Total	<u>\$ 287,050</u>	<u>\$ 280,479</u>

(1) Operation guaranteed deposits

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Firms age business	<u>\$ 240,000</u>	<u>\$ 240,000</u>

In order to operate various businesses, the Company provides Certificate of deposits as operation guaranteed deposits and save in a banking accordance to Regulations Governing Securities Firms and Regulations Governing the Operation of Securities Introducing Firms Business by Futures Commission Merchants, etc. The deposits are not saved separately, registered as collateral, reported missing or terminated, and the deposits could not be withdrawn or transferred without Securities and Futures Bureau, FSC's approval.

(2) Clearing and settlement fund

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Clearing and settlement fund – centralized	\$ 16,713	\$ 18,089
Settlement fund – OTC	8,837	9,620
Total	<u>\$ 25,550</u>	<u>\$ 27,709</u>

According to “Regulations Governing Securities Firms”, a security firm operating firms business should deposit basic amount for NT\$15 million to TWSE before commencement of business operation, after commencement of business operation, it shall deposit a specified percentage of the net receipt or net payment amount of the executed trades of TWSE listed securities for which it has accepted firms age trading orders within 10 days after the close of each quarter until the end of the then-current year. From the year following the commencement of business operation, the original basic amount shall be reduced to NT\$3.5 million and combined into the amount equal to the above-mentioned percentage of the net receipt or net payment amount of the executed trades of TWSE listed securities for which it accepted trading orders for the previous year on a yearly basis. At the end of January of each year, the insufficient or excess amount of the fund shall be deposited with or withdrawn from the TWSE. Before commencement of business operation of each domestic branch office, a securities firm shall make a lump sum deposit of NT\$3 million to the settlement and clearing fund; provided that from the year following the business operation, the original amount shall be reduced to NT\$500,000.

According to Over the Counter Exchange Market Join Responsibility System Clearing and Settlement Fund Management regulation, a security firm operating firms business should deposit basic amount for 6 million dollars before commencement of business operation, after commencement of business operation, it shall deposit a specified percentage of the net receipt or net payment amount of the executed trades of Out classed securities for which it has accepted firms age trading orders within 10 days

after the close of each quarter until the end of the then-current year. From the year following the commencement of business operation, the original basic amount shall be reduced to NT\$1.5 million and combined into the amount equal to the aforementioned percentage of the net receipt or net payment amount of the executed trades of OTC listed securities for which it accepted trading orders for the previous year on a yearly basis. At the end of January of each year, the insufficient or excess amount of the fund shall be deposited with or withdrawn from the OTC. Before commencement of business operation of each domestic branch office, a securities firm shall make a lump sum deposit of NT\$1.5 million to the settlement and clearing fund; provided that from the year following the business operation, the original amount shall be reduced to NT\$250,000.

16. Short-term borrowing

	December 31, 2023	December 31, 2022
Guaranteed borrowing	\$ 620,000	\$ 340,000
Credit loan	100,000	—
Total	\$ 720,000	\$ 340,000
Interest rate interval	1.70% ~ 1.825%	1.45% ~ 1.55%

For details on assets provided as guarantee of short-term borrowing, please refer to Note (28)

17. Commercial notes payable

	December 31, 2023	December 31, 2022
Commercial notes payable	\$ 50,000	\$ —
Less: Unamortized discount	(21)	—
Total	\$ 49,979	\$ —
Interest rate interval	1.41%	—

For details on providing guarantee or collateral, please refer to Note (28)

18. Accounts payable

	December 31, 2023	December 31, 2022
Settlement receivable	\$ 1,031,013	\$ 554,121
Authorized sales payment for shares	2,022	1,113
Receivable on securities purchased for customers	4,073	82,838
Others	73	188
Total	\$ 1,037,181	\$ 638,260

19. Other payable

	December 31, 2023	December 31, 2022
Salary payable	\$ 10,441	\$ 10,541
Bonus payable	11,087	168
Remuneration payable	8,865	—
Commission discount payable	17,251	13,783
Pension payable	1,486	1,214
Vacation payment payable	873	4,804
Others	11,053	8,623
Total	\$ 61,056	\$ 39,133

20. Employee pension

(1) Defined contribution plans

The Company established a defined contribution plan pursuant to the “Labor Pension Act”. According to the rule, the monthly contribution rate

of employee retirement pension afforded by the Company shall not be lower than 6 % of employees' monthly salaries and wages. The Company has monthly made the contributions based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance in accordance with the rule.

(2) Defined benefit plans

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law. According to the plan, pension benefits of employees that are qualified for retirement are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount of 4.10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the supervisory committee of workers' retirement reserve fund. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

Retirement funds contributed by the Company in accordance with the Labor Standards Law are managed by Bureau of Labor Funds, Ministry of Labor. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142.

Data of labor retirement fund operation includes fund return rate and fund asset allocation, please refers to information released on the website of Bureau of Labor Funds.

B. Total expense of contribution amount payable according to the rate stated in the plan has been recognized in the statements of comprehensive profit or losses:

	2023	2022
Defined contribution plan	\$ 6,469	\$ 6,829
Defined benefit plan	559	1,270
Total	<u>\$ 7,028</u>	<u>\$ 8,099</u>

The following table summarizes the expense of profit or losses recognized in the defined contribution plan:

	2023	2022
Current service cost	\$ 203	\$ 1,173
Net interest of defined benefit liabilities or assets	356	97
Total	<u>\$ 559</u>	<u>\$ 1,270</u>

(3) Amounts recognized as balance sheet are determined as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 108,189	\$ 97,987
Fair value of plan assets	(80,418)	(76,237)
Net defined benefit liabilities	<u>\$ 27,771</u>	<u>\$ 21,750</u>

Net defined benefit liabilities are recognized as follows:

	December 31, 2023	December 31, 2022
Net defined benefit liabilities		
— current	\$ 26	\$ 26
Net defined benefit liabilities		
— noncurrent	27,745	21,724
Total	<u>\$ 27,771</u>	<u>\$ 21,750</u>

- (4) The reconciliation of the present value of defined benefit obligation and fair value of plan assets is as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2023	\$ 97,987	\$ (76,237)	\$ 21,750
Current service cost	203	—	203
Interest expense (income)	1,618	(1,262)	356
Recognition in profit or losses	1,821	(1,262)	559
Re-measurements			
Experience adjustments	6,043	—	6,043
Change in financial assumptions	3,660	—	3,660
Return on plan assets	—	(380)	(380)
Recognition in other comprehensive income	9,703	(380)	9,323
Pension fund contribution	—	(3,861)	(3,861)
Paid pension	(1,322)	1,322	—
December 31, 2023	<u>\$ 108,189</u>	<u>\$ (80,418)</u>	<u>\$ 27,771</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2022	\$ 119,836	\$ (79,504)	\$ 40,332
Current service cost	1,173	—	1,173
Interest expense (income)	522	(425)	97
Recognition in profit or losses	1,695	(425)	1,270
Re-measurements			
Experience adjustments	(1,350)	—	(1,350)
Changes in financial assumptions	(9,060)	—	(9,060)
Return on plan assets	—	(4,420)	(4,420)
Recognition in comprehensive income	(10,410)	(4,420)	(14,830)
Pension fund contribution	—	(322)	(322)
Paid pension	(13,134)	8,434	(4,700)
December 31, 2022	<u>\$ 97,987</u>	<u>\$ (76,237)</u>	<u>\$ 21,750</u>

