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Horizon Securities Co., Ltd.

2023
Annual Report

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Website: https://www.honsec.com.tw

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I. Letter to Shareholders

In 2023, major countries around the world were affected by factors such as high interest rates, high inflation, and China's less-than-expected post-pandemic economic performance. The weak end market demand and industrial inventory adjustment slowed down the economic activities of manufacturing industries in various countries. The Russia-Ukraine war and the conflict between Israel and Hamas have not stopped. The expansion of the chip bans by the US against China, and the global geopolitics turning to group antagonisms have limited the pace of economic growth. By the end of 2023, inflation in various countries has gradually slowed down, and the central bank's interest rate hike cycle is expected to gradually come to an end. The expanding application of AI is also expected to drive economic recovery. According to statistics from the Taiwan Stock Exchange, at the end of 2023, the TWSE Capitalization Weighted Stock Index (TAIEX) reached 17,931, an increase of 3,793 or 27% throughout the year. The total market value of listed stocks as a whole reached NT$56.8 trillion, an increase of NT$12.6 trillion compared with 2022. The average daily turnover of TWSE-listed stocks was NT$264.3 billion, and NT$70.5 billion for TPEx-listed stocks, and the total average daily turnover of TWSE- and TPEx-listed stocks was NT$334,8 billion, an increase of 16%, 17% and 16%, respectively, over the previous year.

Benefited from the outstanding performance of the Taiwan stock market which created an advantages external operating environment for the Company, the Company had operating revenues of NT$1,221,187 thousand, profit after tax NT$179,799 thousand, and earnings per share NT$0.51 for 2023. As for the financial structure as of the end of 2023, the total assets were NT$15.5 billion, and the total liabilities were NT$10.7 billion. The liabilities were mainly generated by undertaking bond repurchase transactions and settlement accounts payable arising from brokerage-entrusted trading business. The overall financial structure was considered stable. The total shareholders' equity was NT$4.7 billion, and the net value per share was NT$13.49. The securities firm's capital adequacy ratio was 339%, indicating that the Company's operation was sound.

A summary of the operating results of each major business in 2023 is shown as follows:

1. Brokerage business: Entrusted trading totaled NT$1,011.1 billion, the average daily trading value was NT$4.2 billion and the average margin debt was NT$3.6 billion.
2. The combined sales of securities held-for-trading and valuation gains was NT$350 million.
3. Underwriting business: Total underwriting project of NT$3.6 billion, completed 29 cases of IPO and SPO with a role of either sponsor or co-sponsor, and 2 financial advisory cases.
4. Stock transfer agency: Served a total of 137 clients as an agent. The clients included 49 companies in either the Taiwan Stock Exchange or Taipei Stock Exchange, 18 companies in the Emerging Stock Market board and a total of 70 in public offering and others, serving approximately 2.43 million shareholder accounts.
5. Ranked in the top 20% of financial institutions in the "First Sustainable Finance Evaluation" announced by the FSC. Out of a total of 57 institutions that were rated, only 12 were included, and the Company was one of 2 securities firms included.

Looking ahead to 2024 , the global inflation pressure shows signs of moderation, and central banks around the world are expected to enter a cycle of interest rate cuts, but the global economic recovery is expected to be slightly delayed. Benefited from the demand for high-speed computing

and artificial intelligence applications, and as the inventory adjustment is nearing the end, the end demand is expected to gradually recover. The global emphasis on net zero carbon emissions and the rise of green investment are all helping the economic recovery. However, the lag effect of high interest rates will increase business risks for enterprises. Coupled with the geopolitical risks caused by unresolved conflicts, which may even have the possibility of further expansion, the economic situation in 2024 will become uncertain. In the face of the changing global situation and the Taiwan stock market that will be affected as a result, the Company will continue to grow steadily and proactively build various businesses and platforms.

1. Continue to invest in financial technology to develop digital platform operations, including improving online trading experience, enhancing digital services for investors, and strengthening information security management to ensure customer information and transaction security.
2. In order to increase the Company's sources of revenue, we will actively increase the market share of subcontract transactions, expand the scale of wealth management business, and meet the different investment needs of customers by providing more diverse financial products and services.
3. As of the end of 2023, the scale of lending money without specific purposes has reached NT$800 million. While we expect to provide more funding sources, we hope to cater to the diverse funding needs of customers.
4. Through active participation, we strive for growth in the capital market underwriting, financial advisory and stock transfer agency businesses to increase fee income from diverse services.
5. In response to the increasing uncertainty of economic changes, we will flexibly adjust the allocation of risk assets and hedging assets with an aim of having flexible capital movements and maintaining of steady revenue.

In addition to sparing no efforts to develop business and achieve operational performance, the Company will continue to improve corporate governance and transparency, implement money laundering prevention practices, enhance energy conservation and carbon-reduction policies to respond to climate change, assuming its responsibility of sustainable development. In the future, the Company will continue to uphold a long-term and stable business strategy and be committed to the "customer-oriented, reciprocal and common prosperity; profit-oriented, active and pragmatic; steady-oriented, strict risk control; emphasis on employees, sharing business results; emphasis on integrity and professional conscience" business philosophy, and will continue to implement various mechanisms for risk and internal control management, strengthen the Company's operating fitness and enhance the competitiveness of various businesses, provide customers with satisfactory financial services, and create maximum value and long-term stable returnsfor the Company and its shareholders.

Chairman Ke-Chyn Jiang

President Jamie Lin

II. Company Profile

1. Date of Incorporation: December 8, 1961.

2. Organization and operations

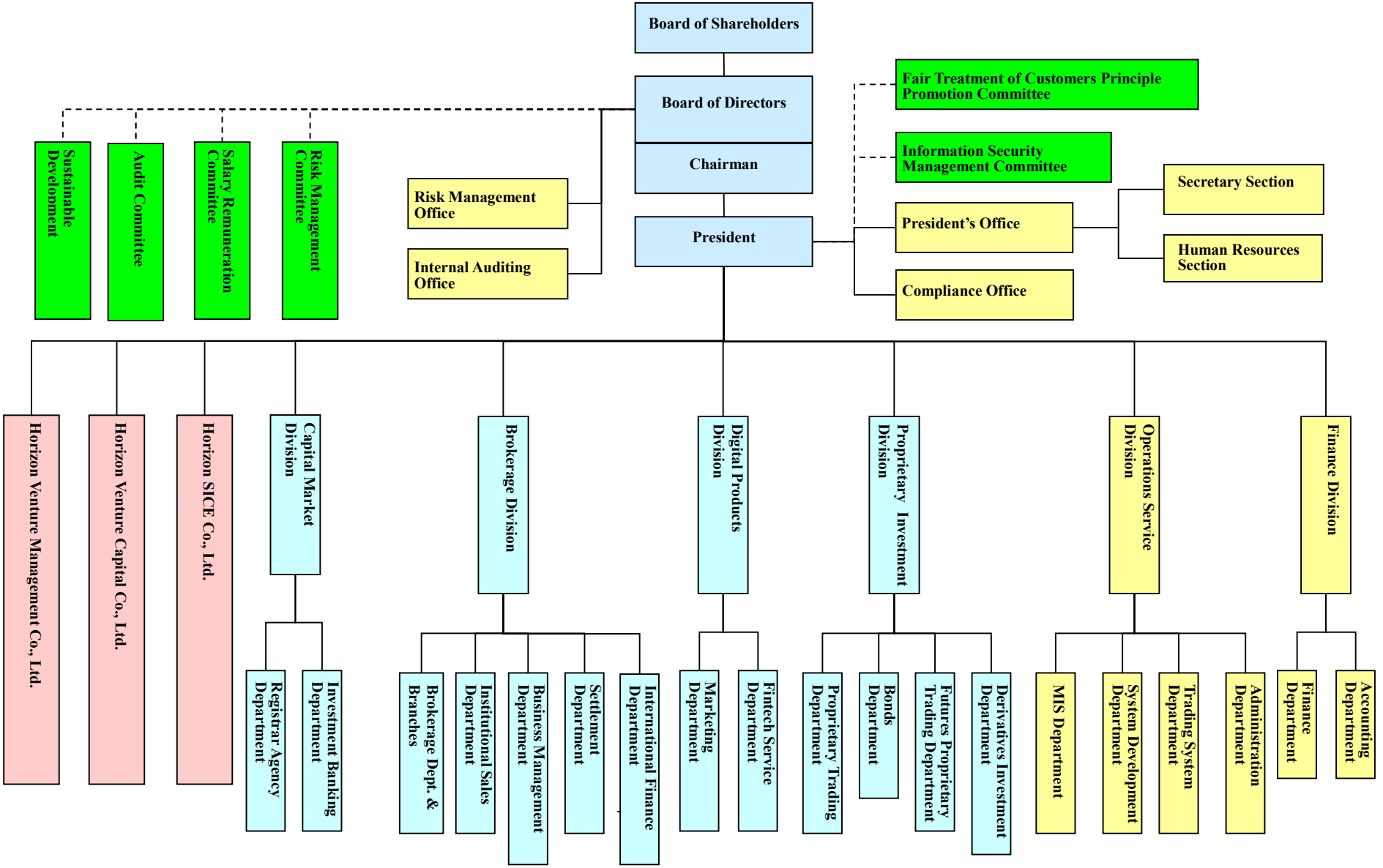
1961	● Founded as “Dashin Securities,” engaging in brokerage business.
1990	● Extended business to underwriting & proprietary trading. Became an integrated securities firm.
1996	● Listed on TPEx on 25th July. (OTC: 6015)
2000	● Head office moved to current location at No. 236, Sec. 4, Xinyi Rd., Taipei City.
2001	● Renamed as “Fortune Securities.”
2005	● Underwent company-wide restructuring. Carried out cash capital increase by private placement. Besides the management team becoming shareholders, Mercuries & Associates Holding Limited became the major shareholder.
2006	● Renamed as “Horizon Securities.” ● Established “Registrar and Transfer Agency” business, serving multiple public companies and countless shareholders. ● Business operations extend to Institutional Brokerage, Bonds and Derivative products trading.
2008	● Granted the license for futures proprietary trading business.
2009	● The subsidiary, Horizon SICE Co., Ltd., established master agent platform, and started to engage in wealth management business. ● Approved to undertake “Accepting Orders to Trade Foreign Securities,” providing clients with channels for overseas investment.
2010	● Completed the merger with Forwin Securities. . ● Awarded the “2009 Excellent Underwriter in Assisting the Listing of Foreign Companies” by TWSE.
2012	● Launched the self-developed trading system “Hongliwang.”
2013	● Approved to engage in futures brokerage and settlement businesses, expanding the scope of future services. ● Horizon SICE Co., Ltd. was approved to engage in discretionary investment business.
2014	● Underwriting business was awarded the “2014 Negotiable Instrument Contribution Award” by TWSE. ● Established the subsidiary, Horizon Venture Capital Co., Ltd., through re-investment and integrated a complete securities service by direct investment.
2015	● Awarded “IPO Best Partner Award” by TWSE. ● Approved to undertake the futures consulting business. ● Hsinchu Branch moved to Xinhua and was renamed as Xinhua Branch. ● Approved to issue call (put) warrants.
2016	● Awarded “Outstanding Securities Broker Contribution Award” by TPEx. ● Granted the “Liquidity providers of foreign currency denominated international bonds” license by TPEx.
2017	● Awarded the First Prize of “Growth Award” for the securities of a centralized market by FCS. ● The subsidiary, Horizon SICE Co., Ltd. established a research team, enhancing investment research. ● Granted the “foreign currency denominated international bond underwriter” license by Central Bank of the Republic of China (Taiwan).
2018	● Approved to establish the “trading room – telephone centralized order center,” improving our services for clients. ● The Company’s “accepting orders to trade foreign securities business” has been approved to extend to US stock market. ● Approved to engage in “lending money without specific purposes,” providing clients with their financing needs.

	● Established the Fintech Service Department, focusing on the smart operations of digital platforms.
	● Approved to establish the Horizon Venture Management Co., Ltd.
2019	● An official community website (FB/youtube/IG) was set up for better service to the public in depth.
	● Awarded first place in improvement award of "2019 ETP trading and market making competition for securities brokers" held by TWSE, Taiwan Securities Association and Securities Investment Trust and Consulting Association.
	● Awarded "Best Digital Finance Service" in the non-finance holding category of the "2019 Outstanding Securities Brokers" held by Excellence Magazine. Enhanced the complementarity of FinTech and physical branches, in the aim to expand the scale of brokerage business through diversified digital transformation.
2021	● The Company was awarded the "Taiwan Stocks ETF Trading Contribution Award" in the Securities Firm ETF and ETN Competition held by the Taiwan Stock Exchange Corporation in October.
2022	● Acquisition of Kuang Lung Securities Co., Ltd. In February was completed in February. Guanglong Branch in Hualien was established.
	● "Securities financing service" was launched in April.
	● Completed the offering of the 1st issue of convertible bonds amounting to NT$700 million in June.
	● Was approved to conduct "Wealth management business" in January.
	● Won the "Broker Best Participation Award in Pioneer Stock Board" (PSB) in April.
	● The investment and consulting research team won the "Research Report Accuracy-Estimated the rate of return", "Research Report Accuracy-Estimated the EPS" Award from CMoney for the 2nd consecutive year in April.
2023	● In December, the Company ranked in the top 20% of the financial industry in the first sustainability evaluation results.

III. Corporate Governance Report

1. Organization system

(I) Organization of the Company



(II) Department Functions

Department	Main Duty
Sustainable Development Committee	1. Formulate sustainable development policy. 2. Deliberate on the strategic planning, annual plans and project plans of sustainable development. 3. Supervise the implementation of strategic planning, annual plans and project plans of sustainable development. 4. Track and review the implementation and effectiveness of sustainable development, and report them to the board of directors. 5. Decision on other matters related to sustainable development.
Audit Committee	1. Supervising the fair presentation of the financial statements. 2. Supervising the independence and performance of appointment and discharge of CPAs. 3. Supervising the effectiveness of internal control. 4. Supervising the compliance to relative laws and regulations. 5. Supervising the control of existing and potential risks.
Risk Management Committee	1. Supervising and reviewing the guidelines for risk management policies and the performance of risk management. 2. Reviewing the risk management mechanisms for various businesses and products of the Company and its subsidiaries. 3. Reviewing the Company's overall risk limits and risk limits of individual units. 4. Reviewing and handling matters regarding violation of risk management policies, principles, regulations or goals. 5. Reporting the execution results of risk management to the Board of Directors on a quarterly basis. 6. Other matters required to be reported to the Committee for review according to the regulations.
Information Security Management Committee	1. Verifying and supervising the information security policies. 2. Delegating and coordinating information security responsibilities. 3. Supervising the information security protection matters. 4. Reviewing and supervising information security events. 5. Verifying other information security issues. 6. Coordinating and discussing the overall information security measures. 7. Coordinating and discussing the information security plans. 8. Delegating the information security responsibilities of relative personnel, and formulating general guidelines for responsibility delegation based on the functions of each unit. 9. Coordinating the cross-department information security cooperation. 10. Reviewing and handling matters regarding violation of information security policies, principles, regulations or goals. 11. Verifying the information security policies of subsidiaries.
Salary Remuneration Committee	1. Reviewing the "Salary Remuneration Committee Charter" and proposing amendment suggestions on a regular basis. 2. Stipulating and regularly reviewing the performance of the remuneration of the Company's directors and supervisors, and the annual goal of managers, as well as the remuneration policies.

Department	Main Duty
	3. Reviewing regularly the remuneration of individual managers based on the completion of performance objectives.
Internal Auditing Office	1. Auditing the financial, business and accounting matters, and preparing audit reports on a regular or occasional (when required) basis. 2. Following-up on internal control procedures, and evaluating the performance of internal control of each unit. 3. Managing the auditing matters of subsidiaries. 4. Undertaking audit projects assigned by the Board of Directors, Chairman, Supervisors, and President. 5. Supervision and auditing reinvestment projects. 6. Formulating and amending relative auditing regulations.
Risk Management Office	1. Formulating risk management policies and regulations of each unit. 2. Supervising the execution of risk management of each unit. 3. Supervising the overall risk limits in compliance with external management regulations. 4. Preparing risk management reports. 5. Following-up and evaluating the goal completion and performance of each unit. 6. Planning and executing matters regarding annual credit rating. 7. Evaluating and managing the businesses of domestic subsidiaries and long-term investments. 8. Conducting financial analysis on and evaluating reinvestments. 9. Formulating and amending related charters.
President's Office	1. Planning and researching mid-to-long-term development strategies. 2. Handling M&A of financial companies, or conducting R&D, planning and marketing on products for strategic alliance and cross-industry alliance. 3. Managing corporate identity, and corporate image. 4. Handling matters regarding the Board of Directors. 5. Handling matters regarding registrar agencies. 6. Handling incoming and outgoing documents, proofreading and managing files. 7. Handling company registrations (incl. domestic and overseas reinvestment registration, and license registration and application). 8. Establishing, formulating and amending of personnel regulations and policies. 9. Handling matters regarding hiring, training, assignment, promotion, assessment, rewards and penalties, leave, retirement, layoff, duty rotation, compulsory vacation, etc. 10. Handling matters regarding salary, bonus, and benefit of employees. 11. Formulating and amending related charters.
Compliance Office	1. Planning, managing and supervising the execution of law compliance policies. 2. Reviewing on the amendments on charters of each unit and the releasing and compilation of the revised charters. 3. Undertaking risk management of law compliance, evaluation and training. 4. Announcing of the laws and regulations. 5. Reviewing, consulting or drafting legal matters of each unit.

Department	Main Duty
	6. Reviewing and safekeeping of contracts. 7. Handling litigation matters and assisting debt recovery. 8. Handling court documents. 9. Preparing, managing and supervising the plans and execution of anti-money laundering and countering the financing of terrorism. 10. Formulating and amending related charters.
Operations Service Division	1. Planning and executing information security development policies. 2. Planning, building, managing, and maintaining the information system. 3. Planning, building, managing, and maintaining the email and cloud storage system. 4. Planning, building, managing, and maintaining the securities chart reading system and the information sources. 5. Evaluation, requesting, managing, and maintaining the hardware and software requirements. 6. Planning, building, managing, and maintaining the computer facilities and the uninterruptible power supply. 7. Formulating and amending charters regarding information security. 8. Planning, developing, building, managing, and maintaining the database system. 9. Planning, developing, building, managing, and maintaining the application system. 10. Planning, developing, building, managing, and maintaining the office automation system. 11. Planning, developing, building, managing, and maintaining the fintech system. 12. Planning, developing, building, managing, and maintaining the proprietary trading, price offering and accounting system. 13. Planning, developing, building, managing, and maintaining the registrar agency system. 14. Planning, developing, building, managing, and maintaining trading operation system. 15. Planning, developing, building, managing, and maintaining trading accounting system. 16. Planning, developing, building, managing, and maintaining institutional trading system. 17. Planning, developing, building, managing, and maintaining the administrative system. 18. Producing, issuing, managing and destroying seals and stamps of personnel. 19. Acquiring, disposing and managing Company assets. 20. Acquiring, disposing and leasing fixed assets and supplies. 21. Repairing, maintaining and managing various office equipment. 22. Handling matters regarding office remodeling. 23. Managing matters regarding internal administrative work of the headquarters and branches. 24. Making and maintaining the corporate identity items (incl. signboards, name cards, office supplies). 25. Formulating and amending related charters.