- (4) Fair value of defined plan assets of the Company is calculated by

qualified actuary. The principal actuarial assumptions used at measurement day are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.1770%	1.6516%
Future salary increases	0.5%	0.5%

Because of the pension plan of Labor Standards Law, the Company is exposed to risks as follows:

- 1) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
 - 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.)
 - 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.
- (5) The influences on carrying value of pension payment obligation on the difference between management level's estimation and discount rate and future salary increase rate reached to 0.25% at the year ended December 31, 2023 and 2022 are as follows:

	Effect on present value of a defined benefit obligation	
	Actuarial assumptions of increase by 0.25%	Actuarial assumptions of decrease by 0.25%
December 31, 2023		
Discount rate	\$ (1,916)	\$ 1,972
Future salary increase rate	\$ 1,950	\$ (1,903)

	Effect on present value of a defined benefit obligation	
	Actuarial assumptions of increase by 0.25%	Actuarial assumptions of decrease by 0.25%
December 31, 2022		
Discount rate	\$ (1,715)	\$ 1,768
Future salary increase rate	\$ 1,753	\$ (1,709)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at

the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

(6) The Company expects to make contributions of 3,880 thousand NT dollars to the defined benefit plans in 2024.

(7) As of December 31, 2023, the weight average lifetime of pension plan is 7.33 years, an analysis of maturity of pension payment is as follows:

In 1 year	\$	7,111
2~5 years		42,678
Over 5 years		35,382
	\$	<u>82,171</u>

21. Equity

(1) Common stock capital

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Authorized capital stock (in thousand shares)	300,000	300,000
Authorized capital stock	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Issued and paid shares (in thousand shares)	308,481	266,844
Issued capital	<u>\$ 3,084,811</u>	<u>\$ 2,668,442</u>

On May 4, 2022, the shareholders' meeting agreed to increase capital by surplus transfer of 151,044 thousand NT Dollar. It is calculated to issue 15,104,390 new shares with a par value of NT\$10 per share. The company has completed the change on June 25, 2022, which is taken as reference day. The Company, as resolved at the shareholders' meeting on May 4, 2023, proceeded the capital surplus transferred to common stock by NT\$53,369,000, which has been approved by the Financial Supervisory Commission. The Board of Directors of the Company resolved to date June 23, 2023 as the record date of capital increase, and the registration procedures for the change in share capital were completed on July 7, 2023. The Board of Directors resolved to proceed the capital capital by NT\$363,000,000, issuing 36,300,000 new shares at a par value of NT\$10 per share with the record date of November 30, 2023. The registration procedures for the change in share capital were completed on September 6, 2023.

(2) Capital surplus

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Stock premium	\$ 112,900	\$ —
Gain on asset disposal	8	8
Donated assets	23	23
Consolidation excess	55,534	119,577
Expired share options	23,679	—
Others	1	1
Total	<u>\$ 192,145</u>	<u>\$ 119,609</u>

The Company's shareholder meeting on May 4, 2023, resolved to increase capital by NT\$53,369 thousand and distribute NT\$10,674 thousand in cash dividends from the capital surplus-net assets from merger.

Pursuant to the R.O.C. Company Law, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit. Where a company incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting to distribute its legal reserve and the following capital reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash.

And pursuant to the Securities and Exchange Act, aforementioned capital reserve used for expand capital, it should not exceed 10% of the paid-in capital each year.

A company shall not use the capital reserve to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

(3) Legal reserve

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

(4) Special capital surplus

1) In accordance with the "Rules Governing the Administration of Securities Firms", 20% of the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, shall be set aside as special reserve until the cumulative balance equals the total amount of paid-in capital. The special capital surplus may only be utilized for offsetting losses or if the accumulated capital reaches 25% of the paid-in capital, with the excess amount over 25% of the paid-in capital being eligible for allocation to capital.

2) The equivalent digit number of special reserve shall be set aside from current accumulated unappropriated retained earnings based on the current accounted equity deduction according to the regulations. Thereafter, any reversal balance of other equity deduction shall be taken as earnings for allotment.

(5) Retained earnings and dividend policy

1) Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to pay all taxes and offset prior years' operating losses first, and then set aside as legal reserve, accounted for as 10% of the remaining amount, and special reserve, accounted for as 20% of the remaining amount. Upon provision or reversal of special reserve in

accordance with the law, any remaining amount together with unappropriated earnings at beginning of the period shall be distributed according to the following resolution adopted at the stockholders' meeting: Distribution shall not be made if the balance of distributable earnings is less than 1% of paid-in capital.

- 2) In addition, in accordance with the Company's article, the total amount of dividends declared every year shall be at least 30% of distributable earnings, of which cash dividends shall not be lower than 30% of total dividend; however, the Company's acquisition of capital should be sufficient for significant capital expenditure in current year, where cash dividends shall account for at least 50% of total dividend of the year.
- 3) The appropriation of 2022 and 2021 earnings was resolved by the shareholders on May 4, 2023 and May 4, 2022, respectively. Detail is as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provision of legal reserve	\$ —		\$ 68,831	
Provision of special reserve	\$ —		\$ 137,663	
Cash dividends	\$ 42,695	\$ 0.16	\$ 151,044	\$ 0.60
Stock dividends	\$ —		\$ 151,044	0.60

Furthermore, the Company's shareholders meeting resolved May 4, 2023 to distribute the cash dividends of NT\$0.04 per ordinary share with a total of NT\$ 10,674 thousand and NT\$0.02 per share with a total of NT\$53,369 thousand.

- 4) The earnings distribution for 2023 as resolved by the Board of Directors on February 19, 2024 is set forth below:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve allocation	\$86,852	
Special reserve allocation	\$173,704	
Cash dividends	\$123,392	\$ 0.40
Stock dividends	\$185,089	0.60

The Company's earnings distribution proposal for 2023 is pending by resolution in the 2024 General Shareholders' Meeting.

- 5) For details on employees' remuneration and directors' remuneration, please refer to Note (25)

(6) Other equity

Unrealized profit or losses of financial assets measured at fair value through other comprehensive profit or losses

	2023	2022
Balance at January 1	\$ 203,094	\$ 272,204

Unrealized accumulated profit or losses on disposal of equity instruments transferred to retained earning		51,852		(69,110)
Balance at December 31	\$	254,946	\$	203,094

22. Earnings per share

	For the Year Ended December 31, 2023		
	Amount w/tax	Weighted Average outstanding number of shares (1,000 shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit classified as common stock holder	\$ 875,977	275,264	\$ 3.18
Diluted earnings per share			
Effect of potential common stocks with dilution			
— Remuneration for employee	—	513	
Effect of current net profit plus potential common stocks	\$ 875,977	275,777	\$ 3.18

	For the Year Ended December, 31, 2022		
	Amount w/tax	Weighted average outstanding number of shares (1,000 shares)	Earnings per share (NTD)
Basic earnings per share			
Current net profit classified as common stock holder	\$ (224,661)	275,264	\$ (0.82)
Diluted earnings per share			
Effect of potential common stocks with dilution			
— Remuneration for employee	—	457	
Effect of current net profit plus potential common stocks	\$ (224,661)	275,721	\$ (0.81)

The retroactive adjustment has been made to the aforementioned weighted average outstanding number of shares according to the 2023 ratio of capital surplus transferred to capital.