Department	Main Duty
Finance Division	1. Handling financial matters and preparing the financial statements 2. Formulating and amending accounting policies, and preparing the books of accounts. 3. Submitting financial statements and other matters regarding financial disclosures to the competent authority on a regular basis. 4. Drafting and compiling the statements regarding budgets, settlements, and final accounts. 5. Preparing financial statements on a regular basis. 6. Processing tax cases and administrative remedies, as well as planning and submitting matters related to taxes. 7. Establishing and managing the credit lines, and managing liquidity risks of funds. 8. Proposing long-and-short-term fund and capital planning. 9. Planning, managing and following-up with financial operations of various businesses. 10. Calculating and reporting transaction limits of each unit. 11. Managing bills and securities. 12. Receiving and paying out expenses. 13. Managing bank accounts of the Headquarters and branches. 14. Handling matters regarding operational fund transfers and capital movements of Headquarters and branches. 15. Formulating and amending related charters.
Brokerage Division	1. Assisting the promotion of brokerage businesses of Headquarters and branches (incl. securities, futures, credit agency, funds sold under commission, reconsignments, lending money without specific purposes, auctions, applications for purchasing). 2. Assisting the establishment and execution of various management policies of the Headquarters and branches. 3. Managing and reviewing the salary and bonus policies for brokerage agents and concessions to clients. 4. Analyzing and managing the performance and contribution of brokerage agents under categories of company, clients or businesses. 5. Planning, evaluating and executing the establishment of new branches, as well as the acquisition and merger of operating locations. 6. Handling matters regarding reserve, training and assignment of brokerage agents. 7. Coordinating and managing the trading of securities and margin purchase and short sale services from brokerage businesses. 8. Organizing and managing beneficiary certificates, other securities and financial products sold under commission. 9. Serving as the one-stop service for internal and external brokerage business, and as the management unit for law compliance advocacy and risk control of brokerage business related matters. 10. Planning, promoting and managing matters regarding institutional businesses. 11. Providing maintenance and service to matters regarding institutional clients. 12. Planning and hosting institutional investor conferences. 13. Organizing and managing Headquarters' and branches' businesses,

Department	Main Duty
	(incl. securities, futures, credit agency, under commission, re-consignments, lending money without specific purposes, auctions, applications for purchasing) account opening, depository, and settlements. 14. Handling matters regarding reports of error accounts and breaches of contract from brokerage businesses. 15. Planning the management and operation process of back end regulations of brokerage businesses. 16. Planning and managing of lending money without specific purposes. 17. Responsible for the planning and execution of wealth management, and management wealth management staff. 18. Providing wealth management business staff members with market information regarding securities and financial products, including planning and support for education training, operating systems and transaction processes. 19. Providing customers with consulting services. 20. Providing customers with diverse international investment products and services. 21. Providing customers with consulting services regarding the asset allocation and financial planning, or sales services of financial products. 22. Undertaking the trading of securities at centralized securities exchange market. 23. Undertaking the trading of securities at operating sites. 24. Handling businesses regarding margin purchase and short sale. 25. Handling businesses regarding centralized custody and transfer of securities. 26. Handing businesses regarding securities settlements. 27. Handling matters regarding futures account opening and uploading of centralized custody. 28. Undertaking the trading of futures and option contracts. 29. Undertaking the domestic trading of futures and option contracts. 30. Handling risk control of the domestic trading of futures and option contracts. 31. Undertaking the overseas trading of securities (reconsignment). 32. Undertaking the trading of emerging stocks. 33. Undertaking the sales of beneficiary certificates, other securities and financial products. 34. Assisting Headquarters in the underwriting of securities. 35. Planning, promoting and managing institutional businesses. 36. Providing maintenance and service to institutional clients. 37. Formulating and amending related charters.
Capital Market Division	1. Guiding public companies listings on TPEx and TWSE, as well as underwriting capital increase for TPEx- and TWSE-listed companies. 2. Providing consulting services for issuance and offering of securities. 3. Providing consulting services for planning and execution of the privatization of government-owned enterprises. 4. Providing inquiry services for corporate financial planning and consultation. 5. Providing consulting services for private placement of securities,

Department	Main Duty
	reorganization, strategic reconstruction (incl. corporatization, merger, acquisition, spin-off and demerger). 6. Providing consulting services for venture investment plans, financial analysis and post-investment management. 7. Promoting the projects of financing activities, acquisitions, direct investments and financial restructuring of domestic enterprises overseas, and the projects of financing activities and investments of foreign enterprises in Taiwan. 8. Evaluating and managing the businesses of overseas subsidiaries and long-term investments. 9. Establishing and coordinating relative businesses of foreign branches. 10. Handling other businesses regarding international finance and securities. 11. Handling proprietary trading, as well as planning and managing brokerage businesses. 12. Handling stock matters as an agent for securities issuing institutions. 13. Handling matters regarding shareholders' meetings or general meetings of beneficiaries of securities issuing institutions. 14. Serving as proxy agents for shareholders' meeting proxy. 15. Handling matters regarding applications of stocks and announcements of securities issuing institutions. 16. Handing matters regarding expansion, consultation and guidance of registrar agency businesses. 17. Formulating and amending related charters.
Proprietary Investment Division	1. Planning securities portfolios for proprietary trading. 2. Trading securities at centralized securities exchange market. 3. Trading securities at operating sites. 4. Trading domestic securities related futures contracts, option contracts, and futures option contracts at futures markets. 5. Trading domestic securities related futures contracts, option contracts, and futures option contracts at operating sites. 6. Engaging in hedging transactions at futures markets. 7. Handling matters regarding the offering planning, reverse auctions, and sales of bonds and securities. 8. Trading the aforementioned bonds on the secondary market, and handling matters thereof. 9. Developing and promoting interest rate products. 10. Conducting R&D for new financial products, and formulating and implementing relevant trading and hedging strategies. 11. Issuing, selling and trading various new financial products. 12. Formulating and amending related charters.
Digital Products Division	1. Planning brokerage businesses (incl. securities, futures, credit agency, funds sold under commission, reconsignments, lending money without specific purposes, auctions, applications for purchasing). 2. Promoting and integrating digital product projects. 3. Planning and developing trading platforms and digital service platforms. 4. Planning and promoting marketing activities. 5. Handling business regarding telephone and online customer services.

Department	Main Duty
	6. Handling matters regarding centralized order center. 7. Handling matters regarding futures consultation. 8. Planning, applying, development and promotion of the fintech innovative platform. 9. Utilizing and developing big data analysis.

2. Information on the Company's Directors, Supervisors, President, Vice Presidents, Assistant Vice President, and the Supervisors of All the Company's Divisions and Branch Units

(I) Directors and Supervisors

1. Directors and Supervisors:

March 29, 2024; unit: share; %

Title (Note 1)	Nationality or country of registration	Name	Gender / Age Note 2	Date elected	Term	Date first elected (Note 3)	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the name of others		Experience (education) (Note 4)	Concurrent positions held in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			(Note 5)
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Chairman	ROC	Cheng-Da Investment Consulting Co., Ltd.	Male 61 - 70	2023.05.31	3 years	2005.10.19	35,160,200	10.01%	35,160,200	10.01%	–	–	–	–	–	–	–	–	–	–
		Legal representative: Ke-Chyn Jiang					–	–	–	–	183,072	0.05%	800,000	0.23%	Education: MBA, Syracuse University Experience: President of First Securities Co., Ltd.	The Company: Chief Strategy Officer, Member of Risk Management Committee, Sustainability Committee Other companies: Chairman of Horizon Venture Capital Co., Ltd. Chairman of Horizon Venture Management Co., Ltd. Chairman of Cheng-Da Investment Consulting Co., Ltd. Chairman of Weilin Investment Consulting Co., Ltd.	Vice President	Shao-Chen Chiang	Spouse	None
Director	ROC	Cheng-Da Investment Consulting Co., Ltd.	Male 51 - 60	2023.05.31	3 years	2005.10.19	35,160,200	10.01%	35,160,200	10.01%	–	–	–	–	–	–	–	–	–	–
		Legal representative: Jamie Lin					310,016	0.09%	469,633	0.13%	–	–	–	–	Education: Graduated with a Master's Degree of Economic from Soochow University Experience: Vice President of Capital Market Division of First Securities Inc. Investment Banking Department of	The Company: President, Member of Risk Management Committee, Member of Information Security Management Committee, Sustainability Committee	None	None	None	None

Title (Note 1)	Nationality or country of registration	Name	Gender / Age Note 2	Date elected	Term	Date first elected (Note 3)	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the name of others		Experience (education) (Note 4)	Concurrent positions held in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			(Note 5)
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
															Grand Cathay Securities Corporation	Other companies: Director of Cheng-Da Investment Consulting Co., Ltd. Director of Horizon Venture Capital Co., Ltd. Director of Horizon Venture Management Co., Ltd.				
Director	ROC	Jyun-De Li	Male 51 - 60	2023.05.31	3 years	2014.05.30 (Note 6)	—	—	—	—	—	—	—	—	Education: Bachelor, Department of Chemical and Materials Engineering, Tamkang University Experience: Vice President of Investment Research Division of Horizon Securities Corp. Senior Assistant Vice President of Underwriting Department of First Securities Inc. Junior Manager of Underwriting Department of Capital Securities Corp. Independent Director of Horizon Securities Co., Ltd.	The Company: Member of Risk Management Committee Other companies: None	None	None	None	None
Independent Director	ROC	HSIAO, CHEN-CHI	Male 61 - 70	2023.05.31	3 years	2020.6.24	—	—	—	—	—	—	—	—	Education: Master, Department of Business Administration, Feng Chia University Experience: Partner of PricewaterhouseCoopers, Taiwan Vice Director-General of Taichung Certified Public Accountant Association	The Company: Salary Remuneration Committee, Audit Committee member, Member of Risk Management Committee Other companies: Independent Director of HONMYUE ENTERPRISE CO., LTD. Independent Director of UNITED RECOMMEND INTERNATIONAL CO., LTD. Independent Director of YAO-I FABRIC CO., LTD. Director of Tons Lightology Inc. Director of Plum-Monix Industry Co., Ltd. Supervisor of Yeong Chin	None	None	None	None

Title (Note 1)	Nationality or country of registration	Name	Gender / Age Note 2	Date elected	Term	Date first elected (Note 3)	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the name of others		Experience (education) (Note 4)	Concurrent positions held in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			(Note 5)
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
																Machinery Industries Co., Ltd. Supervisor of Ruopu Construction and Development Co., Ltd. Supervisor of DAH LIH PUH CO., LTD.				
Independent Director	ROC	CHEN, YUH-JEN	Male 41 - 50	2023.05.31	3 years	2020.6.24	—	—	—	—	—	—	—	—	Education: PhD, Institute of Manufacturing Information and Systems, National Cheng Kung University Experience: Contracted Professor of Business Intelligence School/Department of Accounting and Information Systems & M.S. Program in Accounting and Information Systems of National Kaohsiung University of Science and Technology Contracted Professor (and Chair) of College of Finance and Banking/Department of Accounting and Information Systems & M.S. Program in Accounting and Information Systems of National Kaohsiung First University of Science and Technology	The Company: Salary Remuneration Committee, Audit Committee member, Member of Risk Management Committee, Sustainability Committee Other companies: Contracted Professor of Business Intelligence School/Department of Accounting and Information Systems & M.S. Program in Accounting and Information Systems of National Kaohsiung University of Science and Technology	None	None	None	None
Independent Director	ROC	Che-Ying Liaw	Female 61 - 70	2023.05.31	3 years	2020.6.24	—	—	—	—	—	—	—	—	Education: M.L. of University of Pennsylvania Experience: CFO of WALSIN TECHNOLOGY CORPORATION Chief of Legal Division of WALSIN LIHWA CORPORATION Attorney of TIPLO Attorneys-at-Law / Also Taiwan International Patent & Law Office	The Company: Salary Remuneration Committee, Audit Committee member, Member of Risk Management Committee Other companies: None	None	None	None	None
Independent Director	ROC	CHEN, MING-SHUN	Male 61 - 70	2023.05.31	3 years	2023.05.31	—	—	—	—	—	—	—	—	Education: Master, Tunghai University Experience: Station Chief of National Security Bureau Adjunct Lecturer at Feng Chia University	The Company: Salary Remuneration Committee, Audit Committee member, Member of Risk Management Committee, Sustainability Committee Other companies: Supervisor of Good Yue	None	None	None	None

Title (Note 1)	Nationality or country of registration	Name	Gender / Age Note 2	Date elected	Term	Date first elected (Note 3)	Shareholding when elected		Current shareholding		Current shares held by spouse or minor children		Shares held in the name of others		Experience (education) (Note 4)	Concurrent positions held in the Company and other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship			(Note 5)
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
																Building Materials Technology Co., Ltd.				

Note1: For institutional shareholders, the names of the institute and representative should be listed separately (institutional shareholders should be marked as institutional shareholders), and listed in the table below.

Note2: Please provide actual age, and the age may be provided in age brackets, e.g. 41–50, or 51–60.

Note 3: If a supervisor or director discontinued their position after the date they were first elected, such matter shall be explained in the note.

Note 4: If he/she had worked at accounting firms or affiliates during the said period, his/her title and duty shall be explained in the note.

Note 5: Supplementary information on matters regarding the chairman of the board of directors and the president or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, and necessity thereof, and the measures adopted in response thereto (e.g. additional seats of Independent Directors, no more than half of the seats of directors are serving concurrently as an employee or a manager, or other ways.)

2. Major institutional shareholders

March 29, 2024

Name of institutional shareholders (Note 1)	Major institutional shareholders (Note 2)
Cheng-Da Investment Consulting Co., Ltd.	Ke-Chyn Jiang 25.61%, Weilin Investment Consulting Co., Ltd. 18.73%, Hsiang-Li Chen 9.26%, Jamie Lin 6.56%, May Lin 5.24%, Gilbert Chang 3.88%, Christine Chang 3.88%, Frank Liao 3.87%, Wen-Hsun Tsai 3.3%, Pei-Chih Li 2.74%

Note 1: If Directors and Supervisors serve as representatives of institutional shareholders, the names of institutional shareholders must be provided.

Note 2: Name the major shareholders (the top 10 owners) of institutional shareholders and their shareholding percentage. Table 2 below is applicable if any of the major shareholders is an institutional entity.

Note 3: If the institutional shareholder is not a company, the names of shareholders and their shareholding percentage shall be the names of sponsors or donors (please refer to the announcement of Judicial Yuan) and their sponsoring percentage. If the donor is deceased, "deceased" shall be stated.

3. Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders:

March 29, 2024

Name of institutional shareholder (Note 1)	Major shareholders (Note 2)
Weilin Investment Consulting Co., Ltd.	Ke-Chyn Jiang 32%, Shao-Chen Chiang 18%, Ning Jiang 18%, Hsueh-Ying Jiang 17%, Hsueh-Fang Jiang 15%

Note 1: If any of the major shareholders listed in Table 1 is an institution, the name of the institution must be provided.

Note 2: Names the major shareholders (the top 10 owners) of institutional shareholders and their shareholding percentage.

Note 3: If the institutional shareholder is not a company, the names of shareholders and their shareholding percentage shall be the names of sponsors or donors (please refer to the announcement of Judicial Yuan) and their sponsoring percentage. If the donor is deceased, "deceased" shall be stated.

4. Professional Qualifications of Directors and Supervisors, and Disclosure of Independence Status of Directors

March 29, 2024

Qualifications / Name	Expertise and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies where the member also serves as an independent director
Legal representative of Cheng-Da Investment Consulting Co., Ltd.: Ke-Chyn Jiang	MBA, Syracuse University. Former President of Horizon Securities, and former President of First Securities Inc. Holds concurrent positions as Chairman of Cheng-Da Investment Consulting Co., Ltd., and Chairman of Weilin Investment Consulting Co., Ltd.	1. Elected the Chairman as legal representative of Cheng-Da Investment Consulting Co., Ltd. 2. Serves concurrently as the Company's Chief Strategy Officer, i.e. a director holding a position of a managerial officer concurrently. 3. Holds concurrent positions at subsidiaries: Chairman of Horizon Venture Capital Co., Ltd. and Horizon Venture Management Co., Ltd. 4. The remaining positions have been verified in accordance with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the FSC, and are meeting the requirements of independence.	0

Qualifications / Name	Expertise and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies where the member also serves as an independent director
Legal representative of Cheng-Da Investment Consulting Co., Ltd.: Jamie Lin	Master, Department of Economics, Soochow University. Former Vice President of Capital Market Division of First Securities Inc., and former manager of Investment Banking Department of Grand Cathay Securities Corporation.	1. Elected the Director as legal representative of Cheng-Da Investment Consulting Co., Ltd. 2. Serves concurrently as the Company's President, i.e. a director holding a position of a managerial officer concurrently. 3. Holds concurrent positions at subsidiaries Director of Horizon Venture Capital Co., Ltd. and Horizon Venture Management Co., Ltd. 4. The remaining positions have been verified in accordance with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the FSC, and are meeting the requirements of independence.	0
Jyun-De Li	Bachelor, Department of Chemical and Materials Engineering, Tamkang University. Former Independent Director of Horizon Securities Co., Ltd., Vice President of Investment Research Division of Horizon Securities Co., Ltd., Senior Assistant Vice President of Underwriting Department of First Securities Inc., and Junior Manager of Underwriting Department of Capital Securities Corp.	Have been verified in accordance with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the FSC, and are meeting the requirements of independence.	0

Qualifications / Name	Expertise and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies where the member also serves as an independent director
HSIAO, CHEN-CHI (Independent Director)	Master, Department of Business Administration, Feng Chia University. Experienced in accounting, and crisis management ability. Passed national exams for accountants, and obtained the certificate as for professional and technical personnel. 5 years of experience serving as a partner at Pricewaterhouse Coopers, Taiwan. 11th Vice Director-general of The National Federation of CPA Associations of the R.O.C. Currently serving as an independent director of Honmyue Enterprise Co. Ltd., United Recommend Electronics International Co., Ltd., and Yao I Fabric Co., Ltd.; director of Tons Lightology Inc. and Plum-Monix Industry Co., Ltd.; supervisor of Yeong Chin Machinery Industries Co., Ltd., Ruopu Construction and Development Co., Ltd., and Dah Lih Puh Co., Ltd. The member did or does not meet any of the requirements specified in Article 30 of the Company Act.	In accordance with the Company's Articles of Incorporation and the "Corporate Governance Best-Practice Principles," the directors are elected through a nomination system. During the nomination and selection of board members, the Company has obtained written statements, work experience, current employment certificates, and relative relationship charts provided by each director to verify and confirm their independence, as well as that of their spouses and relatives within the third degree of kinship, from the Company. The Company has verified that the four independent directors listed below met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their appointment and during their tenure. The independent directors have been granted sufficient authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to independently exercise their duties.	3

Qualifications / Name	Expertise and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies where the member also serves as an independent director
CHEN, YUH-JEN (Independent Director)	PhD, Institute of Manufacturing Information and Systems, National Cheng Kung University. Has experience as a lecturer or higher position at a public or private university/college in the department of commerce, law, finance, accounting or other fields related to the business required by the Company. Expert in development and adoption of corporate information system, corporate digitalization, knowledge engineering and management, internet business intelligence, big data analysis, artificial intelligence technology, and Fintech. Then contracted Professor (and Chair) of College of Finance and Banking / Department of Accounting and Information Systems & M.S. Program in Accounting and Information Systems of National Kaohsiung First University of Science and Technology. Currently the contracted Professor of Business Intelligence School / Department of Accounting and Information Systems & M.S. Program in Accounting and Information Systems of National Kaohsiung University of Science and Technology. The member did or does not meet any of the requirements specified in Article 30 of the Company Act.		0

Qualifications / Name	Expertise and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies where the member also serves as an independent director
Che-Ying Liaw (Independent Director)	M.L. of University of Pennsylvania. Passed national exams for attorneys, and obtained certificate for professional and technical personnel. Expert in commercial law and intellectual property law. Former CFO of Walsin Technology Corp., Chief of Legal Division of Walsin Lihwa Corp., and Attorney of TIPLO Attorneys-at-Law/ Also Taiwan International Patent & Law Office. The member did or does not meet any of the requirements specified in Article 30 of the Company Act.		0
CHEN, MING-SHUN (Independent Director)	Obtained a master's degree from the Department of Political Science, International Relations Division, College of Social Sciences at Tunghai University, a professional license as a public safety personnel after passing the Level B examination for police officers in a special examination, and a lecturer certificate from Feng Chia University, with expertise in national security regulations and enforcement, international politics, and cross-strait relations. Served as a station chief at the National Security Bureau, engaged in national security-related practical work for 36 years, and served as a part-time lecturer in the Department of Social Sciences at Feng Chia University. Present supervisor of Good Yue Building Materials Technology Co., Ltd. The member did or does not meet any of the requirements specified in Article 30 of the Company Act.		0

II. Diversity and Independence of the Board of Directors:

(I) Board Diversity:

1. Board Diversity Policy:

In order to achieve the aforementioned goals and enhance efficiency, the Company has formulated the Board Diversity Policy in accordance with Article 22 Paragraph 3 of the Company's "Corporate Governance Best-Practice Principles." The composition of the Board of Directors shall be determined by taking diversity into consideration. In addition to the fact that directors holding concurrent positions as managers should not exceed one-third of the total seats of directors, the composition of the Board of Directors should formulate an appropriate policy on diversity based on the Company's business operations, operate dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

(1) Basic requirements and values: Gender, age, nationality, culture.

(2) Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

2. Each board member shall have the necessary knowledge, skill, and competence to perform their duties. In accordance with Article 22 Paragraph 4 of the Company's "Corporate Governance Best-Practice Principles," in order to achieve the ideal goals of corporate governance, the board should have the following abilities:

(1) The ability to make judgments about operations.

(2) Accounting and financial analysis ability

(3) Operational and management ability

(4) Crisis management ability

(5) Professional knowledge of securities and derivatives

(6) International market perspective

(7) Leadership ability

(8) Decision-making ability

(9) Risk management knowledge and ability

3. The management objectives of the Board Diversity Policies:

The Company's Board of Directors shall direct company strategy, instruct the supervisory and managerial level, be responsible for the Company and shareholders, organize all operations and arrangement regarding corporate governance policies, ensure the board's compliance with the laws and regulations and the provisions of the Company's Articles of Incorporation, and ensure the right to exercising the power of resolution at shareholders' meetings. Specific management goals are as follows:

(1) The Company's Board lays emphasis on gender equality, and thus the board shall consist of at least 1 female director.

(2) The Company's Board lays emphasis on operational judgment, business management, and crisis management ability, and thus at lease two-thirds of the board members shall possess relevant core competencies.

(3) A independent director shall not be reelected for more than 3 terms, so as to maintain their independence.

(4) The number of directors holding concurrent positions as an employee at the Company, parent company, subsidiaries, or affiliated companies shall be no more than one-third (inclusive) of the total number of seats of the Board to achieve the purpose of supervision.

4. Achievement Status of Board Diversity Policy:

(1) The Company's Directors have the abilities including knowledge, skills, and competencies of decision-making and management in the industry. The Company also continues to arrange diverse continuing education to improve the decision-making quality, supervision of due diligence, in order to strengthen the competency of the Board of Directors.

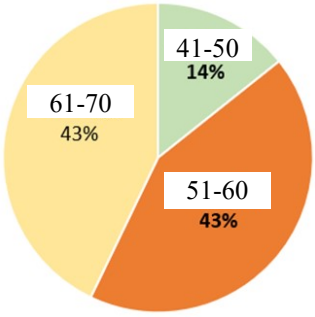
(2) The Company's 16th Board of Directors has seven Directors, including four Independent Directors to ensure the independence of the Board. Besides taking into consideration the diverse expertise and work background, the Company establishes the goals of "directors holding concurrent positions as managers should not exceed one-third of the total seats of directors," and "at least one female director." Currently, the Company has seven directors (including four independent directors), directors holding concurrent positions as employees accounts for 29% of all directors, independent directors 57%, and female directors 14%. Age of the directors: 3 directors are between the age of 61 and 70, 3 between 51 and 60, and 1 between 41 and 50. The directors have profound experience in business management, other relating professional backgrounds, and also the professional knowledge, skills, and competencies required for their positions. Among the 9 core competencies, more than two-thirds of the member has abilities relevant to the execution of businesses. As the Company lays emphasis on 3 main core competencies, which are operational judgment, business management, and crisis management ability, more than 6 (inclusive) directors possess these 3 main core competencies.