If a company may choose employee remuneration paid by share or cash, for the case of payment by share, potential common stocks with dilution shall be added with weighted average number of outstanding shares to calculate diluted earnings per share.

23. Gains and losses

(1) Brokerage handling fee revenue

	2023	2022
Revenues from brokered trading - TWSE	\$ 169,263	\$ 151,179
Revenues from brokered trading - OTC	52,912	45,899
Revenues from short selling handling fee	457	730
Total	<u>\$ 222,632</u>	<u>\$ 197,808</u>

(2) Gains (losses) on sales of Operating Securities

	2023	2022
Trading revenues from sales-dealer	\$ 403,350	\$ 816,643
Trading costs from sales-dealer	(316,679)	(649,985)
Subtotal	<u>86,671</u>	<u>166,658</u>
Trading revenues from sales-underwriting	31,133	35,098
Trading costs from sales-underwriting	(29,561)	(33,309)
Subtotal	<u>1,572</u>	<u>1,789</u>
Total	<u>\$ 88,243</u>	<u>\$ 168,447</u>

(3) Interest revenue

	2023	2022
Interest revenue from margin loans	\$ 59,735	\$ 69,327
Interest revenue from bonds	—	6
Others	571	834
Total	<u>\$ 60,306</u>	<u>\$ 70,167</u>

(4) Valuation gain (loss) on Operating Securities at fair value through profit or loss

	2023	2022
Operating Securities -dealer	\$ 650,543	\$ (510,573)
Operating Securities-underwriting	1,923	(1,990)
Total	<u>\$ 652,466</u>	<u>\$ (512,563)</u>

(5) Other gains and losses

	2023	2022
Financial income	\$ 6,145	\$ 2,757
Net loss on disposal of property and equipment	600	1
Net benefit on non-operating financial assets at fair value through profit or loss	5,741	(4,251)
Other revenues — site usage income	21,983	15,835
Other revenues — rental income	8,016	6,350
Other revenues — others	1,271	1,608
Other non — operating expenses	(3)	(1)
Total	<u>\$ 43,753</u>	<u>\$ 22,299</u>

24. Income tax

(1) Income tax recognized as profit or losses

1) Income tax income (expense) consisted of the following:

	2023	2022
Current income tax		
Current income tax for the period	\$ 11,724	\$ 25,763
Tax on undistributed surplus earnings	—	8,987
Prior year income tax underestimation (overestimation)	(8,178)	(730)
	<u>3,546</u>	<u>34,020</u>
Deferred income tax		
Deferred income tax for the period	1,446	(157)
Income tax income expense recognized as profit or losses	<u>\$ 4,992</u>	<u>\$ 33,863</u>

2) Reconciliation between income tax expense and accounting profit

	2023	2022
Tax calculated based on profit and loss before tax and statutory tax rate	\$ 176,194	\$ (38,160)
Amount disallowed by tax regulation	(131,940)	103,451
Tax exempt income by tax regulation	(39,043)	(54,038)
Differences on basic tax payable	7,959	14,353
Additional tax on unappropriated earnings	—	8,987
Prior year income tax underestimation (overestimation)	(8,178)	(730)
Income tax income expense recognized as profit or losses	<u>\$ 4,992</u>	<u>\$ 33,863</u>

(2) Income tax expense recognized as other comprehensive income

	2023	2022
Deferred income tax		
Deferred income tax for the periods	\$ 1,864	\$ (2,966)

(3) Deferred income tax balance

The change of deferred income tax asset in the Balance Sheet is analyzed as follows:

2023				
	Opening balance	Recognized as profit or losses	Recognized as other comprehensive profit or losses	Ending balance
Net defined retirement benefit plans	\$ 5,325	\$ (660)	\$ 1,864	\$ 6,529
Vacation payment payable	960	(786)	—	174
Deferred income tax assets	\$ 6,285	\$ (1,446)	\$ 1,864	\$ 6,703
2022				
	Opening balance	Recognized as profit or losses	Recognized as other comprehensive profit or losses	Ending balance
Net defined retirement benefit plans	\$ 8,102	\$ 189	\$ (2,966)	\$ 5,325
Vacation payment payable	992	(32)	—	960
Deferred income tax assets	\$ 9,094	\$ 157	\$ (2,966)	\$ 6,285

(4) Verification of Income Tax

The Company's business income tax for the year ended December 31, 2021 has been approved by the taxation authority.

25. Additional information of expenditure

Employee benefit, depreciation, depletion and amortization expense are summarized by function and nature as follows:

Function Nature	2023			2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefit expense						
Salary expense	\$ —	\$ 162,586	\$ 162,586	\$ —	\$ 113,027	\$ 113,027
Labor health insurance expense	—	13,617	13,617	—	14,373	14,373
Pension expense	—	7,028	7,028	—	8,099	8,099
Directors' remuneration	—	7,028	7,028	—	6,464	6,464
Other Employee benefit expense	—	7,254	7,254	—	7,630	7,630
Depreciation expense	—	17,838	17,838	—	16,479	16,479
Amortization expense	—	6,113	6,113	—	4,784	4,784

- (1) In case of any balance after deduction of accumulated loss depending on profitability of current year by the Company, 1% of them shall be appropriated as employee remuneration and not set aside as remuneration to Directors and Supervisors.

Employee remuneration that is appropriated by shares or in cash shall be enacted by a resolution passed by more than two thirds of all directors as attendants and a majority of them in the Board of Directors, further reported it in the Shareholders' Meeting.

- (2) The Company's estimates of employee remuneration for 2023 and 2022 was NT\$8,899 thousand and NT\$0 thousand; the preceding amounts were estimates pursuant to the Articles of Association, which are recognized as salary expense depending on the profitability as of end of the current period. Any changes made on the amount, if any, after the annual financial statement was passed and issued are recorded with adjustments for next year, which is subject to the accounting change of estimates.
- (3) The actual distributed amount of employee remuneration for the fiscal years 2022 and 2021 did not differ from recognized amount in financial reports for the fiscal years 2022 and 2021.
- (4) For related information regarding to above proposal passed by the Company's Board of Directors and the resolution of appropriating employee, directors and supervisors' remuneration in the Shareholder's Meeting, please search them on Market Observation Post System.

26. Non-cash transactions

Investments having effect on cash and non-cash items

Property, Plant and equipment

	2023	2022
Current adding	\$ 6,673	\$ 2,989
Changes on prepayments	7,983	2,388
Changes on payable	—	—
Cash paid in current	\$ 14,656	\$ 5,377

27. Related party transaction

(1) Material transactions with related party: none.

(2) Bonus/Remuneration to Top management level

Remuneration to directors and other Top management is stated as follows:

	2023	2022
Short—term benefit	\$ 32,775	\$ 31,828
Termination benefits	1,152	1,166
Total	\$ 33,927	\$ 32,994

The remuneration payment conditions to directors and other Top management have been passed by the Company's Remuneration Committee, where the principle of setting a payee is subject to individual capacity, performance or overall market situation.

28. Pledged assets

As of December 31, 2023 and 2022, the Company's pledged assets are detailed as follows:

Item	Book value		Guarantee usage
	December 31, 2022	December 31, 2022	
Restricted assets-current	\$ 196,185	\$ 184,033	Bank loan, commercial notes issuance and settlement
Property and equipment	560,879	569,062	Bank loan
Investment property	164,599	163,524	Bank loan
	\$921,663	\$916,619	

29. Material contractual undertakings or with liability and yet to be recognized:
None.

30. Significant losses on disaster: None.

31. Significant subsequent event: None.

32. Miscellaneous:

Mr. Wang, the investor of Tongmen Branch of the Company claimed that some stock in his opened account in Tongmen Branch was collected or assigned to

third party with counterfeited "Deposited Securities Withdrawal Application - Substitute for Debit Voucher", "Private Direct Assignment/Revocation Application" leading to the loss NT\$6,704 thousand, with which to claim against Concord International Securities Company Limited. In the first instance, the Taiwan Taipei District Court ruled in favor of the plaintiff. In the second instance, the Taiwan High Court rejected the appeal made by Wang Jun on April 19, 2023, thereby upholding the original judgment in favor of the plaintiff.

33. Capital management

(1) Calculation of Capital Adequacy Ratio

The Company keeps maintaining adequate capital proactively to absorb diversified risk effectively and assure healthy business development at a long-term basis. Therefore, the Company manages capital pursuant to business roadmap, relevant laws and regulations, as well as financial market environment to achieve optimized capital configuration. The Company calculates and declares its Capital Adequacy Ratio pursuant to "Security Firms Management Rule" as follows:

Capital adequacy	December 31,2023	December 31,2022
Eligible self-own capital net amount	\$ 5,403,851	\$ 3,839,358
Sum of operation risk equivalent amount	\$ 890,002	\$ 641,542
Self-owned capital adequacy ratio	607%	598%

(2) Capital Adequacy Ratio Management

A security farms should keep 'regulatory capital adequacy ratio above 150% according to the regulation set forth in "Security Firms Management Rule".

Diversified risk duty units of the Company should identify, measure, monitor and report a variety of material risks including but not limited to credit risk, operating risk, market risk and liquidity risk, so that the Company can reflect current economic environment by its capital goal, the capital portfolio is able to be adapted for business nature and scale with compliance of competent authority.

34. Financial instrument

(1) Types of financial instrument

	<u>December 31,2023</u>	<u>December 31,2022</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income-current	\$ 3,360,518	\$ 1,957,633
Financial assets at fair value through other comprehensive income-noncurrent	558,477	506,660
Financial assets at amortized costs (Note 1)	2,870,025	2,224,480
<u>Financial liabilities</u>		
Financial liabilities at amortized costs (Note 2)	1,928,633	1,187,690

1. The financial asset at amortized costs includes but not limited to cash and equivalent amount in cash, margin loans receivable, accounts receivable, other receivables, loans receivable-non-restricted purpose, restricted assets-current, pending settlement, clients' funds in settlement account and separate account ledger, exercise payment warrants under custody, underwriting share receipt under custody, operating margin, settlement and clearing fund and refundable deposits-non-current.
2. The financial liability at amortized costs includes but not limited to short-term loan, promissory note payable, securities financing guarantee deposit-in, deposit payable for securities financing, bill payable, accounts payable, receipts under custody, other receivables, clients' funds in settlement account and separate account ledger and refundable deposits-non-current.

(2) Fair value

1. The fair value of financial instrument at amortized costs

The book value of financial assets and financial liabilities at amortized costs in the financial statement is in reasonably close conformity.

2. Fair value measuring level and related information

The table below lists analysis result related with originally recognized financial instrument measured by fair value and observable level of fair value is in Level 1 to Level 3.

- (1) Level 1 fair value measurement refers to public offer on the basis of asset or liability in the market (unadjusted).
- (2) Level 2 fair value measurement refers to those directly (i.e., price) or indirectly (i.e., inferred from price) observable inputs under questioned asset or liability, thereby inferring to fair value, except for the Level 1 public offer.
- (3) Level 3 fair value measurement refers to those inputs of asset or liability on the basis of unobservable market price by appraisal technology (unobservable input), thereby inferring to fair value.

3. Financial asset and liability measured at recurring fair value

Redundant fair value	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Stock investment	\$ 3,317,295	\$ 28,589	\$ 3	\$ 3,345,887
Other	14,631	—	—	14,631
Financial assets at fair value through other comprehensive income				
Stock investment	418,611	—	139,866	558,477

Redundant fair value	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Stock investment	\$ 1,927,164	\$ 21,576	\$ 3	\$ 1,948,743
Other	8,890	—	—	8,890
Financial assets at fair value through other comprehensive income				
Stock investment	371,652	—	135,008	506,660

The Company had no transferring cases between Level 1 and Level 2 fair value measurements of financial asset and liability at recurring fair value in 2023 and during the period spanning from January 1 to December 31, 2022.

4. Financial asset and liability at non-recurring fair value: None.
5. The table below lists Level 3 changes made during the period spanning from January 1 to December 31, 2023:

2023	Opening balance	Total recognized profit (losses)		Transfer in (out) Level 3	Ending balance
		Recognize d as profit or losses	Recognized as other comprehensiv e profit or losses		
Financial assets at fair value through profit or loss					
Stock investment	\$ 3	\$ —	\$ —	\$ —	\$ 3
Financial assets at fair value through other comprehensive income					
Stock investment	135,008	—	4,858	—	139,866

2022	Opening balance	Total recognized profit (losses)		Transfer in (out) Level 3 (Note)	Ending balance
		Recognize d as profit or losses	Recognized as other comprehensiv e profit or losses		
Financial assets at fair value through profit or loss					
Stock investment	\$ —	\$ —	\$ —	\$ 3	\$ 3
Financial assets at fair value through other comprehensive income					
Stock investment	70,733	—	64,275	—	135,008

Note: It is transferred from Level 2 to Level 3 as the fair value of marketable securities changed from an observable input value, obtainable from the active market, to self-valuation.

6. The Company had no Level 3 transferred-in and transferred-out cases in 2023.

Since the observable input value of active market is not able to be acquired, the Company's financial assets at fair value through profit or loss which is NT\$ 3000 in 2022 is transferred from Level 2 to Level 3.