(3) Implementation of Board Diversity Policy

Item / Name of director		Basic composition								Professional background			Diversified item								
		Nationality	Gender	Concurrently serves as employee of the Company	Age range			Terms of service of independent directors		Professional (CPA/professor/lawyer)	Finance and accounting	Industry experience	Ability to make judgments about operations	Accounting and financial analysis ability	Operational and management ability	Crisis management ability	Professional knowledge of securities and derivatives	International market perspective	Leadership ability	Decision-making ability	Risk management knowledge and ability
					Below 50	51 - 60	61 - 70	Less than 3 years	3 to 9 years												
Director	Ke-Chyn Jiang	ROC	Male	V			V				V	V	V	V	V	V	V	V	V	V	V
	Jamie Lin	ROC	Male	V		V					V	V	V	V	V	V	V	V	V	V	V
	Jyun-De Li	ROC	Male			V					V	V	V	V	V	V	V	V	V	V	V
Independent Director	HSIAO, CHEN-CHI	ROC	Male				V		V	V	V	V	V	V	V	V	V	V	V	V	V
	CHEN, YUH-JEN	ROC	Male		V				V	V	V	V	V	V		V	V	V	V	V	V
	Che-Ying Liaw	ROC	Female				V		V	V		V	V		V	V	V	V	V	V	V

	CHEN, MING-SHUN	ROC	Male			V		V				V	V		V	V	V	V	V	V

Age distribution of directors





(2) Independence of the Board:

1. Board Structure:

The Company has formulated a system for the selection of directors, and the procedure for the election of all directors are open and fair, and are compliant with the Company's "Articles of Incorporation," Company's "Procedure for the Election of Directors," Company's "Corporate Governance Best-Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act." Currently, the Board consists of 4 seats (57.1%) of independent directors, 3 seats (42.9%) of non-independent directors, among whom 2 directors (28.6%, not exceeding one-third of all seats of directors) hold concurrent positions as employees and managerial officers. All directors are not spouse or relatives of the second degree of one another, which is compliant with the provision of Article 26-3 Paragraph 3 of the Securities and Exchange Act.

2. Independence of the Board

The Company's Board of Directors direct company strategy, instruct the supervisory and managerial level, be responsible for the Company and shareholders. The Board organizes all operations and arrangement regarding corporate governance policies and exercises its power in compliance with the laws and regulations, the provisions of the Company's Articles of Incorporation, and the resolutions of shareholders' meetings. The Board lays emphasis on independence and transparency. The Directors and Independent Directors are independent of one another, and exercise their power independently. The three Independent Directors, exercising their power as the Audit Committee, shall supervise (1) the fair presentation of the Company 's financial statements, (2) the selection (release) of CPAs and their independence and evaluation, (3) the effective implementation of internal control, (4) the Company 's compliance with relevant laws and regulations, and (5) the management control of the Company's existing or potential risks. Furthermore, in accordance with the Company's "Procedures for the Election of Directors," the Board adopts the cumulative voting method and the candidate nomination system for director election. The shareholders are encouraged to participate in the election, where shareholders with a certain number of shares may nominate director candidates. The Board is responsible for the verification whether the candidate has any violation of the matters specified in Article 30 of the Company Act, and ensures all election procedures and announcements are carried out in accordance with the law, so as to protect the shareholders' rights and

benefits, to prevent nomination dominance or excessive nomination, and to ensure independence.

The Company has established the board performance evaluation system. The Company carries out a board self-evaluation survey and a member self-evaluation survey every year. The evaluation criteria in the board self-evaluation include (1) participation in the operation of the Company, (2) improvement of the quality of the board of directors' decision making, (3) composition and structure of the board of directors, (4) election and continuing education of the directors, and (5) internal control. The evaluation criteria in the member self-evaluation include (1) understand the objectives and missions of the Company, (2) understanding of directors' job responsibilities, (3) participation in the operation of the Company, (4) internal relationship management and communication, (5) professionalism and continuous education of directors, and (6) internal control. The results of the aforementioned evaluations shall be reported at the board meeting, and disclosed on the Company's annual report.

Furthermore, in order to facilitate the investors' understanding in other operations of the Board, the Company has disclose relevant information in the annual Report and MOPS of TWSE:

(1) Participation and attendance of directors at board meetings;

(2) Motions and resolutions at board meetings;

(3) Continuing education of the directors;

(4) Changes in directors' shareholding (shareholding percentage, share transfer, and pledge creation). (Please refer to MOPS)

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of each individual director and supervisor. If they are a member of the Audit Committee and have the expertise in accounting and finance, the accounting or finance background and work experience shall be described separately, and explain if there are matters mentioned in all paragraphs in Article 30 of the Company Act.

Note 2: For independent directors, the status of independence, whether the director including but not limited to him/her/itself, spouse, a relative within the second degree holds a position as the director, supervisor, or employee in the Company or its affiliates, the number and percentage of the Company's shares held by the director him/her/itself, spouse, a relative within the second degree (or in the name of others), whether the director holds a position of director, supervisor or employee of a company with certain relationship (refer to Article 3 Paragraph 1 Subparagraph 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) with the Company, and the amount of remuneration received for the business, legal, finance, and accounting, etc., services provided for the Company or its affiliates in the last 2 years.

Note 3: Refer to the sample of best practice announced by the Taiwan Securities Exchange Corporation, corporate governance center for the method of disclosure.

(II) President, Vice Presidents, Assistant Vice President, and Supervisors of All the Company's Divisions and Branch Units

March 29, 2024

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
President	ROC	Jamie Lin	Male	2017.05.01	469,633	0.13%	0	-	0	-	Graduated with a Master's Degree of Economic from Soochow University Vice President of Capital Market Division of First Securities Inc. Manager of Underwriting Department of Grand Cathay Securities Corp.	Note 1	None	None	None	None
Vice President of Internal Auditing Office	ROC	Rogers Huang	Male	2017.11.03	104,049	0.03%	0	-	0	-	Master, Institute of the Law of the Sea, National Taiwan Ocean University Assistant Vice President of Law Compliance Office of Forwin Co., Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Junior Manager of Underwriting Department of Hua Nan Securities					
Assistant Vice President of Internal Auditing Office	ROC	Hui-Wen Wu	Female	2023.03.01	3,566	-	0	-	0	-	MBA, Shih Chien University Sales personnel of Hosin Securities Co., Ltd.	None	None	None	None	None
Vice President of Risk Management Office	ROC	Vicki Chen	Female	2017.08.01	13,780	-	0	-	0	-	Master, Department of Business Administration, National Chung Hsing University Assistant Vice President of Management Head Office of DFI Manager of Management Department of Chunhesheng Co.	None	None	None	None	None
Senior Vice President of	ROC	Lillian Chen	Female	2018.10.01	220,848	0.06%	0	-	0	-	M. Acc., University of Texas at Austin	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Compliance Office											Chairman of Horizon SICE Co., Ltd. Senior Assistant Vice President of President's Office of Horizon Securities Co., Ltd. Assistant Vice President of Capital Market Division of First Securities Inc.					
Vice President of President's Office	ROC	Shao-Chen Chiang	Female	2017.08.01	183,072	0.05%	0	-	0	-	BL in Law, Fu Jen Catholic University Chairman and President of Ukko Corp.	Note 2	None	None	None	None
Assistant Vice President of President's Office	ROC	John Jiang	Male	2008.04.01	0	-	0	-	0	-	Master, Graduate Institute of Human Resource Management Assistant Manager of Human Resource Office	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											of Capital Securities Corp.					
Vice President of Finance Division	ROC	Chilli Hsieh	Female	2020.03.01	52,371	0.01%	0	-	0	-	Master, Department of Business Administration, National Taiwan University of Science and Technology Finance Manager, Finance Department, Beyond Innovation Technology Co., Ltd. Manager, President's Office, System General Limited Assistant Manager, Underwriting Department, First Securities Inc. (formerly Tai Securities Co., Ltd.)	None	None	None	None	None
Assistant Vice	ROC	Meng-Wei Lu	Male	2022.03.01	0	-	0	-	0	-	Department of Accounting,	Note 3	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
President of Finance Division											Soochow University Chief Accounting Manager of Spring City Resort					
Vice President of Digital Products Division	ROC	Liang-Chen Chu	Male	2019.11.08	0	-	0	-	0	-	National Taipei University of Business Assistant Vice President of Business Department of Dah Chang Securities Assistant Manager of Business Department of SinoPac Securities Assistant Manager Vice President of Business Department of The Pacific Securities Co., Ltd.	None	None	None	None	None
Assistant Vice	ROC	Justine Lin	Female	2018.10.01	0	-	0	-	0	-	Bachelor, College of	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
President of Digital Products Division											Finance and Banking, National Kaohsiung University of Science and Technology Futures Investment Assistant Manager of Business Department of SinoPac Futures Project Assistant Vice President of Futures Department of Dah Chang Securities Manager of Business Department of Capital Securities					
Assistant Vice President of Digital Products Division	ROC	Kuei-Ching Huang	Female	2020.08.04	0	-	0	-	0	-	Food Processing Department, Songsha High School of Agriculture and	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Industry Broker of Banqiao Branch of Dah Chang Securities					
Vice President of Operations Service Division	ROC	Franco Jiang	Male	2024.03.07	281	-	0	-	0	-	Bachelor, Department of Chemical Engineering, Chinese Culture University Programmer of Business & Service Division, Nan Shan Life Senior Programmer of China Chemical & Pharmaceutical Co., Ltd.	None	None	None	None	None
Assistant Vice President of Operations Service Division	ROC	Joyce Lai	Female	2019.07.13	0	-	0	-	0	-	Bachelor, Department of Business Administration, Tamkang University Chief of Financial Risk Division of SinoPac	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Securities Specialist of Information Department of Yung Ching Rehouse Co. Specialist of Information Department of Capital Securities Corp.					
Assistant Vice President of Operations Service Division	ROC	Julie Sue	Female	2017.10.05	0	-	0	-	0	-	Bachelor, Department of Information Management, Fu Jen Catholic University Specialist of Information Department of Polaris Securities Specialist of Information Department of Da Shun Securities	None	None	None	None	None
Senior Vice President of Proprietary Investment	ROC	May Lin	Female	2017.11.03	29,272	0.01%	0	-	0	-	EMBA of National Chengchi University Senior Assistant	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Division											Vice President of Capital Market Division of First Securities Inc. Underwriting Department of Capital Securities Corp.					
Vice President of Proprietary Investment Division	ROC	Alex Tsai	Male	2022.03.04	10,909	-	0	-	0	-	Master, Department of Business Administration, National Chung Hsing University Proprietary Manager of Capital Securities	None	None	None	None	None
Senior Manager of Proprietary Investment Division	ROC	Lin, Chung-Yang	Male	2023.05.05	0	-	0	-	0	-	Bachelor, Department of Banking and Finance, Tamkang University Senior Manager, Proprietary Trading Department,	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											JihSun Futures Co., Ltd. Trader, Proprietary Trading Department, Capital Futures Co., Ltd.					
Senior Vice President of Capital Market Division	ROC	Gilbert Chang	Male	2017.08.01	249,107	0.07%	0	-	0	-	Master, Department of Management Science, National ChiaoTung University President of Horizon Venture Capital Co., Ltd. Senior Assistant Vice President of TPEx Department of Horizon Securities Co., Ltd. Senior Assistant Vice President of Underwriting Department of First Securities Inc.	Note 4	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Vice President of Capital Market Division	ROC	Lingc Huang	Female	2019.04.18	0	-	0	-	0	-	Bachelor, Department of Public Finance, Feng Chia University Senior Manager of Jian Hua Securities	None	None	None	None	None
Vice President of Capital Market Division	ROC	Chih-Sung Jen	Male	2019.04.18	0	-	0	-	0	-	National Taipei University of Business Senior Manager of Jian Hua Securities	None	None	None	None	None
Vice President of Capital Market Division	ROC	Steven Wu	Male	2024.01.01	0	-	0	-	0	-	MBA Program, National Chengchi University Project Manager of Capital Market Division of First Securities Inc. Underwriter of Taiwan Securities Co., Ltd.	None	None	None	None	None
Senior Assistant Vice President of	ROC	Christine Chang	Female	2021.03.03	1,450	-	0	-	0	-	Comprehensive Business Night School, National Taipei	Note 5	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Capital Market Division											University of Business Assistant Vice President of Capital Market Division of First Securities Inc. Assistant Manager of Registrar Agency Department of Yuanta Core Pacific Securities Junior Manager of Registrar Agency Department of Grand Cathay Securities Corp.					
Senior Assistant Vice President of Capital Market Division	ROC	Sophia Liu	Female	2021.03.03	10.600	-	0	-	0	-	Bachelor, Economics Department, Soochow University Manager of Capital Market Division of First Securities Inc.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Senior Assistant Vice President of Capital Market Division	ROC	Brian Chiu	Male	2021.03.03	0	-	0	-	0	-	Master, Finance Department, National Taiwan University Junior Manager of First Securities Inc.	None	None	None	None	None
Senior Assistant Vice President of Capital Market Division	ROC	Rita Chen	Female	2021.03.03	1,009	-	0	-	0	-	MBA of San Francisco State University Assistant Vice President of Capital Market Division of Horizon Securities Senior Manager of First Securities Inc. Senior Specialist of Yung Chang Securities	None	None	None	None	None
Senior Assistant Vice President of Capital Market Division	ROC	Angela Lin	Female	2021.03.03	0	-	0	-	0	-	M.B.A., National Taiwan University Project Manager of First Securities Inc.	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Senior Assistant Vice President of Capital Market Division	ROC	Alice Wang	Female	2022.03.01	127,524	0.04%	0	-	0	-	Bachelor, Department of Accounting, Providence University Capital Market Manager of First Securities Inc. Capital Market Project Manager of Jian Hua Securities Capital Market Assistant Manager of Yuanta Core Pacific Securities	None	None	None	None	None
Assistant Vice President of Capital Market Division	ROC	Wan-Ting Huang	Female	2021.03.03	0	-	0	-	0	-	Master's in Business Administration, St. John's University Assistant Project Manager of Capital Market Division of First Securities Inc.	None	None	None	None	None
Assistant	ROC	Hui-Wen	Female	2021.03.03	0	-	0	-	0	-	Bachelor,	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Vice President of Capital Market Division		Chang									Department of Accounting, Providence University Specialist in the Underwriting Department of MasterLink Securities Examiner in the Audit Department of Deloitte Taiwan					
Assistant Vice President of Capital Market Division	ROC	Jau-Jiun Yu	Male	2021.03.03	0	-	0	-	0	-	Master Program in the Institute of Business & Management of National Chiao Tung University Level 2 specialist in the Emerging Stock Market Board Underwriting Department of Fubon Securities Specialist in the Underwriting Department of Fuh Hwa Securities	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Investment Trust Specialist in the Bade branch of Fubon Bank					
Assistant Vice President of Capital Market Division	ROC	Ya-Shan Wang	Female	2021.03.03	0	-	0	-	0	-	Department of Accounting, Soochow University Junior Manager of Underwriting Department of Fubon Securities Assistant Manager in the Underwriting Department of MasterLink Securities Assistant Manager in the Underwriting Department of Chongchong Securities	None	None	None	None	None
Assistant Vice President of Capital Market Division	ROC	Kuei-Wen Chao	Female	2022.03.01	59,205	0.02%	0	-	0	-	Department of Business Administration, Chihlee Extension Education	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Division, Chihlee University of Technology Specialist of Taiwan Integrated Shareholder Service Company Project Personnel of Jian Hua Securities					
Executive Vice President of Brokerage Division	ROC	Frank Liao	Male	2019.11.08	139,920	0.04%	0	-	0	-	Master, Department of Economics, National Tsing Hua University Vice President of President's Office of Horizon Venture Capital Co., Ltd. Assistant Vice President of Information Service Division of Horizon Securities	Note 6	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Project Manager of Capital Market Division of First Securities Inc.					
Senior Vice President of Brokerage Division	ROC	Maggie Chen	Female	2018.10.01	0	-	0	-	0	-	Bachelor, Department of International Business, National Chengchi University Assistant Vice President of First Securities Inc.	None	Assistant Vice President	Chen, Mei-Ling	Sister	None
Vice President of Brokerage Division	ROC	Yung-Chi Yang	Male	2021.05.17	0	-	0	-	0	-	Bachelor, Department of Banking and Finance, Tamkang University Assistant Vice President of Distribution Department, IBF Securities Assistant Vice President of Business Department of	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Capital Securities					
Vice President of Brokerage Division	ROC	Chia-Yi Lin	Female	2022.03.15	300,000	0.09%	150,000	0.04%	0	-	Bachelor, Department of International Business, Tamkang University Senior Sales Vice President of Wealth Management Department, Far Eastern International Securities Ltd. Manager of Wealth Management Department, ING DS Manager of CTBC Securities	None	None	None	None	None
Senior Assistant Vice President of Brokerage Division	ROC	Mei-Chien Li	Female	2024.03.01	0	-	0	-	0	-	Bachelor, Department Economics, Fu Jen Catholic University Assistant Vice President of Securities	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Brokerage Department of ChinaTrust Commercial Bank					
Assistant Vice President of Brokerage Division	ROC	Chen-Yu Yang	Male	2017.11.03	806	-	0	-	0	-	Bachelor, Department of Shipping & Transportation Management, National Taiwan Ocean University Junior Manager of Finance Business Department, KGI Securities Assistant Officer of Xinyi Branch of E.Sun Bank Clerk of Rende Branch of Tainan Business Bank	None	None	None	None	None
Assistant Vice President of Brokerage Division	ROC	Ting-Cheng Chan	Male	2022.03.15	0	-	0	-	0	-	MA Economics, University of California, Santa Barbara Manager of Product	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Planning Office, Far Eastern International Securities Ltd. Middle-end Proprietary Trading Manager of Hua Nan Securities (HK) Limited Senior Middle-end Product Manager of IBTS Asia (HK) Limited					
Assistant Vice President of Brokerage Division	ROC	Hsu, Ching-Hsuan	Female	2024.03.01	43,659	0.01%	-	-	-	-	Master of International Business, Yuan Ze University	None	None	None	None	None
Assistant Vice President of Brokerage Division	ROC	Hsu Fu Chang	Male	2009.01.01	978	-	0	-	0	-	Bachelor, Department of Finance, Ming Chuan University Vice President of Securities Brokerage Department of Forwin Co., Ltd.	Note 7	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Senior Manager of Business Department of Horizon Securities Co., Ltd.					
Assistant Vice President of Brokerage Division	ROC	Chiou-Fan Chen	Male	2015.08.07	0	-	0	-	0	-	Bachelor, Department of Oceanography, Chinese Culture University Manager of Nangang Branch of Dashin Securities Yuanta Securities	None	None	None	None	None
Assistant Vice President of Brokerage Division	ROC	Chih-Chung Lee	Male	2015.10.01	16,000	-	0	-	0	-	Department of Electronic Systems Engineering, Tokyo Metropolitan Institute of Technology Assistant Vice President of Zhongxiao Branch of IBT Securities Assistant Vice President of	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Security Lending Department of First Securities Assistant Vice President of E-Commerce Department of IBF Securities					
Assistant Vice President of Brokerage Division	ROC	Joe Hu	Male	2017.10.01	0	-	1,060	-	0	-	Bachelor, Department of Public Finance, Feng Chia University Assistant Vice President of Tainan Branch of The Pacific Securities Co., Ltd. Manager of Xinying Branch of Concord Securities Co., Ltd. Assistant Vice President of Tainan Branch of Times Securities	None	None	None	None	None
Assistant Vice	ROC	Ming-Che Tsai	Male	2020.09.01	0	-	0	-	0	-	Department of Business Administration	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
President of Brokerage Division											(continuing education) Kao Yuan University Business Assistant Vice President of Fengshan Branch of Hua Nan Securities Manager of Tianxiang Branch of IBF Securities					
Assistant Vice President of Brokerage Division	ROC	Pei-Shan Li	Female	2022.03.04	0	-	0	-	0	-	Bachelor, College of Tourism, Leisure, and Sports, Aletheia University Broker of Tainan Branch of Horizon Securities Broker of Tainan Branch of The Pacific Securities Co., Ltd. Broker of Xinhua Branch of Shieh He Securities	None	None	None	None	None
Assistant	ROC	Hui-Chun Yu	Female	2022.03.04	0	-	0	-	0	-	Master, Institute	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Vice President of Brokerage Division											of Law and Inter-Discipline, National Chengchi University Management Trainee of Hua Nan Commercial Bank, Ltd. President Executive Specialist of Kunglon Securities Financial Advisor of Bank SinoPac					
Assistant Vice President of Brokerage Division	ROC	Chun-Han Huang	Male	2022.03.15	0	-	0	-	0	-	Bachelor, Department of Russian Language and Literature, Chinese Culture University Senior Vice President of Wealth Management Department, Far Eastern International	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Securities Ltd. Specialist of Wealth Management Department, TC Bank Specialist of Sales Department, Taishin Securities Investment Advisory					
Assistant Vice President of Brokerage Division	ROC	Shao-Ti Su	Male	2022.05.09	0	-	0	-	0	-	Master's student, Department of Economics, National Tsing Hua University Managerial officer of Far Eastern International Securities Ltd., Taichung Branch Australia and New Zealand Banking Group Ltd. Investment Advisory Citibank	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Financial Advisor					
Assistant Vice President of Brokerage Division	ROC	Chin-Lung Chang	Male	2023.01.03	0	-	0	-	0	-	Master's student, Department of Banking and Finance, National Central University Assistant Vice President of Beitou Branch of IBF Securities Manager of Business Department of Polaris Securities	None	None	None	None	None
Assistant Vice President of Brokerage Division	ROC	Liang, Kung-Feng	Male	2023.07.03	0	-	0	-	0	-	Department of Electrical Engineering, Tamkang University Assistant Vice President, Beitou Branch, IBF Securities Manager, Jianbei Branch, Taishin	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Securities Manager, Banqiao Branch, Mega Securities					
Assistant Vice President of Brokerage Division	ROC	Wang, Chun-Yen	Male	2023.08.28	0	-	0	-	0	-	Department of Industrial Management, Tamsui Institute of Management Assistant Vice President of Changhua Branch of IBF Securities Managerial officer, Taichung Branch, Pacific Securities Assistant Manager, New Taichung Branch, President Securities Corporation	None	None	None	None	None
Assistant Vice President of Brokerage	ROC	Chen, Mei-Ling	Female	2024.03.01	0	-	0	-	0	-	Master, Graduate Institute of Finance, National	None	Senior Vice President	Maggie Chen	Sister	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
Division											Taiwan University of Science and Technology Assistant Manager, Brokerage Department, First Securities Sales Secretary of ExxonMobil					
Assistant Vice President of Brokerage Division	ROC	Shih, Hsing-Ying	Female	2024.03.01	732	-	0	-	0	-	Department of Accounting and Statistics, Tamsui University of Science and Technology Assistant Manager, Institutional Client Department, Jianhua Securities	None	None	None	None	None
Assistant Vice President of Brokerage Division	ROC	Liao, Tsui-Hua	Female	2024.03.01	75	-	0	-	0	-	Department of International Trade, Taipei College of Business Assistant Manager,	None	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others Shareholdings		Experience (education)	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relation	
											Institutional Client Department, Jianhua Securities					
Manager of Brokerage Division	ROC	Yu-Feng Sun	Male	2021.11.05	0	-	0	-	0	-	Bachelor, Department of Business Administration, National Taipei University Sales Manager of Dunnan Branch, President Securities Corporation Sales Manager of Guting Branch, Hua Nan Securities Sales Manager of Xinzhuang Branch, President Securities Corporation	None	None	None	None	None

Note 1: Jamie Lin holds concurrent positions as Director of Cheng-Da Investment Consulting Co., Ltd., Director of Horizon Venture Capital Co., Ltd., and Director of Horizon Venture Management Co., Ltd.