35. Financial risk management target and policy

(1) Overview

1) Risk management policy

The Company continually strengthens risk culture to every employee and makes sure that the Company can actively develop various businesses under a healthy and effective risk management system. At the same time, by creating value of an entity and continually increasing profit, profit maximization may be achieved within appropriate risk tolerance, and the maximized corporate value may be created in order to promote the sound development of the capital market by all departments in the Company

2) Risk management system

Create a business strategy and organizational culture that emphasizes risk management, implement the effectiveness of risk management policies, and establish an overall risk management system to facilitate effective planning, supervision and implementation of the company's risk control operations. The risk management system can be continuously and effectively implemented. The company's board of directors, managers and employees at all levels participate in the promotion of implementation, which is a procedure that all levels abide by. From the perspective of the company as a whole, through a series of activities such as the identification, measurement, monitoring, response and reporting of potential risks, with qualitative and quantitative management methods, various risks that may be faced in operating activities are maintained within an acceptable range, in order to reasonably ensure the achievement of the company's strategic goals.

3) Risk management organization

Board of Directors:

The highest decision-making unit for risk management which bears the ultimate responsibility for risk management. Board of Directors is responsible for the approval of risk management policies and guidelines, review of important risk management reports, and understanding of risk management implementation strategies and results.

Risk Management Committee:

A risk management committee sets up under the board of directors to implement relevant risk management affairs, formulate risk management policies and risk management systems and submit them to the board for approval, regularly and irregularly report to the board of directors on the implementation of risk management, and make necessary improvement suggestions in a timely manner.

Risk Management Department:

- (1) Audit Office: Develop and execute internal audit system of the Company pursuant to Internal Audit and Control Guideline formulated by the competent authority and assess performance of every department at regular basis.
- (2) Compliance Department: Ensure all business processes inward and outward to conform to current laws and regulations. The Company keeps identifying, measuring, suggesting, monitoring and presenting report on laws and regulations requiring observation by competent authorities, and monitoring adequacy of procedures.
- (3) Risk Control & Management Department: Duty Department for risk control and management. The Company sets Risk Control & Management Department subordinated under the General Manager Office that supervisor's employment and dismissal do not require the approval from the Board of Directors. The Department develops Risk Management System pursuant to risk management policy, a unit putting risk management into practices. It takes charge of practices including but not limited to monitoring, measuring and assessing daily risks in the Company, being independent out of business unit and transaction activity.

4) Risk & Management Process

It consists of identification, measurement, monitoring, report and countermeasures of risks.

- A. Risk Identification and Measurement: Risk Control & Management Department assists in every sales department's compliance with the regulations prescribed by competent authorities. Guideline and risk assessment index related with identification, measurement and assessment methods, index, duration, frequency and other factors to all involved risks with on & off-balance sheet business or a variety of transactions on financial products shall be formulated with business practices.
- B. Risk Monitoring & Report: Risk Management Department monitors a variety of use with risky upper limits and gives appropriate report on any cases beyond such upper limits. Whenever reaching the warning line, the Department should give a notice to related sections to present reports and a review meeting should be organized by the President or duty supervisor for countermeasures and solution; such report should be presented in the Board of Directors Meeting at regular or irregular basis.

(2) Market risk

Market risk refers to the risk arising out of uncertain fluctuation of financial asset value due to dynamic market price during a period like interest rate, foreign exchange rate, equity securities and commodity price, potentially causing loss reflected in the subjects of on and off-balance sheets.

Other price risks

Price risk exposure is generated from the Company's invested listed company stocks/over-the-counter (OTC) stocks.

Sensitivity Analysis

The sensitivity analysis listed below commenced from the price risk exposure out of financial asset measured at fair value through profit and loss of investment on the balance-sheet day. With consideration of the effect by

change of security market policy, the Company evaluated the rate of change used in the price came up with up/down by 10%, also indicating the justified evaluation of Top Management Level for the potential scope of change on value.

If the invested stock price goes up/down by 10%, then, net profits before tax for 2023 and 2022 will increase/decrease by NT\$336,052 thousand and NT\$195,763 thousand respectively because of the fair value change from the investment by equity tool that was measured at fair value through profit & loss forcefully. Other comprehensive profit or loss will increase/decrease by NT\$55,848 thousand and NT\$50,666 thousand respectively because of the fair value change from the financial assets at fair value through profit & loss.

(3) Credit risk

1. Source and definition of credit risk

The credit risk that the Company is exposed from its financial transactions includes issuer credit risk and counterparty credit risk.

- (1) Issuer credit risk refers to the risk arising out of financial loss that the Company suffered due to the reason of failure of performing obligations of repayment (or compensation) from its held financial liability tool or deposits in the bank as contracted caused by issuer (or guarantor) or bank's breach of contract, goes on bankruptcy or liquidation.
- (2) Counterparty credit risk refers to the risk that the counterparty with which the Company trades fails to perform the settlement at the appointed date or the payment obligation, causing the Company suffering the financial loss.

2. Maximum risk-exposed amount of credit risk and centralization

The maximum risk-exposed amount of the Company's Statement of Financial Position is equivalent to it carrying value if collaterals or other credit reinforced tool are not considered. The source of the Company's exposure of credit risk is in Taiwan and diversified credit risks are described as follows:

(1) Cash and cash equivalent

Cash and equivalent cash mainly consist of time deposit, demand deposits and note deposits of banks and domestic banks constitute a majority of correspondent institutes.

(2) Financial asset measured at fair value through profit/loss - current

A. Fund

The credit risk of the Company is low due to the low fund position.

B. Debt security

Debt security is mainly the position of government bond, convertible (exchangeable) corporate bond and the R. O. C. Government and domestic legal entity are deemed as the issuer. For more information, please refer to as follows:

a. Bond

The position of bond held by the Company is mostly

government bond (included central and local); its credit risk is generally low.

b. Convertible (exchangeable) corporate bond

The position of convertible (exchangeable) corporate bond held by the Company was mostly issued by domestic legal entity; unsecured corporate bond issuers are all large-scale companies at low credit risk.

(3) Reverse Repurchase Agreement (Reverse Repo, RS) on Bond Investment

Bond Reverse Repurchase Agreement (Reverse Repo, RS) refers to a situation that a bond holder sells bonds to the Company and both parties entered into an agreement with agreed price, interest rate and duration (days); expired bond is further repurchased by counterparty with agreed price. The most of counterparty are located domestically. The Company will reduce counterparty's credit risk-exposed amount with RS agreed bond as collaterals.

(4) Receivable Amount for Margin Loans

Receivable Amount for Margin Loans are for the Company's customers upon completion of Margin Trading and Short Selling procedures; the stock bought by customer financing process is taken as collaterals and the Company controls customer's collateral maintenance ratio through information system under 130% (included) pursuant to the provisions set forth in Regulations Governing the Conduct of Securities Trading Margin Purchase and Short Sale Operations by Securities Firms, where the credit risk is extremely low.