Note 2: Shao-Chen Chiang, Adjunct Director of Weilin Investment Consulting Co., Ltd.

Note 3: Meng-Wei Lu holds concurrent positions as supervisor of Horizon SICE Co., Ltd.

Note 4: Gilbert Chang holds concurrent positions as Director of Cheng-Da Investment Consulting Co., Ltd., Director of Horizon Venture Capital Co., Ltd., and Director of

Horizon Venture Management Co., Ltd.

Note 5: Christine Chang holds concurrent positions as Supervisor of Cheng-Da Investment Consulting Co., Ltd., Supervisor of Horizon Venture Capital Co., Ltd., and Supervisor of Horizon Venture Management Co., Ltd.

Note 6: Frank Liao holds concurrent positions as Director of Jia Hong Investment Co., Ltd.

Note 7: Hsu Fu Chang holds concurrent positions as financial advisor of Trust-Search Corp., Ltd.

(III) Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents

1. Remuneration to Directors and Independent Directors

(1) Remuneration to Directors and Independent Directors

Unit: NTD thousand

Title	Name	Remuneration to Directors								The sum of A, B, C, and D and in proportion to after-tax net income (Note 10)		Remuneration to directors also holding employee positions								The sum of A, B, C, D, E, F and G and as a percentage of after-tax net income (Note 10)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company (Note 11)
		Compensation (A) (Note 2)		Severance payment and pension (B)		Remuneration to directors (C) (Note 3)		Fees for performance of works (D) (Note 4)				Salaries, bonuses and special allowances (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
																The Company		All companies in financial report (Note 7)				
		The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	The Company	All companies in financial report (Note 7)	Cash	Shares	Cash	Shares	The Company	All companies in financial report	
Chairman	Cheng Da Investment Consulting Co., Ltd. Representative: Ke-Chyn Jiang	6,651	6,651	0	0	5,000	5,000	190	190	11,841/ 6.5857%	11,841/ 6.5857%	6,323	6,323	108	108	163	0	163	0	18,435/ 10.2534%	18,435/ 10.2534%	None
Director	Cheng Da Investment Consulting Co., Ltd. Representative: Jamie Lin																					
	Cheng Da Investment Consulting Co., Ltd.																					
	Jyun-De Li																					
	Chia-Hung Lee (Note 1)																					
Independent Director	HSIAO, CHEN-CHI	3,258	3,258	0	0	0	0	215	215	3,473/ 1.9318%	0	0	0	0	0	0	0	0	0	3,473/ 1.9318%	3,473/ 1.9318%	
	CHEN, YUH-JEN																					
	Che-Ying Liaw																					
	CHEN, MING-SHUN (Note 2)																					

1. Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
The remuneration to Independent Directors of the Company is determined by the Board of Directors based on the Articles of Incorporation and the pay levels adopted by peer companies. Also, regardless of profit or loss, the Company pays transportation allowances to and takes out liability insurance for Directors. The remuneration to the 16th Independent Directors is resolved by the 15th Board of Directors on the 29th board meeting to be paid out on a monthly basis. Independent Directors have also served as members of the Audit Committee, Risk Management Committee, Salary Remuneration Committee, and Sustainable Development Committee, and each has served as the convener of each committee. The remuneration to the conveners is resolved by the 15th Board of Directors on the 29th board meeting to be paid out on a monthly basis. From the above, it is clearly shown that the duties, risks and invested time of each Independent Director are approximately the same. Thus, there is no significant difference in their remuneration.
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from the parent companies/companies included in the consolidated financial statements/investees in the most recent year to compensate directors for their services, such as being independent consultants: None.

* Information of Directors (general directors excluding independent directors) and Independent Directors shall be stated separately.

Note 1: Term of office expired on May 31, 2023.

Note 2: Newly elected on May 31, 2023.

Note 1: The names of the directors must be listed receptively (for the corporate shareholders, their names and the representatives must be receptively listed), directors and independent directors shall be listed separately, and each payment amount must be disclosed by summarization. The director serving as the president or vice president should be listed in this table and the table below (3-1) or the table below (3-2-1) and (3-2-2).

Note 2: This refers to the remuneration (incl. compensation to Directors, duty allowances, severance pay, bonuses and incentives) to Directors in the most recent fiscal year.

Note 3: This is the amount of remuneration paid out to directors resolved at the board meeting in the most recent fiscal year.

Note 4: This refers to the related fees for services rendered of the directors in the most recent year (including traveling expenses, special allowance, various allowances and accommodation, and company cars paid or offered). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration.

Note 5: This refers to the salary, duty allowances, severance pay, bonuses, incentives, transportation allowance, special allowance, various allowances and accommodation, and company cars paid or offered to directors who concurrently hold position as an employee (incl. president, vice president, other managerial officers and employees.) If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 6: This refers to the employee remuneration (incl. shares and cash) paid to directors in the most recent fiscal year who concurrently hold positions as an employee (incl. president, vice president, other managerial officers and employees.) The amount indicated shall be the amount approved by the board to be paid out. If the amount cannot be estimated, the proposed distribution amount of this year should be calculated based on the actual distribution ratio last year, and then fill out Table 1-3.

Note 7: Total remuneration paid to the Company's directors by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 8: The name of the director to whom the total remuneration is paid by the Company shall be disclosed in the corresponding remuneration range.

Note 9: The name of the directors to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements shall be disclosed in the corresponding remuneration range.

Note 10: Net income refers to the net income for the most recent fiscal year. If IFRS has been adopted, net income refers to the net income of standalone or individual financial reports in the most recent year.

Note 11: a. Remuneration received by the directors of the Company from invested companies other than subsidiaries or parent company shall be specified. (If none, please fill in "None.")

b. If the directors of the Company receive remuneration from invested companies other than subsidiaries or the parent company, the remuneration received by the director of the Company from invested companies other than subsidiaries or the parent company shall be included in Column I in the Remuneration Range Table, and the column heading shall be changed to "Parent Company and All Invested Companies."

c. Remuneration refers to the received salaries, remuneration (including the remuneration to employees, directors and supervisors), fees for services rendered and other relative remuneration paid out to directors of the Company who serve as the directors, supervisors or managerial officers in invested companies other than subsidiaries or the parent company.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

(2) 2. Table of remuneration brackets of directors and independent directors (including Independent Directors)

Payment scale of remuneration to the Directors	Name of director

of the Company	The total of A+B+C+D		The total of A+B+C+D+E+F+G	
	The Company (Note 8)	All companies in financial report (Note 9) H	The Company (Note 8)	All companies in financial report (Note 9) I
Less than 1,000,000	Jamie Lin, Jyun-De Li Chia-Hung Lee, HSIAO, CHEN-CHI CHEN, YUH-JEN, LIAW, CHE-YING CHEN, MING-SHUN	Jamie Lin, Jyun-De Li Chia-Hung Lee, HSIAO, CHEN-CHI CHEN, YUH-JEN, LIAW, CHE-YING CHEN, MING-SHUN	Jyun-De Li, Chia-Hung Lee HSIAO, CHEN-CHI; CHEN, YUH-JEN LIAW, CHE-YING, CHEN, MING-SHUN	Jyun-De Li, Chia-Hung Lee HSIAO, CHEN-CHI; CHEN, YUH-JEN LIAW, CHE-YING, CHEN, MING-SHUN
NT$1,000,000 (Incl.) – NT$2,000,000 (Excl.)	—	—	—	—
NT$2,000,000 (Incl.) – NT$3,500,000 (Excl.)	—	—	—	—
NT$3,500,000 (Incl.) – NT$5,000,000 (Excl.)	Cheng-Da Investment Consulting Co., Ltd.	Cheng-Da Investment Consulting Co., Ltd.	Cheng-Da Investment Consulting Co., Ltd.	Cheng-Da Investment Consulting Co., Ltd.
NT$5,000,000 (Incl.) – NT$10,000,000 (Excl.)	Ke-Chyn Jiang	Ke-Chyn Jiang	Ke-Chyn Jiang, Jamie Lin	Ke-Chyn Jiang, Jamie Lin
NT$10,000,000 (Incl.) – NT$15,000,000 (Excl.)	—	—	—	—
NT$15,000,000 (Incl.) – NT$30,000,000 (Excl.)	—	—	—	—
NT$30,000,000 (Incl.) – NT$50,000,000 (Excl.)	—	—	—	—
NT$50,000,000 (Incl.) – NT$100,000,000 (Excl.)	—	—	—	—
More than NT$100,000,000	—	—	—	—
Total	9 persons	9 persons	9 persons	9 persons

2. Remuneration to Supervisors: Not applicable.
3. Range of remuneration to President and Vice President

Unit: NTD thousand

Title	Name	Salary (A) (Note 2)		Severance payment and pension (B)		Bonus and special allowance (C) (Note 3)		Employee compensation (D) (Note 4)		The sum of A, B, C, and D and in proportion to after-tax net income (%)(Note 8)		Compensation paid to directors from an invested company other than the Company's
		The Company	All companies in	The Compan	All companies in	The Company	All companies in	The Company	All companies in financial report (Note 5)	The Company	All companies in financial report (Note 5)	

			financial report (Note 5)		financial report (Note 5)		financial report (Note 5)	Cash	Shares	Cash	Shares			subsidiaries or parent company (Note 9)
President	Jamie Lin	31,382	31,382	1,633	1,633	13,974	13,974	778	0	778	0	47,767/ 26.5672%	47,767/ 26.5672%	None
Chief Strategy Officer	Ke-Chyn Jiang													
Executive Vice President	Frank Liao													
Senior Vice President	Maggie Chen													
	Gilbert Chang													
	May Lin													
	Lillian Chen													
Vice President	Shao-Chen Chiang													
	Rogers Huang													
	Vicki Chen													
	Lingc Huang													
	Chih-Sung Jen													
	Liang-Chen Chu													
	Chilli Hsieh													
	Yung-Chi Yang													
	Alex Tsai													
	Chia-Yi Lin													

Note 1: The name of the president and vice president must be listed separately and each payment amount must be aggregated and disclosed. The director serving as the president or vice president should fill in this table and the table above (1-1) or (1-2-1) and (1-2-2).

Note 2: Refers to salaries, work subsidies, and severance pay made to the General manager and Vice Presidents in the latest year.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related

payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: This refers to the employee remuneration (incl. shares and cash) paid to the president and vice president in the most recent fiscal year who concurrently hold positions as an employee. If the amount cannot be estimated, the proposed distribution amount of this year should be calculated based on the actual distribution ratio last year, and then Table 1-3 filled out. Net income refers to the net income for the most recent fiscal year. If IFRS has been adopted, net income refers to the net income of standalone or individual financial reports in the most recent year.

Note 5: Total remuneration paid to the Company's president and vice presidents by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 6: The amount of remuneration made by The Company to its President/Vice Presidents is disclosed separately in amount ranges.

Note 7: The name of the president and vice presidents to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements shall be disclosed in the corresponding remuneration range.

Note 8: Net income refers to the net income for the most recent fiscal year. If IFRS has been adopted, net income refers to the net income of standalone or individual financial reports in the most recent year.

Note 9: a. Remuneration received by the president and vice presidents of the Company from invested companies other than subsidiaries or the parent company shall be specified. (If none, please fill in "None.")

b. If the president and vice presidents of the Company receive remuneration from invested companies other than subsidiaries or the parent company, the remuneration received by the president and vice presidents of the Company from invested companies other than subsidiaries or the parent company shall be included in Column E in the Remuneration Range Table, and the column heading shall be changed to "Parent Company and All Invested Companies."

c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries or from the parent.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

Remuneration brackets table

Payment scale of remunerations paid to the President and Vice Presidents of the Company	Names of the President and Vice Presidents	
	The Company (Note 6)	All companies in financial report (Note 7)
Less than 1,000,000	—	—
NT$1,000,000 (Incl.) – NT$2,000,000 (Excl.)	Ke-Chyn Jiang	Ke-Chyn Jiang
NT$2,000,000 (Incl.) – NT$3,500,000 (Excl.)	Maggie Chen, May Lin, Lillian Chen, Yung-Chi Yang, Chia-Yi Lin, Liang Chen Chu, Lingc Huang, Chih-Sung Jen, Alex Tsai, Shao Chen Chiang, Vicki Chen, Chilli Hsieh, Rogers Huang	Maggie Chen, May Lin, Lillian Chen, Yung-Chi Yang, Chia-Yi Lin, Liang Chen Chu, Lingc Huang, Chih-Sung Jen, Alex Tsai, Shao Chen Chiang, Vicki Chen, Chilli Hsieh, Rogers Huang
NT$3,500,000 (Incl.) – NT$5,000,000 (Excl.)	Frank Liao, Gilbert Chang	Frank Liao, Gilbert Chang
NT$5,000,000 (Incl.) – NT$10,000,000 (Excl.)	Jamie Lin	Jamie Lin
NT$10,000,000 (Incl.) – NT$15,000,000 (Excl.)	—	—

NT$15,000,000 (Incl.) – NT$30,000,000 (Excl.)	—	—
NT$30,000,000 (Incl.) – NT$50,000,000 (Excl.)	—	—
NT$50,000,000 (Incl.) – NT$100,000,000 (Excl.)	—	—
More than NT$100,000,000	—	—
Total	17 persons	17 persons

4. Remuneration to managers: None.

(IV) Compensation paid to the top five highest-paid managerial officers of the TWSE/TPEx listed company (disclose the names and compensation methods individually): None.

(V) Separately compare and describe total remuneration, as a percentage of net income (loss) stated in the parent company only financial reports or individual financial reports, paid in the past two fiscal years by the Company and all companies included in the consolidated financial statements to the Company's president and vice presidents. Also, analyze and describe the remuneration policies, standards, and packages, the procedures through which remunerations were determined, and their linkage to business performance and future risks:

1. Remuneration to directors, supervisors, president and vice presidents as a percentage of net income (loss):

Title	The total remuneration as a percentage of net income (loss) (%)			
	2022		2023	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	7.2177%	7.2177%	12.1851%	12.1851%
President and Vice President	18.9144%	18.9144%	26.5672%	26.5672%

According to the Company's Articles of Incorporation, directors' compensation is appropriated from the pre-tax profit before the appropriation of employees' and directors' compensation. The difference in directors' compensation over the past two years is primarily due to the pre-tax loss in 2022 and the pre-tax profit in 2023. Therefore, the increase in directors' compensation for 2023 compared to 2022 is considered reasonable.

2. Remuneration policies, standards, and packages, the procedures through which remunerations were determined, and their linkage to business performance and future risks:

Item/personnel	Director (incl. Independent Directors)	Managerial officers
Remuneration policies	Remuneration is determined based on the philosophy of governance and the Articles of Incorporation, while supervised by the Board as authorized by the Board of Shareholders.	A reasonable remuneration is determined based on the responsibilities and duties of the personnel in accordance with the remuneration level on the market and of the peer companies to attract and retain management talents.
Remuneration standards and packages	I. Items and packages of remuneration to directors: (I) Compensation to directors: Compensation to directors is determined based on the compensation level of peer companies, then reviewed by the Salary Remuneration Committee, and approved by the Board. Independent directors are paid with fixed monthly compensation, and do not receive the said compensation to directors. (II) Remuneration to directors: When there is profit, it should be first used to set off accumulated losses, which is defined as the pre-tax profit or loss before deducting remuneration to employees and directors. Except for remuneration to independent	I. Items and packages of remuneration to managerial officers: (I) Salary: Salary is determined in accordance with internal salary management guidelines and the salary level on the market and of the peer companies. (II) Surplus bonus: Surplus bonuses are distributed in accordance with the corporate surplus bonus guidelines and based on the unit performance and individual performance. (III) Employee compensation: When there is profit, it should be first used to offset accumulated losses, which is defined as the pre-tax profit or loss before deducting remuneration to employees and directors. The

Item/personnel	Director (incl. Independent Directors)	Managerial officers
	directors, the remuneration to directors should not exceed 3% of the total profit, and can only be paid in cash. (III) Fee for services rendered Attendance fees or transportation allowances paid to directors based on actual services rendered or attendance.	remuneration to employees should not exceed 3% of the total profit, and can be paid in forms of cash or shares. (IV) Transportation allowance: It is determined based on internal regulations.
Procedure for determining remuneration	I. The compensation to directors and fee for services rendered are determined by the Salary Remuneration Committee and then resolved by the Board. II. The distribution of remuneration to directors is proposed by the Salary Remuneration Committee based on the performance indicators (incl. business strategies, business decisions, cost control), and then resolved by the Board.	I. Salaries and surplus bonuses to managerial officers and compensations to employees are first proposed by the president, reviewed by the chairman, and then resolved by the Board. II. The transportation allowances to managerial officers are determined in accordance with internal regulations and then approved by the chairman.
Remuneration, linkage to business performance and future risks:	The distribution of remuneration to directors is determined based on the performance indicators (incl. business strategies, business decisions, cost control, and operation performance (pre-tax profit or loss).	The Company assesses the performance of managerial officers on a regular basis in accordance with the performance assessment guidelines formulated by the Company. The Company distributes surplus bonuses to profit-making units in accordance with the said guidelines, and distributes performance bonuses and compensation to employees based on the risk performance and individual performance.

3. Implementation of Corporate Governance

(I) Board of Directors

1. Information on Board of Directors

The Board held 11 meetings in the year 2023. The attendance of the directors and supervisors was as follows:

Title	Name (Note 1)	Attendance in person (B)	Number of meetings in attendance by proxy	Attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Ke-Chyn Jiang	5	0	100%	Term expires on 2023.05.31
Director	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Jamie Lin	5	0	100%	Term expires on 2023.05.31
Director	Chia-Hung Lee	5	0	100%	Term expires on 2023.05.31
Director	Jyun-De Li	5	0	100%	Term expires on 2023.05.31
Independent Director	HSIAO, CHEN-CHI	5	0	100%	Term expires on 2023.05.31
Independent Director	CHEN, YUH-JEN	5	0	100%	Term expires on 2023.05.31
Independent Director	Che-Ying Liaw	5	0	100%	Term expires on 2023.05.31
Chairman	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Ke-Chyn Jiang	6	0	100%	Elected on 2023.05.31
Director	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Jamie Lin	6	0	100%	Elected on 2023.05.31
Director	Jyun-De Li	6	0	100%	Elected on 2023.05.31
Independent Director	HSIAO, CHEN-CHI	6	0	100%	Elected on 2023.05.31
Independent Director	CHEN, YUH-JEN	6	0	100%	Elected on 2023.05.31
Independent Director	Che-Ying Liaw	6	0	100%	Elected on 2023.05.31
Independent Director	CHEN, MING-SHUN	6	0	100%	Elected on 2023.05.31

Other matters:

1. I. If any of the following circumstances occurs, the dates, terms and motions of the meetings as well as the opinions of all the independent directors and Company's handling of such opinions shall be described:
   (I) For issues stated in Article 14-3 of the Securities and Exchange Act, please refer to "Important Resolutions of the Shareholders' Meeting and Board Meeting."
   (II) Further to the aforementioned matters, other adverse or qualified opinions of the Independent Directors on the resolutions of the Boards on record or in written declaration. No such matter in the Company's Board Meetings.
2. Regarding recusals of directors from voting due to conflicts of interests, the names of directors, details of the relevant agendas, reasons for recusals, and the results of voting:
   (I) 26th meeting of the 15th Board, Jan. 12, 2023.

Motion 7: Distribution of surplus bonuses for the second half of 2022.

Resolution: Chairman Ke-Chyn Jiang and Director Jamie Lin recused themselves on this motion due to conflict of interest. This motion was passed with no objections from the other attending directors.

(II) 28th Meeting of the 15th Board, Mar. 9, 2023.

Motion 7: 2023 Salary raise of the president, chief of divisions, as well as rank 10 personnel, including vice presidents, supervisors and above.

Resolution: Chairman Ke-Chyn Jiang and Director Jamie Lin recused themselves on this motion due to conflict of interest. This motion was passed with no objections from the other attending directors.

(III) 29rd Meeting of the 15th Board, Apr. 13, 2023.

a. Motion 18: Overall election of directors and the Board of Directors, and nomination of candidates for the 16th Board of Directors and Independent Directors.

Resolution: The list of candidates for the 16th term non-independent directors includes Chairman Ke-Chyn Jiang, Director Jamie Lin, and Director Jyun-De Li as candidates for directors, who recused themselves during the discussion and voting; the list of candidates for independent directors includes all incumbent independent directors as candidates for independent directors of the 16th term, who recused themselves during the discussion and voting. All stakeholders sidestepped from the discussion and voting of this motion; it was approved by the remaining directors present at the meeting.

b. Motion 10: Remuneration, compensation and traveling expenses of the 16th session of the board of directors.

Resolution: The remuneration, compensation, and transportation allowances for directors (excluding independent directors) includes Chairman Ke-Chyn Jiang, Director Jamie Lin, and Director Jyun-De Li as candidates for directors, who recused themselves during the discussion and voting; the remuneration, compensation, and transportation allowances for independent directors includes all incumbent independent directors as candidates for independent directors of the 16th term, who recused themselves during the discussion and voting. All stakeholders sidestepped from the discussion and voting of this motion; it was approved by the remaining directors present at the meeting.

c. Motion 11: The remuneration and travel expenses for the next term of the functional committee members.

Resolution: Independent director HSIAO, CHEN-CHI, independent director CHEN, YUH-JEN, independent director LIAW, CHE-YING recused themselves on this motion due to conflicts of interests. This motion is passed with no objection by other attending directors.

(VI) 2nd meeting of the 16th Board, Jun. 30, 2023.

Discussion of proposal 11: Industry–academia cooperation and academic feedback mechanism agreement signed with Kaohsiung University of Science and Technology.

Resolution: Independent Director Yuh-Jen Chen concurrently holds a position at National Kaohsiung University of Science and Technology, and thus he recused himself on this motion. This motion is passed with no objection by other attending Independent directors.

(VIII) 6th Meeting of the 16th Board, Aug. 4, 2023.

Discussion of proposal 10: New members of the Company's Sustainable Development Committee.

Resolution: Independent Director Ming-Shun Chen recused himself on this motion due to conflict of interest. This motion is passed with no objection by other attending directors.

III. The information on the frequency, period, scope, method and content of TWSE/TPEx listed company's Board of Directors self-evaluation (or peer assessment) shall be disclosed. State the status of the Company's Board evaluation in Table 2(2):

IV. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, improving information transparency etc.), and the progress of such enhancements.

(I) Pursuant to the laws and regulations as stipulated by the Securities and Exchange Act and the competent authority that the seats of independent directors shall not be less than 1/5 of the total seats of directs, the Company elected three seats of Independent Directors, and a total of seven seats of Directors in the Shareholders' Meeting on May 30, 2014. Also, the Audit Committee was established on the same day. Four independent directors were elected in the shareholders' meeting on May 31, 2023. There were seven directors in total, and more than half of the seats are independent directors.

(II) The Board, on an occasional basis, informs Directors about the courses related to corporate governance held by the Securities and Futures Institute and other external qualified educational training institutes. Also, the Company holds training regarding corporate governance on an occasional basis each year.

(III) The Company has formulated relevant internal regulations regarding the functions of the Board and the board meetings through resolutions of the board meetings.

a. Formulated "Procedure for the Election of Directors" on Jun. 15, 2007. (3rd amendment on Jun. 12, 2019)

b. Formulated "Rules of Procedure for Board of Directors Meetings" on Jul. 28, 2005. (11th amendment

on Sep. 29, 2022)

c. Formulated "Regulations on Handling Proposals at Board Meetings" on Nov. 29, 2006. (4th amendment on Sep. 29, 2022)

d. Formulated "Regulations Governing the Scope of Responsibilities of Independent Directors" on Jun. 4, 2008. (3rd amendment on Dec. 3, 2018)

e. Formulated "Regulations Governing the Scope of Responsibilities of Supervisors" on Jun. 10, 2011. (Abolished on May 30, 2014)

(IV) For the improvement of transparency, the Company complies with the corporate governance indicators published by the Securities and Futures Institute, and reviews its disclosed information on the Market Observation Post System (MOPS), annual report and on the company website on a yearly basis. The Company participated in the 2022 Corporate Governance Evaluation, and was rated the top 6–20% among other TPEx-listed companies (total number of TPEx-listed participants: 734) in the "9th Corporate Governance Evaluation" in 2023 by the Securities and Futures Institute. Currently, on the company website is disclosed the complete contents of regulations including "Procedure for the Election of Directors" and "Rules of Procedure for Board of Directors Meetings."

Note 1: If Directors and Supervisors are legal persons, the names of institutional shareholders and legal representative must be provided.

Note 2: (1) If any Directors or Supervisors resigned before the end of the year, the date of resignation shall be stated in the "Remarks" column, and the actual attendance (presence) rate (%) is calculated based on the number of meetings held during their tenure and their actual number of attendance (presence).

(2) If any Directors or Supervisors were elected before the end of the year, the names of preceding and succeeding Directors and Supervisors shall be listed, and the date of election or reelection shall also be stated in the "Remarks" column. The actual attendance (presence) rate (%) is calculated based on the number of meetings held during their tenure and their actual number of attendance (presence).

2. Status of Board evaluation

Frequency (Note 1)	Once a year
Period (Note 2)	Jan. 1, 2023 – Dec. 31, 2022
Scope (Note 3)	Evaluation on the performance of the Board, individual Board members and Functional Committee members
Method (Note 4)	Board self-evaluation, member self-evaluation
Content (Note 5) and results	(1) The self-evaluation on the Board of Directors' performance: Total score was 4.97, and self-evaluation result was "excellent." Performance evaluation indicators of the Board encompasses five dimensions including the "participation in the operation of the Company," "improvement of the quality of the Board of Directors' decision making," "composition and structure of the Board of Directors," "election and continuing education of the directors," and "internal control." **The evaluation results of the five dimensions are as follows:**

Indicator	Average score	Evaluation result
Participation in the operation of the Company	4.97	Excellent
Improvement of the quality of the board of directors' decision making	4.97	Excellent
Composition and structure of the board of directors	5.00	Excellent
Election and continuing education of the directors	4.91	Excellent
Internal control	4.98	Excellent

(2) The performance evaluation of individual directors: Total score was 4.96, and evaluation result was "excellent."

Performance evaluation of individual directors encompasses six dimensions, including "Understand the objectives and missions of the Company," "Understanding of directors' job responsibilities," "Participation in the operation of the Company," "Internal relationship management and communication," "Professionalism and

continuous education of directors," and "Internal control." **The evaluation results of the six dimensions are as follows:**

Indicator	Average score	Evaluation result
Understand the objectives and missions of the Company	5.00	Excellent
Understanding of directors' job responsibilities	4.95	Excellent
Participation in the operation of the Company	4.93	Excellent
Internal relationship management and communication	4.95	Excellent
Professionalism and continuous education of directors	4.95	Excellent
Internal control	5.00	Excellent

(3) Performance evaluation of functional committees: The Board has currently 4 functional committees. The performance evaluation of functional committees has 5 dimensions, which are "the committee members' level of participation in the Company's operations", "the committee members' understanding in responsibilities", "improvement of the quality of decision-making of the committee members", "the composition of functional committees and selection of members", and "internal control". The performance results and the evaluation results on the 5 dimensions are as follows:

A. The performance evaluation of Audit Committee: Total score was 5, and evaluation result was "excellent." The evaluation results on the 5 dimensions are as follows:

Indicator	Average score	Evaluation result
Participation in the operation of the Company	5.00	Excellent
The committee members' understanding in responsibilities	5.00	Excellent
Improvement of the quality of decision-making of the committee members	5.00	Excellent
The composition of functional committees and selection of members	5.00	Excellent
Internal control	5.00	Excellent

B. The performance evaluation of Salary Remuneration Committee: Total score was 5, and evaluation result was "excellent." The evaluation results on the 5 dimensions are as follows:

Indicator	Average score	Evaluation result
Participation in the operation of the Company	5.00	Excellent
The committee members' understanding in responsibilities	5.00	Excellent
Improvement of the quality of decision-making of the committee members	5.00	Excellent
The composition of functional committees and selection of members	5.00	Excellent

Internal control	5.00	Excellent

C. The performance evaluation of Risk Management Committee: Total score was 4.98, and evaluation result was "excellent." The evaluation results on the 5 dimensions are as follows:

Indicator	Average score	Evaluation result
Participation in the operation of the Company	4.97	Excellent
The committee members' understanding in responsibilities	4.94	Excellent
Improvement of the quality of decision-making of the committee members	5.00	Excellent
The composition of functional committees and selection of members	5.00	Excellent
Internal control	5.00	Excellent

D. The performance evaluation of Sustainable Development Committee: Total score was 4.94, and evaluation result was "excellent." The evaluation results on the 5 dimensions are as follows:

Indicator	Average score	Evaluation result
Participation in the operation of the Company	4.84	Excellent
The committee members' understanding in responsibilities	4.87	Excellent
Improvement of the quality of decision-making of the committee members	5.00	Excellent
The composition of functional committees and selection of members	5.00	Excellent
Internal control	5.00	Excellent

(4) The results of the internal performance evaluation of the Board of Directors in 2023 will be reported in the 8th meeting of the 16th Board of Directors of the Company in February 2024.

Note 1: The frequency of board evaluation, e.g. one a year.

Note 2: The period of board evaluation, e.g. the Board's performance from Jan. 1, 2019 to Dec. 31, 2019 is evaluated.

Note 3: The scope covers the evaluation on the performance of the Board, individual Board members and Functional Committee members.

Note 4: Methods of evaluation include: Evaluation is conducted by board self-evaluation, member self-evaluation, peer evaluation, by external institutes, by professionals, or other appropriate methods.

Note 5: The scope of the evaluations shall include at least the following items.

(1) Performance evaluation of the Board: At least includes the Directors' level of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board, the selection and continuous training of Directors, internal control, etc.

(2) Performance evaluation of individual Directors: At least includes the Company's objectives and tasks, Directors' understanding in responsibilities, Directors' level of participation in the Company's operations, internal relationship management and communication, professional and continuous education of Directors, internal control, etc.

(3) Performance evaluation of functional committees: The committee members' level of participation in the Company's operations, the committee members' understanding in responsibilities, the quality of decision-making of the committee members, the composition of functional committees, the selection of members, and internal control, etc.

(II) The operation of the Audit Committee

The Audit Committee held 11 (A) meetings in the year 2023. The attendance of the Independent Directors was as follows:

Title	Name	Actual attendance	Number of meetings in attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	HSIAO, CHEN-CHI	5	0	100%	Term expires on 2023.05.31
Independent Director	CHEN, YUH-JEN	5	0	100%	Term expires on 2023.05.31
Independent Director	Che-Ying Liaw	5	0	100%	Term expires on 2023.05.31
Independent Director	HSIAO, CHEN-CHI	6	0	100%	Elected on 2023.05.31
Independent Director	CHEN, YUH-JEN	6	0	100%	Elected on 2023.05.31
Independent Director	Che-Ying Liaw	6	0	100%	Elected on 2023.05.31
Independent Director	CHEN, MING-SHUN	6	0	100%	Elected on 2023.05.31

Other matters:

I. If any of the following applies to the operations of the Auditing Committee, specify the date, the session and the content of motion of the committee meeting, the adverse opinion and/or qualified opinion from the Independent Directors or content of significant recommendation, the resolution of the Auditing Committee and the response of the Company to the opinion of the members.
   (I) For issues stated in Article 14-5 of the Securities and Exchange Act, please refer to "Important Resolutions of the Shareholders' Meeting and Board Meeting."
   (II) Except for the abovementioned matters, others which have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors. No such matter in the Company's Audit Committee.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of directors, details of the relevant agendas, reasons for recusals, and the results of voting: No such matter in the Company's Audit Committee in the year 2023.

III. Enforcement of Corporate Governance Implemented by the Company and Reasons for Discrepancy (incl. material matters in the communication, method and results of the Company's financial position, sales performance).
   (I) The Company follows-up on and compiles the deficiencies and improvements of the previous month in digital files, and reports it to the Board for review.
      1. The Board of Directors, Independent Directors, audit officers attend the Board Meetings. The audit officers report the audit findings to the Board on a quarterly basis.
      2. When reporting semiannual or annual financial reports, the CPAs shall attend the Audit Meetings, and report the procedure, scope and items of the audit procedure, as well as updates of laws and regulations, and discuss with the Independent Directors.
      3. The audit officers and CPAs may contact the Independent Directors directly when matters require, and they shall keep communication channels open.
   (II) Communications between Independent Directors, and internal audit officers.

Date	Contents	Results
2023.01.12	1. Amendments to the 2022 “Internal Control Policies.” 2. Amendments to the 2022 “Internal Control Policies for Service Business.”	Reported to the Board after approval.
2023.02.23	1. Report of the Company’s 2022 consolidated, individual financial report and Business report. 2. Independence evaluation of the 2023 CPAs. 3. Approval for the prior consent of Ernst & Young Global Limited and its affiliated companies to provide non-assurance services to the Group. 4. The appointment of 2023 new CPAs and CPA fees.	Reported to the Board after approval.
2023.03.09	1. Proposal not to carry out capital increase by cash through private placement of shares before the end of the private placement approved at the Shareholders’ Meeting in 2022. 2. Offering new common shares through private placement for raising capital. 3. Proposed to formulate the Company’s 2022 “Statement on Internal Control” and “Statement on Internal Control of Anti-Money Laundering and Countering Terrorism Financing.”	Reported to the Board after approval.
2023.04.13	1. The notes to the Company’s proposal to increase the capital in cash through private placement of common shares. 2. Amendments to the 2023 “Internal Control Policies for Service Business.”	Reported to the Board after approval.
2023.05.04	Report of the Company’s 2023 Q1 consolidated financial report.	Reported to the Board after approval.
2023.06.30	Amendments to the 2022 “Internal Control Policies.”	Reported to the Board after approval.
2023.08.04	1. Report of the Company’s 2023 Q2 consolidated and individual financial report. 2. Amendments to the 2023 “Internal Control Policies.”	Reported to the Board after approval.
2023.09.21	1. The Company plans to handle its second domestic unsecured convertible corporate bonds. 2. Amendments to the 2023 “Internal Control Policies.”	Reported to the Board after approval.
2023.11.02	Report of the Company’s 2023 Q3 consolidated financial report.	Reported to the Board after approval.
2023.12.21	Amendments to the 2023 “Internal Control Policies.”	Reported to the Board after approval.

(III) Communications between the Independent Directors and CPAs

Date	Contents	Results
2023.02.23	1. Letter of representation, and scope of audit. 2. The CPAs deem the control tests effective, and there were no undisclosed matters regarding major related parties or abnormalities during the audit procedure. 3. The auditing based on the generally accepted	The CPAs discussed with the Independent Directors about the financial reports, and reported them to the Board after approval.

	auditing standards showed no material audit discrepancies. 4. Explained the significant risks and key audit matters, and explained the updated regulations regarding securities. 5. Unqualified opinion for 2022 consolidated and individual financial reports. 6. Description of audit quality indicator (AQI) information.	
2023.08.04	1. Explained the independence of CPAs, letter of representation, scope of audit, and conclusion of audit. 2. The CPAs deem the control tests effective, and there were no significant audit differences and no undisclosed matters regarding major related parties or abnormalities during the audit procedure. 3. Explained the significant risks and key audit matters, and explained the updated regulations regarding securities. 4. Unqualified opinion in the audit report for 2023 H1 consolidated and individual financial reports.	The CPAs discussed with the Independent Directors about the financial reports, and reported them to the Board after approval.

IV. The main annual duties and operation of Audit Committee:

The Audit Committee consists of four Independent Directors. The duty of the Audit Committee is to assist the board of directors in supervising the quality and integrity of the Company's implementation of accounting, auditing, financial reporting processes and financial control.

The Audit Committee held eleven meetings in the year 2023. The major audit tasks include:

(I) 2022 "consolidated and individual financial reports" and business report, "Internal Control System Statement" and "Internal Control System Statement for Anti-money Laundering and Countering the Financing of Terrorism."

(II) In 2023, "The 1st Quarter Consolidated Financial Statements," "The 2nd Quarter Consolidated and Individual Financial Statements," "Appointment of Auditors and Service Fees," "The 3rd Quarter Consolidated Financial Statements," "Evaluation of Auditors' Independence," and prior approval for Ernst & Young and its affiliated firms to provide non-assurance services to the Group.

(III) Capital increase in cash by the Company through private placement of common shares; 2nd issue of domestic unsecured convertible bonds.

(IV) Amendments to the "Internal Control System Policy" and "Internal Control Policies for Service Business."

For status of operation, please refer to "Important Resolutions of the Shareholders' Meeting and Board Meeting."

Note 1: If any Independent Directors resigned before the end of the year, the date of resignation shall be stated in the "Remarks" column, and the actual attendance rate (%) is calculated based on the number of meetings during their tenure and their actual number of attendance.

Note 2: If any Independent Directors were elected before the end of the year, the names of preceding and succeeding Independent Directors shall be listed, and the date of election or reelection shall also be stated in the "Remarks" column. The actual attendance rate (%) is calculated based on the number of meetings during their tenure and their actual number of attendance.

(III) Corporate governance and discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
I. Does the Company establish and disclose the corporate governance practices pursuant to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has formulated the "Corporate Governance Best-Practice Principles" in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and "Corporate Governance Best-Practice Principles for Securities Brokers" and disclosed it on the Company's website and MOPS.	No discrepancy
II. Shareholding structure and shareholders' equity (I) Does the Company have an internal procedure and act accordingly for handling the suggestions, doubts, disputes, and lawsuits of the shareholders?	✓		(I) The Company has established a spokesperson and a deputy spokesperson who are responsible for handling shareholder related matters and disputes. The Company also discloses contacts including email, telephone number, and fax numbers on the Investor Relations section of the Company's website and MOPS. Moreover, the Company has also formulated "Procedures for Handling Material Inside Information" to implement the spokesperson system.	No discrepancy
(II) Does the Company have the lists of major shareholders who actually control the company and the ultimate controller list of major shareholders?	✓		(II) The Company has close interaction with its shareholders, and follows up on the changes in major shareholders and the ultimate controlling parties based on the shareholder roster and reported shareholding information.	
(III) Does the Company establish and implement a firewall mechanism to control the risks between the Company and the affiliates?	✓		(III) Regarding the risk control and regulations for transactions between the Company and related parties, the Company has established and	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
(IV) Does the Company have internal regulations to prohibit insiders from using undisclosed information in the market for securities trading?			authorized the Risk Management Committee to formulate and supervise the execution of risk control management policies. Furthermore, the Company has also formulated the “Regulations for Supervising Subsidiaries,” “Guidelines for Financial and Business Operations between Related Parties,” “Procedures for Asset Acquisition & Disposal” and “Procedures for Endorsements & Guarantees.” (IV) The Company has formulated the ”Code of Ethical Conduct,” “Procedures for Handling Material Inside Information,” “Procedures for Prevention of Insider Trading”, “Guidelines for Stakeholder Trading,” and “Regulations Governing Insiders for their Securities Brokerage or Futures Trading” to prevent and prohibit insiders from using information obtained from their positions to engage in securities or futures trading. The Company has also established regulations in the “Corporate Governance Best Practice Principles” prohibiting insiders, including but not limited to directors, from trading the Company’s shares during the blackout periods starting from the date they become aware of the financial reports or related business results, which are 30 days prior to the announcement of annual financial	

<table>
<tr><th rowspan="2">Item for evaluation</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>reports and 15 days prior to the announcement of quarterly financial reports, in order to further prevent insiders from trading securities based on non-public market information. To prevent human errors, prior to the blackout periods, in addition to sending email reminders in advance to notify directors and relevant insiders of the non-trading periods, control mechanisms are also set up in the trading system to prevent human errors.
The 2023 online education and training courses related to insiders and independent directors of the Company are as follows:<table><tr><td>Course name</td><td>Regulations and case study analysis on short-swing profit rule</td></tr><tr><td>Class date</td><td>From 2023.12.14</td></tr><tr><td>Number of people who passed</td><td>56 persons</td></tr></table></td><td></td></tr>
<tr><td>III. Responsibilities of the Board of Directors and its formation
(I) Does the Board of Directors formulate and implement the diversity policy and specific management goals?</td><td>✓</td><td></td><td>(I) It is stipulated in the Company’s “Corporate Governance Best-Practice Principles” that the constitution of the Board should be diverse. Also, the Company formulated the “Procedure</td><td>No discrepancy</td></tr>
</table>

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
	✓ ✓		for the Election of Directors" to implement the legitimacy of directors and selection procedures. In addition to considering the diversity of professional background experience and work expertise, the composition of the Company's board considers "No more than 1/3 of directors concurrently serve as managers" and have "at least one female director" as specific goals. Currently, the Company has seven directors (including four independent directors), directors holding concurrent positions as employees accounted for 29% of all directors, independent directors accounted for 57% of all directors, and female directors accounted for 14% of all directors. Age of the directors: 3 directors are between the age of 61 and 70, 3 between 51 and 60, and 1 between 41 and 50. The directors have profound experience in business management, other relating professional backgrounds, and also the professional knowledge, skills, and competencies required for their positions. Among the 9 core competencies, more than two-thirds of the member has abilities relevant to the execution of businesses. As the Company lays emphasis on 3 main core competencies, which are operational judgment, business management, and crisis management ability,	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			more than 6 (inclusive) directors possess these 3 main core competencies.	
(II) Does the Company voluntarily form other functional committees similar to the Remuneration Committee and Audit Committee set up pursuant to relevant laws and regulations?			(II) The Company has established the Risk Management Committee which is directly subordinate to the Board of Directors. The Committee reports the execution of risk control to the Board on a quarterly basis. The Company has established the Sustainable Development Committee which is directly subordinate to the Board of Directors in 2022. The Committee reports the execution of sustainable development to the Board on a quarterly basis.	
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? Are the results of the evaluation reported at the Board Meeting and used as reference for remuneration and the nomination for reelection?	✓		(III) The Company has formulated the "Guidelines for Board Evaluation," stipulating that the performance of Directors shall be evaluated internally on a yearly basis, and externally by independent institutions or experts every three years. The results of the evaluation should be reported at the Board Meeting before Q2 of the following year, and should serve as a reference for nomination or election of Directors. The 2022 evaluation included "board performance evaluation," "performance evaluation of individual directors," and "functional committee evaluation". The evaluation results: 1. Total score for "board performance evaluation" was	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
(IV) Does the Company regularly evaluate the independence of the CPAs?			4.97, and evaluation result was "excellent." 2.The performance evaluation of individual directors: Total score was 4.96, and evaluation result was "excellent." 3.The results of the "Performance Evaluation of Functional Committees" are as follows: (1) Total score for "audit committee evaluation" was 5, and evaluation result was "excellent." (2) Total score for "salary remuneration committee evaluation" was 5, and evaluation result was "excellent." (3) Total score for "risk management committee evaluation" was 4.98, and evaluation result was "excellent." (4) Total score for "sustainable development committee evaluation" was 4.94, and evaluation result was "excellent." The aforementioned evaluation results have been reported at the 8th Board Meeting of the 16th Board in February 2024. (IV) The Company's Board of Directors regularly obtains the "Independence Statement" from the certified public accountants annually to assess the independence of the auditors. The Board also obtains information on the Audit Quality Indicators (AQI) from Ernst & Young. In 2023,	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			the Board discussed and approved the evaluation of the auditors' independence, which included assessing whether there were financial, employment, commercial relationships, non-audit services, and fee arrangements, as well as the audit quality of the auditors. Based on the evaluation, all of the Company's auditors met the independence assessment criteria.	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
IV. Does the TWSE/TPEx listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders' meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders' meetings?	✓		The Company appointed Shao-Chen Chiang, Vice President of the President's Office, to assume the position as the corporate governance officer through the 31st Board Meeting of the 14th Board in May 8, 2020. Chiang will be in charge of the unit responsible for corporate governance related work. The Company's corporate governance related work is handled jointly by the personnel of relevant units, in accordance with the functions of each unit. (I) Scope of duty: Including but not limited to handling matters related to Board Meetings and shareholders' meetings, assisting Directors in their assuming of positions and continuing education, providing Directors with necessary documents for carry out their duties, and assisting Directors to comply with laws and regulations. (II) Implementation of corporate governance: 1. Providing Directors with required company information to maintain a smooth communication between the Directors and supervisors of each department. 2. In accordance with the latest regulations regarding corporate governance, revising and amending corporate governance related internal regulations, and reporting them to the Board Meetings for resolution. 3. In accordance with the policies stipulated by the competent authorities and the insight in the development of the industry, planning and arranging continuing education courses for the Directors. 4. Drafting the agenda of Board Meetings and	No discrepancy