(5) Receivable of securities business money lending

It provides non-restricted purpose loan to clients, offering the capital accommodation with marketable securities or other products. The Company will regularly evaluate the situations of clients, properly assess their credit facilities, and manage their credit risk. Moreover, according to the regulations governing borrowing or lending money in connection with securities business by securities firms, the loan maintenance ratio is 130%, while currently, the Company's collateral maintenance ratio is larger than regulated ratio; therefore, the credit risk is extremely low.

(6) Receivable

The Obligatory Claim generated from business operated by securities firms includes but not limited to settlement price receivable for consignment trades, quoted market price receivable from the sales of operating securities and receivable generated from consignment trades of securities; because the Company's receivables, mainly the entrusted business and the operating business, are the settlement of marketable securities with the TWSE or over-the-counter (OTC) center; hence, the credit risk is extremely low.

(7) Another current asset

It mainly refers to the Company's cash with constricted purposes

and pending in settlement. It is classified as domestic banking institutes with good creditability like the Company's correspondent banks, which minimizes the credit risk.

(8) Another non-current asset

It mainly consists of Operating margin, clearing and settlement fund and refundable deposits. Operating margin is mainly deposited in a bank with good creditability domestically; clearing and settlement fund is paid to and deposited in the Taiwan Stock Exchange (TWSE), which is compensated by TSE to either securities trading party in case of the default of delivery obligations. The institutes that two former margins are deposited in have minimum credit risk; refundable deposits refer to cash that the Company has deposited as margin externally or other assets; due to the reason of diversification of domestic banks with good creditability or subjects for such refundable deposits, plus each record shows not high amount, hence, the credit risk is decentralized and overall credit risk exposure of refundable deposit is minimized.

As of December 31, 2023 and 2022, a variety of financial assets held by the Company had normal quality without overdue and not yet been recognized as impairment or impaired financial assets, where the maximum amount of credit risk exposure (excluded collateral fair value) is approximate to the carrying value, not for additional disclosure.

(4) Liquidity risk

1. Source and definition

Liquidity risk refers to the risk arising out of failure of asset realization or with sufficient fund, leading to default of due responsibility (i.e., fund liquidity risk), and the risk arising out of significant fluctuation of market price whenever held positions are intervened or written off due to insufficient market depth or loss of order (i.e., market liquidity risk).

2. Management Procedures for Liquidity Risk

The Company's target of liquidity risk management is to maintain cash and equivalent cash required for operation, securities with high liquidity and sufficient bank lines of credit to assure corporate adequacy of financial flexibility.

Bank loan is an important liquidity source for the Company. As of December 31, 2023 and 2022, the Company's rest of lines of credit were NT\$1,732,000 thousand and NT\$1,712,000 thousand respectively.

3. Maturity analysis of financial asset and financial liability held for liquidity risk management

(1) The Company holds cash and quality interest-accrued assets with high liquidity to perform repayment obligations and potential funding needs in the market. The Company mainly holds cash and equivalent cash among financial assets to manage liquidity risk, where time deposits all due within one year; listed (OTC) company stocks and debt securities account for a majority of financial assets

that were measured at fair value through profit and loss, which all have positions in active market with low liquidity risk.

- (2) Please refer to the table below for details of maturity analysis for the rest of the Company contracted non-derivative financial liability during agreed repayment term, which is made pursuant to the date that the Company's repayment requested earliest and undiscounted cash flow of financial liability covering interest and the principle.

December 31, 2023					
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non derivative</u>					
<u>financial liabilities</u>					
Short — term borrowing	\$ 722,039	\$ —	\$ —	\$ —	\$ 722,039
Commercial notes payable	50,000	—	—	—	50,000
Short selling premium	22,757	—	—	—	22,757
Short selling guarantee payable	24,557	—	—	—	24,557
Accounts and notes payable	1,038,497	—	—	—	1,038,497
Collect receivables	5,300	—	—	—	5,300
Other receivables	61,056	—	—	—	61,056
Lease liabilities	1,215	2,431	2,431	1,245	7,322
Guarantee deposit received	154	870	387	300	1,711
Total	<u>\$ 1,925,575</u>	<u>\$ 3,301</u>	<u>\$ 2,818</u>	<u>\$ 1,545</u>	<u>\$ 1,933,239</u>

	December 31, 2022				
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non derivative financial liabilities</u>					
Short — term borrowing	\$ 340,333	\$ —	\$ —	\$ —	\$ 340,333
Short selling premium	68,935	—	—	—	68,935
Short selling guarantee payable	57,079	—	—	—	57,079
Accounts and notes payable	640,067	—	—	—	640,067
Collection receivables	41,497	—	—	—	41,497
Other receivables	39,133	—	—	—	39,133
Lease liabilities	1,215	2,431	2,431	2,461	8,538
Guarantee deposit received	150	360	567	—	1,077
Total	<u>\$ 1,188,409</u>	<u>\$ 2,791</u>	<u>\$ 2,998</u>	<u>\$ 2,461</u>	<u>\$ 1,196,659</u>

(5) Operational Risk

Operational risk refers to the risk caused by improper or wrong process, staff, system or external events.

1. The control and management of operational risk comprises of standards in connection with internal control including but not limited to information security and maintenance, clearing and settlement, transaction confirmation, preparation of statements, reserved transaction records and labor power and duty division.
2. The management of operational risk focuses on practices of internal control system and internal audit system. Traders and relevant operators should retain transaction records and traces according to internal control system for future verification. In addition to regular checks by each agency, auditors review pursuant to procedures and highlights of internal control system, wherein every business unit should improve any found defects or abnormality and the Audit Office should make follow-up report at regular basis after the Audit Report was submitted for approval to make sure that proper improvements have made by related units.

(6) Base of Overall Risk Control and Management

1. Article 13 of the Regulations Governing Securities Firms

(1) After deduction of any occurred liability arising out of Government Bond trades from exterior liability, total liability may not exceed 6 times as the Company's net capital.

(2) Total current liability may not exceed total current asset.

(3) In the case of securities firms accepting orders to trade securities or

securities dealing, unless otherwise specified by the Financial Supervisory Commission, R.O.C., total exterior liability may not exceed net capital.

2. Article 16 of the Regulations Governing Securities Firms

The lump sum of held real estate and equipment values for business and total non-operating real estate may not exceed over 60% of the Company's total assets.

3. Article 18 of the Regulations Governing Securities Firms

Securities Firms' use of fund is subject to those items as specified in Article 18 of the Regulations Governing Securities Firms and bound by it.

4. Article 19 of the Regulations Governing Securities Firms

(1) Dealer's total held amount of any one domestic company's shares may not exceed over 10% of the Company total issued number of shares.

(2) The total cost that dealer holds any one domestic company issued securities may not exceed 20% of net capital.

36. Notes to Financial Statements

According to Regulations Governing the Preparation of Financial Reports by Company-Type Stock Exchanges, the information on significant transactions that shall be disclosed is as follows:

(1) Information on significant transactions:

1. Lending funds to others: None.
2. Providing endorsements or guarantees for others: None.
3. Aggregate purchases or sales of the acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
4. Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
5. Discount on handling fees for transactions with related parties reaching NT\$ 5 million or more: None.
6. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
7. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: None.