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
V. Does the Company establish (including but not limited to shareholders, employees, clients and suppliers)channels for communication with stakeholders, design special web pages for the stakeholders on the website, and appropriately respond to important CSR issues concerned about by the stakeholders?	✓		(I) The Company has established a spokesperson and a deputy spokesperson who are responsible for handling shareholder related matters and disputes. The Company also discloses contacts on the company's website and MOPS. (II) The Company has set up customer service email and telephone number to answer to requests from shareholders swiftly, as well as disclosed the customer service hotline, email, and other contacts on the "Stakeholders Sector" on the company's website. The Company has also formulated the "Procedures for Handling Customers' Complaints" to handle customers' complaints in a timely manner. (III) The Company has set up a "Stakeholders" page on the company's website to serve as a contact window for suppliers, and channels for whistleblowing or suggestions. The Company also provides complaint channels for stakeholders in accordance with the Company's "Guidelines for Whistleblowers." (IV) The Company has set up communication channels with stakeholders according to the above, and appropriately responds to the important CSR issues concerning stakeholders. The Company also prepares the "Sustainability Report" and discloses it on the MOPS for stakeholders' reference. At the same time, the Company also uploads financial and business information to the MOPS regularly, in order to maintain the transparency of information and protect the rights and interests of the stakeholders.	No discrepancy

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has a Registrar Agency Department consisting of only professionals who not only are knowledgeable in securities related laws and regulations but also have rich and practical experiences. The Company's shareholder's meetings are handled by the Registrar Agency Department.	No discrepancy
VII. Information disclosure (I) Does the Company have a website to disclose the financial and corporate governance information of the Company? (II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating a person for collection and disclosure of information, implementing a spokesperson system, and publishing the process of investor conferences on the website)? (III) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial reports and	✓ ✓ ✓		(I) The Company website is http://www.honsec.com.tw. The Company discloses information regarding corporate governance on its website on a regular or occasional basis. The Company also delegates personnel to be in charge of the disclosure of the Company's financial information on the MOPS. (II) The Company has a spokesperson, in charge of providing information for shareholders and investors. Information regarding spokesperson and investor conference is disclosed on the Company's website. The Company has also built an English website to provide information on company profile, financial and corporate governance. (III) The Company has announced and reported the annual financial report within two months after the end of the fiscal year, and announced and reported Q1, Q2, Q3 financial reports and the	No discrepancy

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
the operating status of each month in advance of the prescribed deadline?			operating status of each month in advance of the prescribed deadline.	
VIII. Does the company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and evaluation measures, implementation of customer policies and liability insurance coverage for directors and supervisors)?	✓		(I) Employee rights: Besides labor insurance, national health insurance, and pension plans, the Company also takes out group insurance,and fidelity insurance. In addition, the Company also provides regular health examination for its employees. The Company values the safety and health of its employees, holds the labor–management meeting on a quarterly basis, and has established the Retirement Reserve Funds Supervising Committee, Employee Welfare Committee, and Employee Shareholder Committee to ensure the rights and interests of employees. (II) Employee wellness: Please refer to “Chapter 5. Operating Highlights – V. Labor Relations” on page 98–103 of this annual report. (III) Investor relations: To ensure the transparency of information and the understanding of investors in the operation of the Company, the Company has set up a spokesperson email, and disclosed relative information on the MOPS and the corporate governance webpage on the Company website. Moreover, the Company website also shows information including company profile, major information, credit rating, individual and	No discrepancy

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			consolidated financial reports, monthly revenue, and the information is updated regularly to ensure the effectiveness. (IV) Supplier relationship: The Company handles all procurement matters as stipulated in the "Principles of Ethical Corporate Management," "Procedures for Ethical Management and Guidelines for Conduct" and "Regulations Governing Procurement" in order to ensure fairness and transparency and prevent unethical behaviors. The Company has also formulated the "Regulations Governing Supplier Sustainable Development Management." The Company continues to communicate with suppliers, and review and aid suppliers' sustainable development through self-evaluation questionnaires. (V) Rights of stakeholders: 1. The Company handles business with stakeholders in accordance with the Company's "Guidelines for Financial and Business Operations between Related Parties," to prevent non-arm's length transactions, and conveyance of unjust interests. 2. The Company has established competent internal control system policies, and	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			imposed them on the execution of business. Internal audit conducted regular examinations, prepared audit reports, reported on a regular basis, the results to the Board Meetings, and informed the supervisors of related units and related departments of the deficiencies for review and improvement. 3. The Company has appointed delegated personnel to be in charge of business with banks, suppliers and clients, to provide stakeholders with diverse channels of communication. (VI) Further education of directors and supervisors: Please refer to page 43 in the annual report. (VII) Implementation of risk management policies and evaluation measures: The Company's risk management policies are based on the principal of "conservatism." With the current capital scale and risk capacity of the Board of Directors, the Company aims to create the greatest benefit for shareholders as possible. Besides this, through the Value-at-risk (VaR), the Company estimates potential losses of each position as the reference for risk management and capital allocation. For detailed explanation, please refer to "Chapter 7 Review and Analysis of the Company's	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			Financial Position and Financial Performance, and Listing of Risks – VII. Risk Management" on page 118–130 of this annual report. (VIII) Implementation of customer policies: Before entering into an open-account-agreement with the client, the Company informs and delivers the risk disclosure statements regarding risky financial products (such as emerging stocks, call (put) warrants, securities of foreign companies listed on TPEx/TWSE (incl. depositary receipts), day trading). Also, the Company has set up customer service hotlines to handle inquiries of the customers. The telephone number and email address can be found on the company website. (IX) Liability insurance coverage for directors and supervisors: The Company has taken out liability insurance coverage for directors and supervisors from "Hotai Insurance" at an insurance amount of USD 5 million.	

IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved:

In the 9th Corporate Governance Evaluation, the Company ranked in the top 6%–20% among TPEx-listed companies. In the future, the Company will continue to formulate various improvement measures in line with the promotion of competent authorities and company policies, in order to enhance corporate governance.

The Company is dedicated to enhancing and protecting shareholders' rights and treating shareholders equally, strengthening the structure and operation of the Board of Directors, improving information transparency, and promoting sustainable development projects. The Company

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
will also review the areas where it did not score well and consider improvement measures.				

Note: Regardless of whether checking the “Yes” or “No” column, disruption must be provided in the “Description” column.

◎ Further education of directors and supervisors

Title	Name	Date taking office	Training date	Organizer	Course name	Hours
Chairman	Ke-Chyn Jiang	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Director	Jamie Lin	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Director	Jyun-De Li	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.07.13	Taipei Exchange	Sustainable Development Action Plan Promotion Conference for TWSE/TPEx-listed Companies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Independent Director	HSIAO, CHEN-CHI	2023.05.31	2023.03.16	The National Federation of CPA Associations of the R.O.C.	(Taichung) Directors' fiduciary duties and liabilities for misrepresentation of financial statements	3
			2023.03.23	The National Federation of CPA Associations of the R.O.C.	Supervision and Practice of CPA Money Laundering Prevention	3
			2023.04.14	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3
			2023.05.23	Taipei Exchange	Sustainable Development Action Plan Promotion Conference for TWSE/TPEx-listed Companies	3
			2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.07.15	Commerce Development Research Institute	Corporate Governance and Corporate Sustainability Management Seminar	3
			2023.08.08	Taiwan Corporate Governance Association	Trade Secret Protection and Fraud Detection and Prevention	3
			2023.09.07	The National Federation of CPA Associations of the R.O.C.	The Trend of Diversification of International Auditing Standards, Introduction to ISA for LCE and Challenges of Taiwan	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
			2023.11.18	Commerce Development Research	Corporate Governance and Corporate Sustainability	3

				Institute	Management Seminar	
	CHEN, YUH-JEN	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
	Che-Ying Liaw	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
	CHEN, MING-SHUN	2023.05.31	2023.06.30	Horizon Securities/Taiwan Securities Association	Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
			2023.08.23	Taipei Exchange	Briefing on Shareholdings for Insiders of TWSE-listed and Emerging Companies	3
			2023.09.21	Horizon Securities/Taiwan Securities Association	Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
			2023.09.26	Securities and Futures Institute	Practical Workshop for Directors and Supervisors (incl. Independent Directors) and Corporate Governance Officers – Taipei session	12

◎ Continuing training regarding Corporate Governance participated by Managers

Title	Name	Training date	Organizer	Course name	Hours
President	Jamie Lin	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Executive Vice President	Frank Liao	2023.08.07~2023.08.11	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Senior Vice President	May Lin	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.07.27~2023.08.04	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Title	Name	Training date	Organizer	Course name	Hours
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3

Senior Vice President	Gilbert Chang	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.06	Taiwan Securities Association	2023 Securities Dealers Executives Workshop	7.5
		2023.10.23~2023.11.08	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Senior Vice President	Lillian Chen	2023.06.27~2023.07.12	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
		2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
Senior Vice President	Maggie Chen	2023.08.04	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Vice President	Liang-Chen Chu	2023.07.24~2023.07.28	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Vice President	Shao-Chen Chiang	2023.04.27	Taiwan Stock Exchange	Corporate Governance - Sustainable Development Action Plan Promotion Conference for TWSE/TPEx-listed Companies	3
		2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.07.06~2023.07.21	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
		2023.09.12	Taiwan Securities Association	Corporate Governance – The Latest Development Trend of International Carbon Tariff and the Sustainable Operation Strategies of the Securities Finance Industry	3
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Vice President	Rogers Huang	2023.06.27~2023.06.28	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (6hrs) – Taiwan Securities Association	6
		2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Vice President	Vicki Chen	2023.03.23	Taiwan Securities Association	Risk Management - Risk Management Challenges of Climate-related Financial Disclosures for the Financial Industry	3

		2023.04.25	Taiwan Securities Association	Risk Management – New Application and Risk Management of Finance 3.0	3
		2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Vice President	Yung-Chi Yang	2023.08.04	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Vice President	Lingc Huang	2023.08.02~2023.11.02	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Vice President	Chih-Sung Jen	2023.10.25	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Vice President	Chilli Hsieh	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.18	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Senior Assistant Vice President	Franco Jiang	2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Vice President	Alex Tsai	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.06	Taiwan Securities Association	2023 Securities Dealers Executives Workshop	7.5
		2023.09.12	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Title	Name	Training date	Organizer	Course name	Hours
Senior Assistant Vice President	Christine Chang	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.11.23~2023.11.24	Securities and Futures Institute	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Securities and Futures Institute	12
Vice President	Steven Wu	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.12	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Senior Assistant Vice President	Angela Lin	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3

		2023.09.12	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Senior Assistant Vice President	Brian Chiu	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.09.12	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Senior Assistant Vice President	Rita Chen	2023.09.18	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
		2023.11.07	Taiwan Securities Association	Corporate Governance – Common Defects of "Financial Report Review" and Related Legal Practice Seminar	3
Senior Assistant Vice President	Sophia Liu	2023.09.14~2023.10.05	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs)	12
Senior Assistant Vice President	Alice Wang	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.07.26	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Assistant Vice President	Hsu Fu Chang	2023.07.20~2023.08.11	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Chen-Yu Yang	2023.07.11~2023.07.25	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	John Jiang	2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Assistant Vice President	Justine Lin	2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3
		2023.07.26	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Assistant Vice President	Kuei-Ching Huang	2023.10.25	Taiwan Securities Association	Domestic and International Laws and Regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism and Risk Trends	3
Assistant Vice President	Hui-Wen Wu	2023.01.12	Taiwan Securities Association	Risk management – IT department audit and information system control review	3
		2023.03.23	Taiwan Securities Association	Risk Management - Risk Management Challenges of Climate-related Financial Disclosures for the Financial Industry	3
		2023.06.27~2023.06.28	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (6hrs) – Taiwan Securities Association	6
		2023.06.30	Horizon Securities/Taiwan Securities Association	Corporate Governance – Suspected Money Laundering or Financing of Terrorism Risk Trends and Case Studies	3

		2023.09.21	Horizon Securities/Taiwan Securities Association	Corporate Governance – Trends and developments of domestic and foreign net zero transformation and corporate strategies to respond	3
Assistant Vice President	Chiou-Fan Chen	2023.08.23~2023.09.05	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Manager	Yu-Feng Sun	2023.07.27~2023.08.04	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Chih-Chung Lee	2023.07.20~2023.07.25	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Chun-Han Huang	2023.07.06~2023.07.12	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Title	Name	Training date	Organizer	Course name	Hours
Assistant Vice President	Wang, Chun-Yen	2023.10.26~2023.11.03	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Shao-Ti Su	2023.10.19~2023.10.24	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Joe Hu	2023.08.23~2023.09.05	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Ming-Che Tsai	2023.07.06~2023.07.12	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Pei-Shan Li	2023.06.27~2023.07.21	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12
Assistant Vice President	Hui-Chun Yu	2023.11.02~2023.11.08	Taiwan Securities Association	On-job Training for Anti-Money Laundering and Countering the Financing of Terrorism (12hrs) – Taiwan Securities Association	12

Note 1: Regardless of whether checking the “Yes” or “No” column, disruption must be provided in the “Description” column.

Note 2: The said Corporate Governance Report refers to the Company’s explanation on self-evaluation regarding the Company’s current operation and execution of the Corporate Governance Evaluation Items.

(IV) If the Company has a Salary Remuneration Committee, the composition, responsibilities and operation of the Remuneration Committee should be disclosed:

1. Information of the members of the Salary Remuneration Committee

March 29, 2024

Titles / Qualifications / (Note 1) Name		Expertise and work experience (Note 2)	Independence criteria (Note 3)	Number of other public companies where the member also serves on a remuneration committee
Convener – Independent Director	Che-Ying Liaw	Please refer to Page 13-17 for Table of Professional Qualifications of Directors and Supervisors, and Disclosure of Independence Status of Directors		0
Independent Director	CHEN, YUH-JEN			0
Independent Director	HSIAO, CHEN-CHI			3
Independent Director	CHEN, MING-SHUN			0

Note 1: Please provide in detail the seniority, expertise and work experience, and independence of each remuneration committee member. If the member is an Independent Director, "Please refer to Page 13-18 for Table 1 – Information on the Directors and Supervisors (1)" may be given instead. For "Title," please put in "Independent Director" or "others" (Please identify if convener)

Note 2: **Expertise and work experience:** Please provide the expertise and work experience of each remuneration committee member.

Note 3: **Independence criteria:** For remuneration committee members, the status of independence, whether the director including but not limited to him/her/itself, spouse, a relative within the second degree holds a position as the director, supervisor, or employee in the Company, or its affiliates, the number and percentage of the Company's shares held by the director him/her/itself, spouse, a relative within the second degree (or in the name of others), whether the director holds a position of director, supervisor or employee of a company with certain relationship (refer to Article 6 Paragraph 1 Subparagraph 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange) with the Company, and the amount of remuneration received for the business, legal, finance, and accounting, etc., services provided for the Company or its affiliates in the last 2 years.

Note 4: Refer to the sample of best practice announced by the Taiwan Securities Exchange Corporation, corporate governance center for the method of disclosure.

2. Operational Status of the Salary Remuneration Committee

(1) The Company's Salary Remuneration Committee is established on Nov. 24, 2011, consisting of three seats of committee members.

(2) Tenure of the 4th Committee: Jul. 9, 2020 to Jun 23, 2023, with three committee members.

(3) Tenure of the 5th Committee: June 30, 2023 to June 30, 2026, with four committee members.

(4) The Salary Remuneration Committee held 6 (A) meetings in the year 2023. The attendance of the members was as follows:

Title	Name	Actual attendance	Number of meetings in attendance by proxy	Attendance rate (%) [B/A] (Note)	Remarks
Convener – Independent Director	Che-Ying Liaw	6	0	100%	
Committee member – Independent Director	CHEN, YUH-JEN	6	0	100%	
Committee member – Independent Director	HSIAO, CHEN-CHI	6	0	100%	
Committee member	CHEN,	2	0	100%	

– Independent Director	MING-SHUN				

Other matters:

I. If the Board of Directors refuses to adopt or amend a recommendation of the remuneration committee, 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 (e.g. if the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

II. If there were resolutions of the remuneration committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

Note 1: If any Salary Remuneration Committee member resigned before the end of the year, the date of resignation shall be stated in the "Remarks" column, and the actual attendance rate (%) is calculated based on the number of meetings during their tenure and their actual number of attendance.

Note 2: If any Salary Remuneration Committee members were elected before the end of the year, the names of preceding and succeeding members shall be listed, and the date of election or reelection shall also be stated in the "Remarks" column. The actual attendance rate (%) is calculated based on the number of meetings during their tenure and their actual number of attendance.

3. Information on Salary Remuneration Committee Meetings

Date of meeting	Term	Motions	Resolutions	Status
2023.01.12	17th meeting 4th Committee	Motion 1: Distribution of surplus bonuses for second half of 2022.	Approved	Proceed as proposed
2023.03.09	18th meeting 4th Committee	Motion 1: 2023 Promotion and salary raise of president, chief of divisions, as well as rank 10 personnel, including vice presidents, supervisors and above.	Approved	Proceed as proposed
2023.04.13	19th meeting 4th Committee	Motion 1: Discussion of remuneration, compensation and traveling expenses was proposed at the 16th session of the board of directors. Motion 2: Discussion of the remuneration and travel expenses for the next term of the functional committee members was proposed.	Approved	Proceed as proposed
2023.05.04	20th meeting 4th Committee	Motion 1: Discussion of appointment of managerial officers for futures proprietary trading operations was proposed.	Approved	Proceed as proposed
2023.08.04	1st meeting 5th Committee	Motion 1: Distribution of surplus bonuses for first half of 2023. Motion 2: Discounted retirement plan for the Taichung branch managerial officers of Brokerage Division. Motion 3: Appointment of the Taichung branch managerial officers of Brokerage Division.	Approved	Proceed as proposed
2023.12.21	2nd meeting 5th Committee	Motion 1: The promotion of the head of the underwriting department, Capital Market Division.	Approved	Proceed as proposed

(V) Promotion of sustainable development and discrepancy and causes thereof from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
I. Does the Company establish a governance framework for the promotion of sustainable development, delegate a unit that specializes (or is involved) in sustainable development practices? Is the sustainable development unit run by senior managerial officers and supervised by the Board of Directors? (TWSE/TPEx-Listed company shall report the execution situation instead of compliance or explanation.)	✓		In 2022, the Company has formulated the "Charter of Sustainable Development Committee", and established the Sustainable Development Committee which is directly subordinate to the Board of Directors. The committee members shall be appointed by resolution at the board meetings, and consist of at least 1 independent director, with the Chairman and President acting as the ex-officio members, and the Chairman as the meeting convener and the chair of the meetings. The committee shall be responsible for the presentation and implementation of sustainable development policies, systems, or related management policies and specific promotional plans. The Committee shall follow-up on the implementation of all sustainable development measures, and report the follow-up results at the Board Meeting. The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The Board of Directors of the Company is advised to take full consideration of the rights and benefits of stakeholders including the following matters,	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			in the Company's promotion of sustainable development goals: 1. Put forward the mission or vision of sustainable development, and formulate relevant management guidelines for sustainable development. 2. Make sustainable development the guiding principle of the Company's operations and development, and ratify concrete promotional plans for sustainable development initiatives. 3. Ensure the timeliness and correctness of the sustainable development information disclosure The Board of Directors shall appoint the chairman to be responsible for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status to the Board of Directors.	
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		The evaluation boundary is the period covered by the Company and its subsidiaries (including Horizon Securities Investment Consultant, Horizon Securities Venture Capital, and Horizon Venture Capital Management Consulting): From January to December 2023. To implement sustainable development, the Company established a Sustainable Development Task Force on March 21, 2022, with the President serving as the convener and department heads and relevant business	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			personnel as members, responsible for executing the Company's ESG-related affairs. In accordance with the five major goals of the "Securities and Futures Industry Sustainable Development Transformation Strategy," the Company formulated the "Horizon Securities Sustainable Development Transformation Strategy." Furthermore, on September 29, 2022, the Company officially established the Sustainable Development Committee, with the Chairman serving as the convener and meeting chair, incorporating the Sustainable Development Task Force under its purview. Concurrently, considering international sustainable development trends, competent authority policy directions, evaluating important issues among domestic and international peers, and the focus of various stakeholders, the Company tracks and reviews the implementation and effectiveness of sustainable development on major issues such as sustainable finance governance, information security, inclusive finance, environmental sustainability, employee care, and social participation in the Sustainability Report. Regular reports are made to the Board of Directors, and disclosure is made through the annual publication of the Sustainability Report (Sustainability Report URL: https://www.honsec.com.tw/about/?l=3&id=1088), as well as on the official website, annual report, and the Market Observation Post System. While pursuing sustainability and profit, the Company	

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			practices sustainable development in accordance with the Company's "Sustainable Development Best-Practice Principles" and abides by the principles – implement corporate governance, develop a sustainable environment, and maintain social welfare. Moreover, the Company prepares "Sustainability Report" annually to report detailed explanation on the Company's policies and results.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		(I) The Company is engaged in the finance and securities industry with no pollution and waste generated by the manufacturing industry. The main source of greenhouse gas emissions is electricity usage. The Company has been actively promoting greenhouse gas inventory and carbon reduction initiatives in accordance with the FSC's "Sustainable Development Roadmap," and has formulated a greenhouse gas inventory and verification plan that has been approved by the Board of Directors and is under its supervision and control. In 2022, we introduced ISO 14064-1 greenhouse gas inventory standardization. The boundary covers the head office, branches and subsidiaries of the Group. By compiling information and reviewing the results, we will continue to develop energy-saving and carbon-reduction strategies and formulate action	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			plans, and integrate the concept of environmental sustainability into our daily operations and various services.	
(II) Is the Company committed to enhancing the utilization efficiency of energy and use renewable materials that have a low impact on the environmental?	✓		(II) The Company's energy use is mainly composed of purchased electricity accounted for the largest proportion; while others included gasoline and diesel fuel used for business vehicles and emergency generators. Currently, the Company does not use renewable energy. In 2023, the Taipei headquarters completed the planned replacement of UPS equipment in the headquarters office area, as well as relocating equipment requiring 24-hour temperature control to the data center for centralized management, eliminating the need for central air conditioning in the building during night and holiday overtime periods. Additionally, one location underwent a comprehensive LED lighting retrofit, one location replaced energy-efficient (Level 2) chiller units, and three locations replaced energy-efficient (Level 1) split-type air conditioners. In 2024, two business locations are planned to be fully installed with energy-saving LED lighting. In the future, the Company will continue to review and gradually update the old and energy-consuming air conditioning equipment and UPS equipment with high power consumption. By implementing energy	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			management and enforcement, we aim to achieve short-, medium- and long-term goals of 1% energy savings by 2023 (achieved), 3% by 2025 and 8% by 2030, starting from 2022.	
(III) Does the Company assess the potential risks and possibilities of climate changes to the Company now and in the future, and take relevant measures?	✓		(III) In view of the increasing impact of climate change on the global environment increases and international emphasis on climate change-related risks, the Company has introduced the Task Force on Climate-related Financial Disclosure Framework in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board. The Company has also amended its risk management policies and guidelines in August 2021, to identify potential risks incurred by climate changes through daily business operations, services and environment interactions. Although corporates are susceptible to negative impacts of climate change, they may have growth opportunities from the climate change growth. Therefore, the Company promotes climate change-related disclosures and adaptive strategies as all supervisors' consensus, and the response measures and management are based on the four major dimensions, which are governance, strategy, risk management, indicators and objectives to disclose the "Climate Change and Environmental	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			Sustainability Report." Also, the Company continues to improve climate-related strategies and management to respond to overall changes, and discloses annually qualitative information, financial reports, annual reports (page 128–131) regarding risk management on the company website.	
(IV) Does the Company record the greenhouse gas emissions, water consumption and total weight of waste produced in the past two years, and formulate policies on carbon reduction, greenhouse gas reduction, water consumption or other waste management?	✓		(IV) 1.(1) Greenhouse gas: Introduced ISO 14064-1 greenhouse gas inventory standard in 2022, so the base year for inventory is reset to 2022. The carbon emission volume in 2023 for enterprise category I plus category II is 1,205.739 metric tons (with density of 0.987 metric tons of CO2/million revenue), and 11,351.265 metric tons in 2022 (with density of 1.9814 metric tons of CO2/million revenue). The boundary included the parent company, branches, and the Group's subsidiaries. (2) Water consumption; water consumption in 2023 was 10000 degrees (with density of 8.189 units/million revenue), and water consumption in 2022 was 9467 degrees (with density of 13.882 units/million revenue); the boundary includes the parent company, branches and subsidiaries of the Group. (3) Waste: The measured amount in 2023 was 27.373 tons (with density of 0.0224 metric tons/million revenue), and the estimated waste in 2022 was 26.497 tons (with density of 0.039 metric	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			tons/million revenue); the boundary includes the parent company, branch offices, and the Group's subsidiaries. 2. The greenhouse gas reduction target is based on 2022, which is a 1% reduction from 2022 (achieved), an annual reduction of 1% from 2023, a short-term reduction of 8% from 2020, and a long-term to Net zero emissions by 2050. The target of reducing water intake (base year 2022) and waste (base year 2023) is 1% per year. The measures implemented include maintaining indoor air conditioning temperatures at above 26 degrees Celsius in business and office premises, promoting the comprehensive use of energy-saving lighting fixtures and water-saving devices (controlling water output), gradually replacing old and energy-intensive large-scale air conditioning equipment and high-consumption UPS equipment, reducing vehicle fuel consumption and exhaust emissions, minimizing waste generation, and incorporating the goal of waste minimization into daily life.	
4. Social Issues (I) Does the Company have management policies and procedures in accordance with relevant regulations and the	✓		(I) The Company and its subsidiaries abide by relevant labor laws, and agree on protection of human rights and basic principles set forth in the "Universal Declaration of Human Rights," "Global Compact,"	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
International Bill of Human Rights?			and "International Labour Organization Convention." In order to implement the aforementioned declaration, and fully embody the respect for and responsibility of human rights protection, the Company has formulated the "Human Right Policy," and disclosed it in the Company's intranet.	

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			The Company's human rights management policy,	

Human rights management policy	Plans
Building of a safe and healthy workplace	1. The Company provides a safe and healthy workplace and necessary health and first-aid facilities, to eliminate the hazard factors that may affect the safety and health of employees, in order to reduce the risk of occupational accidents. 2. The Company pays attention to and manages the situation of abnormal workloads among employees, so as to prevent over-time work. The Company implements education trainings and health examination regarding occupational health and safety, and continues to organize activities to promote safety and health, in order to take care of the employees' mental and physical health.
Support for collective bargaining and employees' freedom of association	1. The Company convenes labor-management meetings on a quarterly basis, to protect the rights and obligations of both the employees and build a harmonic workplace through communications and negotiations. 2. The Company respects the employees' freedom of association, and encourages them to establish diverse clubs, and proactively encourages the employees to join the clubs.
Protection	In order to implement the protection of the

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			In 2023, two online training sessions related to the protection of human rights were conducted: "Promoting an Age-friendly Workplace for Middle-aged and Elderly Employees through the Company's Sustainable Development Best-Practice Principles, Human Rights Policy, and Related Measures" and "Health Management for Middle-aged and Elderly Workers," with a total of 518 participants completing the training.	
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits), and appropriately reflect the results of operating performance in employee remuneration?	✓		I. Compensation system: The Company has established the salary structure according to position and job rankings. The employees' salaries are higher than the minimum standards of the Labor Standards Act. The Company determines the salary adjustment rate every year based on its operating conditions and the annual consumer price index (CPI) while referring to the salary levels in the same industry, and the employee salary adjustment rate is around 1% to 4%. Bonuses are distributed based on the Company's overall profit and earnings, and group bonuses are distributed with reference to the performance of each unit and individual performance. There are separate bonus regulations for Company's salespersons and traders, and bonuses are given based on the performance of the Company's future risk adjustments.	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			II. Staff fringe benefits: (I) In addition to the compulsory basic insurance as stipulated by the laws and regulations related to the Labor Standards Act, the Company provides various welfare superior to the requirement of laws for our employees. This shows that we value each and every employee of ours. Details as follows: 1. A total 12 days of sick leave and family leave every year. 2. Free fidelity insurance for all employees, eliminating the cumbersome process of seeking a corporate or personal guarantor. 3. Provide health examination by external high-quality health centers and health management for our employees. 4. Hire visually impaired masseurs and masseuses to provide stress-relieving massages for employees to relieve their stress at a discounted price in a comfortable therapy room with equipment offered by the Company. (II) The current employee benefit measures are described as follows: 1. Besides the compulsory Labor insurance and National Health Insurance, the Company also takes out life insurance, group medical and cancer insurances for our employees. The Employee Welfare Committee takes out group	

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			accident insurance for the employees, in order to ensure them an overall protection. We aim to be our employees' strongest support, and thus spend more than NTD 1 million on insurance expenses annually. 2. Starting July 2012, the Company launched the employee stock ownership trust plan. Participating employees deposit a portion of their monthly salary to the trust account, and on the other hand the Company appropriates a certain amount as incentives to purchase company shares. The aim is to encourage employees to build saving habits in a long-term and stable manner, grow with the Company, and assist them with their retirement plan. 3. We signed a service contract with Hess International Educational Group, that provides nursery care for the children of our employees. 4. When the company calculates its surplus, if there is a profit for the year according to the company's articles of incorporation, no less than 2% of the profit for that year shall be distributed as employee compensation. When conducting a cash capital increase, a certain percentage shall be allocated for employees to subscribe. (III) Established the Employee Welfare Committee to handle matters related to employee benefits. Details	

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			as follows: 1. Cash gifts for wedding, births or religious parades, such as NTD 5,000 gift money for weddings, NTD 2,000 for employees' children's weddings, NTD 10,000 for new babies. 2. NTD 1,000 bonus for Labor Day, NTD 1,000 PX Mart voucher for birthdays. 3. NTD 3,000 subsidy for employee group tour. 4. NTD 1,000 to 20,000 daily medical subsidy when hospitalized. 5. NTD 3,000 grant for in-service bachelor program per semester and NTD 4,000 grant for in-service master program per semester, to encourage our employees to pursue further studies. 6. Employees are encouraged to set up cultural, recreational and recreational clubs. New clubs will be provided with subsidy of NT$20,000. The annual activity subsidy for clubs will also be capped at NT$20,000. 7. Disaster relief at a maximum of NTD 30,000 per case. 8. Gifts or cash gifts on Dragon Boat Festival, Mid-Autumn Festival and Spring Festival depending on the Company's earnings. 9. The average benefit expense for all employees in 2023 was $1,288 thousand. (IV) Workplace diversity:	

<table>
<tr><th rowspan="2">Promoted items</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The recruitment policy of Horizon Securities is based on human rights and equality, regardless of gender, race, age, political orientation, marital and family status. Therefore, the composition of employees is more diversified. The gender statistics of employees and supervisors are as follows:
<table>
<tr><th>Year</th><th>Executive position</th><th>Female</th><th>Male</th><th>Total</th></tr>
<tr><td rowspan="3">2022</td><td>Executive</td><td>39</td><td>32</td><td>71</td></tr>
<tr><td>Non-executive</td><td>302</td><td>141</td><td>443</td></tr>
<tr><td>Total</td><td>341</td><td>173</td><td>514</td></tr>
<tr><td rowspan="3">2023</td><td>Executive</td><td>44</td><td>28</td><td>72</td></tr>
<tr><td>Non-executive</td><td>301</td><td>152</td><td>443</td></tr>
<tr><td>Total</td><td>345</td><td>180</td><td>525</td></tr>
</table></td><td></td></tr>
<tr><td>(III) Does the Company provide a safe and healthy work environment to its employees? Does the Company regularly provide safety and health education for the employees?</td><td>✓</td><td></td><td>(III) In order to provide excellent working environment and provide personal safety, the Company takes relative measures in accordance with laws and regulations regarding occupational safety and health:
1. The Company installs firefighting and emergency escape equipment, regular maintenance for elevators and automatic power generators, installing surveillance camera in office buildings, basement, canteens and offices, and connecting to security systems.
2. According to the labor-related laws and regulations, personnel (total 13) in headquarters</td><td>No discrepancy</td></tr>
</table>

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			and all branches are delegated with responsibility for occupational safety and health. They take part in training, obtain required certificates, and are in charge of occupational safety and health related duties. 3. The Company appoints 16 personnel in total (in headquarters and all branches) to be responsible for emergency medical services. They take part in training, obtain required certificates, and are in charge of emergency medical services at the first instance. 4. The Company installs AED on the 4th and 7th floor in the headquarters to protect the employees' health. 5. The headquarters and branches organize fire prevention training and mental and physical health seminars to advocate the importance of disaster control and health education. Furthermore, the Company has appointed 13 fire prevention managers. Starting in 2018, the Company appoints medical personnel in accordance with the Occupational Safety and Health Act to be in charge of the promotion policies regarding employee health services and annual health plans, in the aim to provide the employees with a safe environment and a happy workplace. In Aug 2019, the Company launched its "Horizon Securities Health	

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			Management Magazine (bimonthly)" to provide employees with the latest and most detailed information on health management. Moreover, the Company has also prepared the list of employee emergency contacts, and formulated the notification mechanisms for emergencies, measures of prevention, correction of sexual harassment at workplace, regulations for complaint and punishment. Since December 2023, the company collaborates with Pojen General Hospital to provide on-site contracted occupational physicians to visit the company every quarter to provide employee health management and consultation services.	
(IV) Has the Company established an effective career development training program for the employees?	✓		(IV) The Company conducts employee performance assessment on a yearly basis, and provides employees with development training plans for the following year. The employees may choose their own training courses based on the operation goals or competency assessment through training or individual guidance from supervisors, the Company enhances work related knowledge and skills of employees, in the aim to improve their performance. Also, the Company also utilizes job rotation to place the right employees at the right position in order to improve their performance.	No discrepancy
(V) Does the Company comply with relevant	✓		(V) The Company engages in securities and futures	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
laws and regulations and international standards for issues regarding customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant consumer and customer protection policies and complaint procedures?			business. Thus, it handles the marketing of products and sales in accordance with "Regulations governing the methods, content, and other requirements pertaining to the advertisements and solicitation or promotional activities conducted by members of the Chinese National Futures Association and Futures Trust Fund Distributors" and "Regulations governing the methods, content, and other requirements pertaining to the advertisements and solicitation or promotional activities conducted by members of the Taiwan Securities Association." Also, it has formulated the "Regulations Governing Personal Information Protection and Personal Information File" to protect the rights of clients.	
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		(VI) The Company established the "Regulations for Sustainable Development of Suppliers" to request our suppliers to comply with the regulations. The content of the regulations covers sustainability indicators including environmental sustainability, labor and human rights, occupational safety and health, and ethical management, as well as evaluation and review of suppliers. Twelve major suppliers have signed the "Supplier Sustainability Statement" and agreed to comply with the above-mentioned sustainability indicators and	No discrepancy

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			complete the self-evaluation of the sustainability communication item list. The Company will continue to communicate with various suppliers and provide them with guidance.	
V. Does the Company prepare its non-financial reports such as Sustainability Report in accordance with the internationally used reporting standards or guidelines? Have such reports been assured, verified or certified by a third party?	✓		The Company prepares its sustainability reports in accordance with guidelines and framework of the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies," "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms," "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies", "Global Reporting Initiative (GRI)," and "Task Force on Climate-Related Financial Disclosures," and discloses the report on the company website and MOPS. The Company obtains a third party opinion from an independent accountant for its Sustainability Report starting 2021.	No discrepancy
VI. If the Company has established its own corporate management principles in accordance with "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe its current practices and any discrepancies from the Best-Practice Principles: The Company's "Corporate Social Responsibility Best-Practice Principles" were formulated in December 2018, and amended in April 2020 to enhance the implementation of corporate social responsibility. In January 2022, the Best-Practice Principles have been amended by the approval of the Board, and renamed as "Sustainable Development Best-Practice Principles". The Company continues to monitor the execution status and makes improvements there on. The most recent amendment to the Sustainable Development Best-Practice Principles was made in February 2023, and there is no discrepancy between the implementation status and the Best-Practice Principles.				
The social contributions and services of the Company are described as follows: **I. Implementation of employee care** (I) The Company hired nurses to conduct healthcare activities for its employees so that they can maintain physical and mental health. These activities are as follows:				

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
1. In 2023, two employee health seminars were held: “Healthy Workplace, Happy Life Promotion Course” and “Health Management for Middle-aged and Elderly Workers,” with a total of 609 colleagues participating in the courses. 2. Published the 22nd to 27th issues of the *Employee Health Management Bi-monthly* in 2023, introducing concepts such as healthy physical fitness and diet, enterovirus, dengue fever, and mycoplasma pneumoniae. (II) In May 2021, when the COVID-19 pandemic was severely affected, we subsidized the epidemic insurance premiums for our employees so that they could work together with the company to fight against the disease and survive through the COVID-19 pandemic, thereby improving the employees’ loyalty. (III) In 2023, we provided free COVID19 rapid screening test for our employees, which helped to control the disease within the company. (IV) In 2023, an employee birthday party will be held every two months, and the theme of the birthday party will be set according to each festival and small gifts will be prepared to enhance workplace harmony. (V) Plan for inter-departmental outings in 2023 and start in 2024 with a budget of NT$12,000 per colleague to encourage inter-departmental colleague exchanges, enhance colleague morale, and promote interdepartmental teamwork. **II. Showing love to the community** (I) Horizon Securities, together with clients and colleagues, organized the inaugural “Hopeful Growth Dreams Project” charity sale event, raising a total of NT$1.259 million from the sale of artworks. The proceeds from the charity sale will be donated in full to several children’s welfare organizations, including the Child Welfare League Foundation and the Taiwan Fund for Children and Families, spreading the seeds of hope and love to every corner of society and helping underprivileged children grow up safely and healthily, embodying Horizon Securities’ commitment to warm-hearted service in the community (II) In order to promote social welfare and assist Association of Literacy Education, Taiwan to promote education in rural areas, hoping to care for children to focus on reading literacy learning. Horizon Securities donated NT$500,000 to the Association of Literacy Education for two consecutive years, Taiwan to support the 3rd Future Literacy Academy – Rural Reading Literacy Model School Project in 2023. (III) Taiwan Catholic Mission Foundation provides positive guidance to children who are brought up by grandparents in rural areas, help with supplementary class education in Taitung Luye and Guanshan tribal communities, and serve more than 20 elementary and junior high school students from aboriginal, single-parent, and economically disadvantaged families. Horizon Securities sponsored the Taiwan Catholic Mission Foundation’s Taitung Luye Children’s Education Care Station in Taitung, contributing NT$300,000 to the annual meal expenses for children’s tutorial classes in Luye, Taitung, and Guanshan Yuanxiang. (IV) Charity donations: In 2023, the Company donated a total of NT$ 2.45million to over 10 charity associations, to fulfill its social corporate responsibility. ◎Initiated six campaigns to donate coins and invoices to the Taipei Rerum Novarum Center of Society of Jesus, and “Center for Services to Youth at Risk” of Hsinchu Catholic Church. ◎ Sponsored the R.O.C. Sports Health Promotion Association to promote “Seminar on Promoting Sports Psychology Training and Activity Exchange Tournament” to promote the proper sports psychology to campuses and enterprises. ◎ Sponsored Sing Sha Social Welfare Foundation, which promotes family and moral education courses to help young people develop proper family and sexual concepts. ◎Sponsored the Center for Services to Youth at Risk of the Catholic Church of Hsinchu to provide the special care service for youths suffering from dropout,				

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
violence, self-injury, drug addiction and other behavioral problems. The services include training for care workers, care services for designated organizations, recreation and training at the "Where Young Club," and outreach support services. ◎ Sponsored the New Vision Association to promote blockchain and cryptocurrency talent training, build a smart city and promote new technology knowledge to facilitate a better society. Supporting the "New World" Concert Sponsorship and Nurturing Program by the National Music Hall and the Music Education Promotion Association for Arts Enjoyment, this program aims to fulfill the musical dreams of local children and support the performing arts industry. It is hoped that the beautiful energy will not be lost due to the pandemic, and it actively nurtures local arts and cultural groups and helps realize future stars. Sponsoring the Voice Far Away Catholic Home for the Aged, which serves low-income elderly individuals aged 65 and above, as well as disabled and incapacitated persons, by providing living care, medical care, spiritual care, and other services. Sponsoring the Rev. Father Byung-eon White Catholic Social Welfare Foundation – supporting the 48-year-old St. Francis Senior Care Home's "Sending Warmth – Keeping the Elderly Accompanied with Care" program. Sponsoring the Crane's Ear Charity Gala organized by the Sunlight Cultural and Educational Foundation, and donating the proceeds raised to relevant charitable organizations. Sponsoring the Taipei Xin Shi Catholic Jesuit Social Service Center – 2023 "Celebrate Christmas. Wish for Peace" Christmas event program, to care for underprivileged and low-income children in Taipei City and encourage the public to practice environmental protection, reduce plastic use, conserve resources, and protect the Earth. Sponsoring Taiwan's first halfway house focused on male high school students – the Miko Home affiliated with the Congregation of the Franciscan Sisters of Mary, a private Catholic organization, to cultivate independence and self-reliance among youths. Sponsoring the Taiwan Wood Imagine Family Talent Cultivation Association, which has formed a woodworking industry in Yuli, allowing children in the woodworking classes the opportunity to stay in their hometowns to take care of their families nearby, while also being able to generate a stable income, adding more hope for their future. Sponsoring Taitung Catholic Sacred Mother Hospital to purchase a multi-frequency light therapy device for traditional Chinese acupuncture and moxibustion treatments, to improve patient wound healing. In addition to outpatient services for internal medicine, surgery, pediatrics, traditional Chinese medicine, rehabilitation, breast diseases, and family medicine, Sacred Mother Hospital has also established a community health center that provides home medical and nursing care, home hospice care, home services, meal delivery, and assistive device rentals, offering care and support for long-term chronic illnesses. **III. Environmental Sustainability Activities** (I) On February 4, 2023, a mountain cleaning activity was held at Elephant Mountain, with a total of 246 employees and their families participating. A charity sale and fundraising event were also organized, and all the proceeds raised were donated to the Catholic Church of Hsinchu Marginal Youth Service Center. (II) On February 18, 2023, three beach cleaning and mountain cleaning activities were held in New Taipei City, Taichung City, and Kaohsiung City. The beach cleaning activity in Bali, New Taipei City had a total of 250 colleagues and their families participating. The mountain cleaning activity in Daking, Taichung City had a total of 44 colleagues and their families participating. The beach cleaning activity in Xiziwan, Kaohsiung City had a total of 46 colleagues and their families participating. (III) On June 17, 2023, four mountain cleaning activities were held in New Taipei City, Taichung City, and Kaohsiung City. The mountain cleaning activity at Hemeshan in				

Promoted items	Status of implementation (Note 1)			Discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
New Taipei City had a total of 260 colleagues and their families participating. The mountain cleaning activity on the Wanli Long Trail in Taichung City had a total of 28 colleagues and their families participating. The mountain cleaning activity at the backside of Zhongxing Forest District in Taichung City had a total of 23 colleagues and their families participating. The mountain cleaning activity on the Changyuan Ecological Trail in Kaohsiung City had a total of 41 colleagues and their families participating. (IV) On September 23, 2023, two beach cleaning and mountain cleaning activities were held in New Taipei City and Kaohsiung City. The beach cleaning activity in Jinshan, New Taipei City had a total of 232 colleagues and their families participating. The mountain cleaning activity at Guanyinshan in Kaohsiung City had a total of 30 colleagues and their families participating. IV. Implementing the 2023 Campus Elite Recruitment and Training Program, recruiting 4 new digital financial sales representatives, providing fresh graduates from campuses with an opportunity to enter the securities market. V. In response to the implementation of the Labor Incident Act, the Company has been cooperating with the Judicial Yuan's policy to arrange for the Company's supervisors to serve as labor mediation members since 2020 to promote labor harmony and fulfill corporate social responsibility, and has assisted in more than 100 labor mediations and successfully mediated dozens of labor disputes in 2020 and 2023.				