(2) Information on investees:

1. Related information on the investee company, the location...: None.
2. Related information on significant transactions: None.
- (3) Information on setting up branches and representative offices abroad: None.
- (4) Information on investment in mainland China: None.
- (5) Information on major shareholders: Refer to schedule for detail information.

Schedule

Information on major shareholders

Name of major shareholders	Shares	Shareholding amount	Shareholding ratio
BOLIDU Investment Co., Ltd.		41,631,478	13.49%
SINCE SHE CO., LTD.		38,795,102	12.57%

Remark 1. The major shareholders' information in this table is prepared by Depository & Clearing Corporation on the last business day of each quarter, wherein the ordinary shares and special shares held by shareholders that have been delivered by securities firms without physical registration (including treasure stock) are added up to 5% or more. As for the share capital recorded in the financial report of the securities firms and the actual number of shares delivered without physical registration by the securities firm, there may be differences due to the different basis of the calculation.

Remark 2. For the above information, if a shareholder delivers shares to the trust, it means that the trustee opened a trust account for individual sub-accounts. As for shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding includes their own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. Please refer to the Public Information Observatory for information on insider equity declarations.

37. Financial information of the operating department

(1) Information on departmental profit and loss, assets and liabilities

For management purposes, we divide operating units into the following reporting operating departments according to different businesses and services:

Self-employed business: securities, bonds.

Brokerage business: securities.

Underwriting business: Securities underwriting.

	Year of 2023				
	Brokerage department	Self-employed department	Underwriting department	Other	Total
Income:					
Revenue from external customers	\$ 285,481	\$ 849,864	\$ 6,445	\$ 6,274	\$1,148,064
Revenue from internal segment	—	—	—	—	—
Total income	<u>\$ 285,481</u>	<u>\$ 849,864</u>	<u>\$ 6,445</u>	<u>\$ 6,274</u>	<u>\$1,148,064</u>
Segmental profit and loss	<u>\$ 125,457</u>	<u>\$ 844,673</u>	<u>\$ 4,708</u>	<u>\$ (93,869)</u>	<u>\$ 880,969</u>

	Year of 2022				
	Brokerage department	Self-employed department	Underwriting department	Other	Total
Income:					
Revenue from external customers	\$ 270,888	\$ (236,584)	\$ 852	\$ 6,188	\$ 41,344
Revenue from internal segment	—	—	—	—	—
Total income	<u>\$ 270,888</u>	<u>\$ (236,584)</u>	<u>\$ 852</u>	<u>\$ 6,188</u>	<u>\$ 41,344</u>
Segmental profit and loss	<u>\$ 116,739</u>	<u>\$ (243,349)</u>	<u>\$ (831)</u>	<u>\$ (63,357)</u>	<u>\$ (190,798)</u>

The accounting policies of the operating departments are the same as the summary description of important accounting policies described in Note 4. The profit and loss of our operating department is measured by pre-tax operating profit and loss, serving as the basis for evaluating performance.

(2) Regional information: None.

(3) We do not have any no customers that account for more than 10% of our revenue.

(4) Our operating decision-makers do not use the assets and liabilities of the operating department as the basis for decision-making, and shall not disclose the assets and liabilities of the operating department based on the regulations.

VII. Review, analysis on financial status and performance, as well as risks

1. Financial status :

The main reasons for significant change on assets, liabilities and equity within 2 fiscal years of the Company and its effect, along with countermeasures for future.

Unit:NT\$1000

Item \ Year	2023	2022	Difference	
			Amount increase (decrease)	Change Ratio %
Current assets	\$ 5,960,848	\$ 3,910,530	\$ 2,050,318	52.43
Non-current assets	1,667,097	1,623,051	44,046	2.71
Total assets	7,627,945	5,533,581	2,094,364	37.85
Current liability	1,933,895	1,211,270	722,625	59.66
Non-current liability	35,253	30,094	5,159	17.14
Total liability	1,969,148	1,241,364	727,784	58.63
Share capital	3,084,811	2,668,442	416,369	15.60
Additional Paid In Capital	192,145	119,609	72,536	60.64
Earnings reserve	2,126,895	1,301,072	825,823	63.47
Other Equity	254,946	203,094	51,852	25.53
Total equity	5,658,797	4,292,217	1,366,580	31.84

2. Financial results:

The main reasons for the significant changes in operating income, net operating income and net income before tax for the last two years and the expected sales volume and its basis, the possible impact on the Company's future financial operations and the plan to respond.

Unit:NT\$1000

Item \ Year	2023	2022	Difference	
			Amount increase (decrease)	Amount increase (decrease)
Revenue	\$ 1,148,064	\$ 41,344	\$ 1,106,720	2,676.86
Operating expenses	310,848	254,441	56,407	22.17
Operating profit (loss)	837,216	(213,097)	1,050,313	492.88
Non-operating income/loss	43,753	22,299	21,454	96.21
Net profit before tax	880,969	(190,798)	1,071,767	561.73
Income tax profit (fee)	(4,992)	(33,863)	(28,871)	85.26
Net profit after tax	875,977	(224,661)	1,100,638	489.91

(1)Analytical details of increase/decrease ratio change within last two years (increase/decrease changed up to 10% above):

- I. Revenue, Operating Income, Pre-Tax Net Profit, and After-Tax Net Profit: The global stock market has experienced significant fluctuations, which has affected the performance of the Taiwan stock market. The decrease in trading volume led to a decrease in brokerage fees compared to the previous period, and effect of the volatility of operating securities valuation adjustments.
- II. Operating expenses: The main reason is the slow performance of the Taiwan stock market, affected by the decrease in brokerage fees and employee benefits expenses, which led to a decrease in trading volume compared to the previous period.
- III.Non-operating income and loss: Mainly affected by the volatility of open-end fund valuation adjustments.

(2)Possible improvement and countermeasures for the Company's upcoming finance and business: Balanced development in brokerage, underwriting, and proprietary trading business increase an overall profits.

3.Cash flow :

(1) Analysis of cash flow change for the latest year :

I. Operating activity: The main reason is the financial assets measured through the fair price of profit/loss and the margin loans receivable significantly decreased YoY, thereby increasing cash outflow.

II. Investments: The main reason is the decrease in procurement of fixed assets and the intangible assets.

III. Financing: The main reason is the declined customer's margin loan decreased loans for the year.

(2) Improvement plan for insufficient liquidity : None.

(3) Cash liquidity analysis for the upcoming year

Unit: NT\$1,000

Cash Balances - Beginning of Period(1)	Estimates of Cash Flows from Operating Activities (2)	Estimates of annual cash inflow/outflow (3)	Estimates of cash balance (shortage)(1) + (2) - (3)+(4)	Remedies for estimates of cash shortage	
				Investment plan	Financing plan (4)
\$ 69,686	\$489,927	\$(322,697)	\$236,916	—	—

4.The effect of significant capital expenditure on finance and business for the latest year: None

5. Reinvestment policy for the latest year, the main reason for profit or loss, improvement plan and investment plan for the upcoming year:

The Company has no reinvestment plan.

6. Analysis and evaluation of risks as of end of the last year:

(1) Fluctuation of interest rate and foreign exchange rate, the effect of inflation on the Company's profit & loss and countermeasures for future:

I. Interest rate change: Margin trading is the major interest rate-affected business, which is mainly to earn financing spread, not affected by interest rate a lot.

II. Fluctuation of Foreign exchange rate: The Company's income is mainly from domestic business, and the effect on the profit/loss by fluctuation of foreign exchange rate accounting for the Company's profit or net profit is few.

III. Inflation: The Company's income is mainly from securities service commission, security trading capital gains and interest income from margin purchase/short sale, not affected by inflation a lot.

(2) Engaging in high-risk, high-leveraging investments, making loans to others, endorsement and trading on derivatives policy, the main reason for profit or loss, improvement plan and investment plan for the upcoming year:

I. The Company was not engaging in high-risk, high-leveraging investments in the last year.

II. The Company had no loans made to others or endorsed for others.

III. The Company had no trades on derivatives in the last year.

(3) Future Plans for Research and Development and estimated invested expenses: None.

(4) The effect of changes on domestic/overseas significant policy and laws on the Company's finance and business, as well as countermeasures.

The Company and related departments have been aware of the progress in the change of domestic/overseas significant policy and laws. We also analyze, evaluate the effect on diversified finance and business, adjust internal operation related policy and procedures to respond such changes, and boost business and profit on condition of compliance.

(5) The effect of technology and industry change on the Company's finance and business and countermeasures: Financial digitalization has changed the way to operate broker's business. Considering the goal of making company be more competitive for future and professionalism in new economy, the Company has updated span and depth to apply software/hardware step by step, reinforcing security and steadiness of various features of information and trading platform, also keeping promotion on system upgrade and development ceaselessly; in addition, for sustainability, the Company builds client base of e-order platform to improve operating efficiency and maintain competitiveness on market. As a dealer, the Company is paying attention to the shift of financial technology and will seek to create long-term stable profit via proactive role of information technology when the time is right.

For the measurements for information security risks, please refer to VIII. Other Important Matters (Management Policy for Information and Communication Security)

(6) The effect of corporate image shift on business crisis management and

countermeasures: None.

- (7) Expected efficiency of Merger & Acquisition (M&A), potential risk and countermeasures: None.
- (8) Expected efficiency of expanding business site, potential risk and countermeasures: None.
- (9) The risk of centralizing business and countermeasures: The customers of the Company are structured by natural persons and legal entities completely, which had no risk of business centralized to single one.
- (10) The effect of directors, supervisors or majority shareholders holding more than 10% shares and large-scale transfer or change of shares on the Company, risks and countermeasures:
As of December 31, 2022, the Company's directors, supervisors or majority shareholders holding more than 10% shares had no issues of large-scale transfer or change of shares.
- (11) The effect of management right alternation on the Company, risk and countermeasures: None.
- (12) The Company and its directors, supervisors, General Manager, majority shareholders holding more than 10% shares and affiliates have been judged by the court or were pending in a significant lawsuit, non-lawsuit or administrative litigation cases which may have severe effect on equity or security price and how was it handled as of end of the year: Please refer to Note 33 for details of such lawsuit cases.
- (13) Other key risks and countermeasures: None.

7. Accident Emergency Response

Each department of the company is required to report to the company's executive officer, authorities, neighboring units, police, fire department, environmental protection agency and other relevant organizations in accordance with the type of crisis when an accident occurs; Necessary measures should be taken, such as activating the crisis response team, mobilizing emergency response, communicating, planning countermeasures, and effectively integrating internal and external resources, to strive to solve the problem as soon as possible and prevent the disaster from spreading. After the crisis event, we shall review the handling of the crisis event and confirm the preventive and follow-up measures.

8. Other Important Matters (Management Policy for Information and Communication Security)

- (1) The Company has established measures for information and communication security and disaster recovery to enhance the security of our information systems and prevent the improper use, disclosure, alteration, and destruction of the information system and related information, as well as to ensure the security of the information systems connected to the internet and the data, and maintain the smooth operation of our computers and make sure the secure, complete, and confidential equipment and data. We implement the computer

information usage management to ensure effective utilization of computer resources and the smooth running of our overall information business. The Company continually strengthens the management and improves the defense capabilities in critical information systems to comply with regulations and requirements of information security, protecting important data security. The Company reviews our information security policy annually and puts the overall implementation of information security of previous year together to issue a joint internal control system (including the overall implementation of information security) statement signed by the highest executive in charge of information security, the chairman, the general manager, and the audit manager, and submit to the board of directors for approval. The contents shall be disclosed on the Public Information Observation Station within three months after the end of the fiscal year. In response to DDOS attacks, the Company has established ISP traffic cleansing services to prevent such attacks. Our mobile app for customer use is also annually tested by certified third-party laboratories for information security. If there is a major abnormality in information services or a security incident, the Company will quickly process it in accordance with the established information security incident reporting mechanism. Our company invests resources in information and communication security management, including IT staff salaries, hardware and software purchasing, and maintenance, with budget allocation and implementation annually.

- (2) List any losses suffered by the company in the most recent year due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VIII. Special Disclosure

1. Information about the company's Affiliates

- (I) Consolidated Business Reports of Affiliated Companies: Not applicable.
- (II) Consolidated Financial Statements of Affiliated Companies: Not applicable.
- (III) Affiliation Reports: Not applicable.

2. Private Securities in the Past Year and as of the Date of Publication of the Annual Report

For the most recent year and as of the printing date of the annual report Private Placement The Company shall disclose the date and amount approved by the shareholders' meeting or the director's meeting, the basis and reasonableness of the price, the method of selection of the specific person, the reasons for the private placement, the targets of the private placement, the eligibility criteria, the number of subscriptions, the relationship with the Company, the operation of the participating companies, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact of the private placement on the shareholders' equity, the progress of implementation of the plan and the effectiveness of the plan since the receipt of the full amount of the shares or the price until the completion of the capital utilization plan, and the use of the funds of the private placement. The Company's shareholder's equity, the use of funds from the private placement of marketable securities from the time the shares or the price are received until the completion of the capital utilization plan, the progress of the implementation of the plan, and the benefits of the plan: Not applicable.

3. Holding or Disposal of the Company's Shares by Affiliated Companies during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: The Company has no subsidiaries, hence, not applicable.

4. Other Necessary Supplementary :

- (I) Merger or consolidation of other companies: None.
- (II) Reorganization: None.
- (III) Affiliation Reports: None.
- (IV) Acquisition or disposal of significant assets: None.

- (V) Significant changes in business practices or business content: The Company has ceased the dual operations in futures brokerage services since November 17,

2017, and started to operate in futures trading auxiliary services.

(VI) Information on investment in overseas business: None.

5. In the event of any matter which has had a significant impact on shareholders rights or the price for the securities referred to Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, items should be stated in order: None.

Concord International Securities CO., LTD

Chairman WANG,WEN-TSU