Note 1: If "YES" is chosen for the status of implementation, explain the important policies, strategies, measures adopted and the status of implementation. If "NO" is chosen for the status of implementation, explain the difference and the reason in the field "Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons," and explain the planning on related policies, strategies, and measures in the future. However, regarding promotion items 1 and 2, TWSE/TPEx-Listed companies should describe the governance and supervision framework of their sustainable development plans, including but not limited to management guidelines, strategy and goal formulation, and review measures, etc. The Company shall also describe its risk management policies or strategies for environmental, social and corporate governance issues, and the assessment status thereof.

Note 2: The principle of materiality refers to the fact where environmental, social and corporate governance issues possess a significant influence on the company's investors and other interested parties.

Note 3: Refer to the sample of best practice announced by the Taiwan Securities Exchange Corporation, corporate governance center for the method of disclosure.

(VI) Discrepancy from Ethical Corporate Management Best-Practice Principles for TWSE/TEPx-listed Principles and the reasons thereof.

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and plans (I) Does the Company declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the board of directors and management work proactively to implement their commitment to those management policies? (II) Has the Company established an evaluation mechanism for the risk of dishonest conduct? Does the Company regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonest behavior, which at least covers Paragraph 2 of Article 7 in Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies? (III) Has the Company established relevant policies for preventing any unethical conduct? Are the implementation and reviews of the relevant procedures, guidelines, punishment for violation, and	✓ ✓ ✓		(I) The Company announces the policies and plans of ethical management through the "Principles of Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct" the Company formulated after resolution by the Board. Furthermore, the Company requires Directors and the top management to submit a statement of compliance with the integrity management policies, demonstrating their commitment to the policies. (II) The Company has established an evaluation mechanism for the risk of dishonest behavior, and it regularly analyzes and evaluates business activities with a higher risk of dishonesty in the business scope. It has also required the supervisors with the power of authorization to sign a self-evaluation form in order to prevent dishonest conduct in Subparagraph 2 of Article 7 in Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies. (III) In order to implement ethical management policies and proactively prevent dishonest conduct, the Company	No discrepancy

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
rules of appeal provided in the policies?			formulates measures specifying the attentions for personnel conducting businesses, and the measures for punishment and appeal in accordance with the "Principles of Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct," and also reviews and amends such measures.	
Fulfillment of Ethical Corporate Management (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? (II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board about ethical corporate management policies, prevention of dishonest conduct plans, and the supervision on the operation on a regular basis (at least once a year)?	✓ ✓		(I) Before conducting business with other companies, the Company takes into consideration the legality and existence of dishonesty records of the counterparties to prevent business dealings with parties with dishonesty records. When signing contracts with counterparties, the content of contracts should include ethical corporate management policies and clauses indicating that should the counterparties be involved in dishonest conduct, the contact may be terminated or canceled. (II) The Company appoints the President's Office to be in charge of ethical corporate management, responsible for the formulation of ethical corporation management policies and prevention plans. Relevant reports were submitted to the Board Meeting on December 21, 2023. For a sound ethical corporation management, the audit unit subordinated to the Board audits the implementation of ethical corporate management	No discrepancy

<table>
<tr><th rowspan="2">Item for evaluation</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>policies and prepared relevant reports and submitted them to the Board Meeting on a regular basis.
The Company’s fulfillment of ethics management and conducts and the related implementation in 2023:
A. Education and training
Organized four online education and training sessions in 2023 to promote the concept of ethics. The course topics, hours and number of participants are listed below:
<table><tr><th></th><th>Topics</th><th>Hours</th><th>Participants</th></tr><tr><td>1</td><td>Promotion of ethical management</td><td>27 minutes</td><td>523 persons</td></tr><tr><td>2</td><td>Advocacy on laws and regulations important to business execution</td><td>29 minutes</td><td>514 persons</td></tr><tr><td>3</td><td>Legal change advocacy in the first half of 2023 – explanation on the summary of administrative penalty cases in the Company’s 2022.</td><td>39 minutes</td><td>519 persons</td></tr><tr><td>4</td><td>Advocacy of changes in laws and regulations in the second half of 2023 – Understanding the reason</td><td>16 minutes</td><td>524 persons</td></tr></table></td><td></td></tr>
</table>

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			<table><tr><td></td><td>for the amendment of Article 14-4 of the Securities and Exchange Act to restrict the authority of independent directors.</td><td></td><td></td></tr></table> B. Communicate regulatory compliance In 2023, the Compliance Department produced course materials on topics such as “Compilation of Administrative Penalty Cases of the Company in 2022,” “Amendment to Article 14-4, Paragraph 4 of the Securities and Exchange Act – Limitation on the Powers of Independent Directors,” and “Relevant Laws and Case Analysis on Short-Swing Trading” as the main subjects. Through internal eLearning, all colleagues were required to complete this mandatory course. This allowed colleagues to gain a better understanding of internal compliance regulations and codes of conduct, thereby enhancing the company’s overall operational performance and demonstrating the company’s emphasis on protecting consumer rights and interests. C. Annual examination The Compliance Department conducts annual online compliance self-assessment quizzes in accordance with the Company’s “Compliance System” and	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			"Compliance Regulations." Meanwhile, deficiencies found by the competent authority were included in the self-evaluation test to enhance the awareness of legal compliance in the promotion of "Management Matters for Responsible Personnel and Salespersons of Securities Firms." The tests in 2024 will incorporate concepts such as prohibition of unethical conducts and others. D. Regular audit The Company implements "Unethical conduct risk assessment practices" based on Article 7 of the "Ethical Corporate Management Best-Practice Principles," and requires all directors and managers to fill out the "Ethical Conduct Self-Evaluation Form." The self-evaluation verifies whether they comply with the "Ethical Corporate Management Best-Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" when performing their duties. For 2023, the Internal Auditing Office conducted a sampling inspection of the self-evaluation forms signed by directors, supervisor and managers with the approval authority and found no unethical conducts. E. Grievance filing system and whistleblower protection	
	✓			
	✓			

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
	✓		1. The Company has established the "Grievance Filing Case Handling Guidelines." Whistleblowers may report their cases in writing, telephone, fax and email, and the Internal Auditing Office will assign responsible personnel to handle the cases. 2. The Company defines the types of grievance matters, handling procedures, non-acceptable circumstances and others in the "Grievance Filing Case Handling Guidelines," and whistleblower and personnel participating in the investigation are provided with confidentiality and protection. 3. If the incident reported is verified to be true, the Company will take actions in accordance with the relevant internal disciplinary regulations. Before making a disciplinary decision, the Company will provide the accused with opportunities to state their opinions or appeal. The Company has also established relevant confidentiality practices to prevent whistleblowers and personnel participating in investigation from receiving unfair treatment or losing rights and interests. 4. The status of the Company's ethical operation practices is not much different from the "Ethical	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
			Corporate Management Best-Practice Principles for TWSE/TPEx-Listed Companies".	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?			(III) The Directors maintain a high degree of self-discipline. They may present their opinions and answers to questions. However, they should not participate in the discussion or voting but recuse themselves from the discussion or vote, and they should not act for other directors to exercise their voting rights on the motion if the motion has interests in the Director himself/herself or the legal representative he/she represents, where there is a likelihood that the interests of the Company would be prejudiced. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. In order to ensure that the Directors and managerial officers act in line with ethical standards, they have signed the "Statement for Avoidance of Conflict of Interest." Furthermore, to allow stakeholders of the Company have a better understanding in the ethical standards of the Company, it has formulated the "Code of Ethical Conduct"	
(IV) Has the Company established effective accounting and internal accounting and control systems for the implementation of ethical corporate management policies, prepared audit plans according to the			(IV) The Company has established effective accounting policies and internal control polices, and reviews the design and implementation when necessary. The internal audit unit prepares annual audit plans, and audit	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
evaluation results of dishonesty risks, and have the results been audited by internal auditors or CPAs?			personnel reviews the Company's ethical corporate management according to the plan on an annual basis. The audit unit has reported the 2023 review report on ethical corporate management to the Board Meeting on March 7, 2024.	
(V) Does the Company regularly hold internal and external educational training on ethical corporate management?			(V) The Company regularly promotes relevant regulations on ethical business operations. In 2023, in addition to holding two corporate governance courses, "Analysis of Case Studies on Suspected Money Laundering or Terrorism Financing Risks and Trends" and "Domestic and International Trends in Net-Zero Transition and Corporate Response Strategies," four online education and training sessions were conducted to promote the concept of integrity.	
III. Operation of the Whistleblowing System	✓		The Company has formulated the "Guidelines for Whistleblowers." Regulations are as follows:	No discrepancy
(I) Has the Company established both a reward/whistleblowing system and convenient whistleblowing channels? Are appropriate personnel assigned to the accused party?	✓		(I) Establishment of delegated complaint channels: 1. Whistleblowing hotline: +886-02-2700-8899 #8218 2. Whistleblowing fax: +886-02-2700-1390 3. Whistleblowing email: services@honsec.com.tw 4. Whistleblowing mailing address: Please send or deliver the mail to "Internal Auditing Office – Whistleblowing Mailbox"	
(II) Has the Company established standard operating			(II) The Company has formulated its "Guidelines for	

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
procedures for investigations on reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? (III) Does the Company provide protection to whistleblowers against receiving improper treatment?	✓		Whistleblowers" stipulating clear procedures for investigation reports. The Company shall keep confidential the name of whistleblowers and content of reports to protect the whistleblowers from unjust treatment. (III) In order to ensure sound operations of the Company, the Company has established a comprehensive whistleblower protection system, providing whistleblowers with reporting channels for violations of the principle of ethical corporate management, or unethical behaviors of internal personnel. The Company also assigns the Internal Auditing Office directly subordinating to the Board of Directors with the authority to receive whistleblowing reports and carry out investigations.	
IV. Increasing disclosure of information (I) Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓		The Company's "Principles of Ethical Corporate Management," and "Procedures for Ethical Management and Guidelines for Conduct" are disclosed on the MOPS, and Company's websites. (Website: www.honsec.com.tw)	No discrepancy
V. If the Company has established its own corporate management principles in accordance with "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx-Listed Companies," please describe its current practices and any discrepancies from the Best-Practice Principles: None.				
VI. Other important information helpful to the understanding of the Company's ethical corporate management: (Such as reviewing the Ethical Corporate Governance Best-Practice Principles of the Company for appropriate amendment) 1. In order to implement ethical management policies and proactively prevent dishonest conduct, the Company formulates measures specifying the attentions for personnel conducting businesses, and the measures for punishment and appeal in accordance with the "Procedures for Ethical Management and Guidelines for				

Item for evaluation	Implementation status (Note 1)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof.
	Yes	No	Summary	
Conduct," and also reviews and amends such measures. 2. In order to establish good Board of Directors governance policy and strengthen management mechanism, the Company requires that the directors and supervisors of authority levels sign the "Ethical Conduct Self-Evaluation Table" in order to prevent unethical conduct. In addition, the directors shall also sign the "Statement for Avoidance of Conflict of Interest" to request that the directors or the juridical persons they represent recuse themselves from motions involving their interests in order to prevent conflict of interest and to protect the integrity of the Company's overall trading conducts. Moreover, the Company evaluates the performance of the Board of Directors and the Board members according to the "Guidelines for Board Evaluation." The Company revised its "Guidelines for Board Evaluation" and includes the following evaluation items for functional committees into the evaluation scope for the Board of Directors on November 3, 2022. In addition, the Company added a performance self-evaluation survey for functional committees, including Audit Committee, Salary Remuneration Committee, Risk Management Committee, and Salary Remuneration Committee.				

Note 1: Regardless of whether checking the "Yes" or "No" column, disruption must be provided in the "Description" column.

(VII) If the Company has formulated its corporate governance principles and relevant regulations, the inquiry methods should be disclosed.

1. Taiwan Stock Exchange Market Observation Post System:
   Corporate Management \ Formulation of Corporate Management related regulations \ TPEx-listed company, Stock No: 6015
2. Company website:
   https:// www.honsec.com.tw

(VIII) Other information that facilitates the understanding in the Company's corporate governance should also be disclosed:

In order to establish sound mechanisms for the handling and disclosure of material inside information, to prevent improper information disclosures, to ensure the consistency and accuracy of information released, and to implement Article 8 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the Company formulated the "Procedures for Handling Material Inside Information" (hereinafter referred to as "the Procedures") through the 22nd Board Meeting of the 11th Board on Dec. 24, 2009 with reference to the template released by the FSC. The Company appoints the President's Office as the delegated unit for handling material inside information. The Company has announced the Procedures on the Company's internal website for all personnel, and set up a spokesperson in accordance with the Procedures. The spokespersons or deputy spokespersons shall not speak beyond the scope of the Company's authorization. Regarding disclosure of material information to the public, records of the person, time and place of disclosure shall be kept. In case where a false report in the media is found, the spokesperson shall immediately clarify it on the MOPS and request the media to correct it.

The Company prepares the "Corporate Social Responsibility Report" (renamed as Sustainability Report in 2022) on a yearly basis, and uploads it to the MOPS and discloses it on the company website, fully disclosing information related to shareholders' rights, duty of the Board, information transparency, CSR evaluation criteria and the current status thereof, in the aim to fairly represent the status of corporate governance.

(IX) Status of Internal Control System

3. Statement of Internal Control System:

Horizon Securities Co., Ltd.
Internal Control System Statement

Date: March 7, 2024

The Company hereby states the results of the self-evaluation of the internal control system for 2023 based on the findings of the self-assessment:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board and managers, and the Company has already established such an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. Any internal control system has its innate limitations. No matter how robust an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may vary as a result of changes in the environment and circumstances. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective actions once any defects are identified.

The Company uses the assessment items specified in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the procedures of control, the internal control system policy is divided into five categories: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Under each category are assessment items used in the "Regulations." For more information on such items, refer to the "Regulations."

IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.

V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2023, the internal control system (including the supervision and management of subsidiaries, and overall execution of information security), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, but excluding the matters listed in the attachment, is effective and can reasonably assure the achievement of the foregoing goals.

VI. This statement constitutes the main content of the Company's annual report and the prospectus and is disclosed to the public. Any falsehood or concealment with regard to the said contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act and under Article 115 of the Futures Trading Act.

VII. This statement has been approved by the Board on March 7, 2024, and out of 7 attending Directors, zero posed objection to it, and the rest consented to the content expressed in this statement.

Horizon Securities Co., Ltd.

Chairman: Signature
President: Signature
Chief Auditor: Signature
Chief supervisor responsible for information security: Signature

2023 Summary of Punishments imposed on the Company's Internal Personnel by the Competent Authorities

No.	Date	Laws or regulations violated	Department, rank	Deficiency	Improvement
1	2023.01.04 Tai-Zheng-Fu-Zi Letter Number 1120500013	The provisions of Article 18, Paragraph 2, Subparagraphs 2, 3, 4, 7, 9, and 17 of the Regulations Governing Responsible Persons and Associated Persons of Securities Firms, Article 18, Paragraph 2, Article 75, Paragraph 4, and Article 85, Paragraph 1 of the Operating Rules, as well as the requirements of CA-11210 Entrustment Trading and Transaction Operations (42) under the Regulations Governing the Establishment of Internal Control Systems by Securities Firms.	Chen, former brokerage-entrusted trader of Guanqian Branch, was suspended from performing duties for 6 months.	1. The former entrusted trading personnel had engaged in disclosing client entrustment matters and other confidential information obtained in the course of duty, accepting fully discretionary trading orders from clients and receiving benefits, utilizing client accounts for trading securities, borrowing or lending money to/from clients, and acting as an agent for clients to trade securities through accounts at other securities firms. 2. Since assuming the position on August 21, 2015, the branch manager has failed to promptly detect the abnormal private interactions between the personnel Chen and clients, as well as the multiple significant violations involved. The branch manager has demonstrated a lack of sensitivity to business operations and should bear joint responsibility for inadequate supervision.	1. The Company has dismissed former broker OO Chen; branch manager has been given a warning. 2. No more abnormalities were found by the branch in the follow-up investigation for 10 consecutive business days. The improvement on this case has been reported to the Taiwan Stock Exchange for review.
2	2023.02.22 Jin-Guan-Zheng-Quan-Zi No.: 1120380822, Jin-Guan-Zheng-Quan-Zi No.: 11203808222	In accordance with Paragraph 2, Article 2 and Subparagraph 5, Subparagraph 11 and Subparagraph 18 of Article 37 of the Rules Governing the Administration of Securities Dealers.	The Company imposed a fine of NT$240,000 and the suspension of Tsai ○○, the former outsourced trading representative, from performing his duties for 6 months.	During an inspection conducted on April 25, 2022, by the Taiwan Stock Exchange Corporation on the Company's Taichung branch, it was discovered that the former entrusted trading personnel, Tsai OO, had engaged in keeping clients' passbooks, carrying and using clients' laptops, which were not authorized by the Company, at the business premises, and placing trades on behalf of clients.	1. The Company has requested the internal audit personnel to strengthen the inspection of entrusted trading operations. The business units have issued announcements on compliance matters, and the branch managers have been instructed to

No.	Date	Laws or regulations violated	Department, rank	Deficiency	Improvement
				Additionally, Tsai OO had accepted clients' full discretionary orders for trading securities without specified prices. The aforementioned deficiencies indicate that the Company failed to effectively implement its internal control system and fulfill its responsibility of supervising and managing personnel.	educate and promote compliance to the associated personnel during monthly meetings. 2. The fine of NT$240,000 was fully paid on March 10, 2023.
3	2023.09.15 Jin-Guan-Zheng-Quan-Fa-Zi No.: 11203361541, Jin-Guan-Zheng-Quan-Zi No.: 11203361542	Paragraph 2, Article 2 and Subparagraphs 5, 15, 16, and 22 of Article 37 of the Rules Governing the Administration of Securities Dealers.	The Company made a correction and imposed a fine of NT$480,000.	1. During an inspection conducted on December 2, 2022, by the Taiwan Stock Exchange Corporation on our company's Guanqian Branch, it was discovered that the former entrusted trading personnel, Chen OO, had engaged in accepting clients' fully discretionary orders for trading securities, sharing trading profits with clients, acting as an agent for clients to trade securities through accounts at other securities firms, borrowing or lending money to/from clients, improperly disclosing client entrustment matters through Line in violation of laws and regulations, and utilizing client accounts for personal trading of securities 2. The aforementioned deficiencies indicate that the Company failed to effectively implement its internal control system.	1. The Company has asked branch managers to enhance supervision and management, and enhance education and promotion for employees. 2. The internal auditors strengthened their scrutiny on the consigned trading operations. 3. The fine of NT$480,000 was fully paid on September 28, 2023.

2. Internal Control System Statement for Anti-money Laundering and Countering the Financing of Terrorism:

Internal Control System Statement for Anti-money Laundering and Countering the Financing of Terrorism

We, the Undersigned, hereby on behalf of Horizon Securities Co., Ltd. declared that during the period beginning Jan. 01, 2023 until Dec. 31, 2023, we did faithfully build the internal control system policy in accordance with laws and regulations regarding anti-money laundering and countering the financing of terrorism, and implemented risk management. The aforesaid matters are audited by the independent audit unit and reported to the Board and Audit Committee. Through prudent evaluation, we declare that the implementations of anti-money laundering and countering the financing of terrorism and law compliance by each unit during the current fiscal year are all effective, besides the matters stated in the attached "Improvement Plan for Internal Control System Statement for Anti-money Laundering and Countering the Financing of Terrorism."

Best regards

Financial Supervisory Commission (FSC)

Declarants

Chairman: (Signature)

President: (Signature)

Chief Auditor: (Signature)

Chief officer in charge of Prevention of Money Laundering and Combating the Financing Terrorism: (Signature)

March 7, 2024

3. If review of the internal control system has been conducted by entrusted CPAs, the CPAs' review report must be disclosed: None.

(X) If there are penalties imposed upon the Company and its employees in accordance with laws, penalties imposed by the Company upon its employees for violating internal control system policy, where the results of the penalties are likely to pose material impact on shareholders' rights and securities price, the Company should state the content of penalty, principal deficiencies, and improvement status: None.

No.	Date	Laws or regulations violated	Department, rank	Deficiency	Improvement
—	—	—	—	—	—

(XI) Important resolutions of the shareholders' meeting and Board Meeting during the most recent fiscal year and as of the printing date of this annual report

1. Important resolutions of the shareholders' meeting

Date	Motion
2023.05.31 Shareholders' Meeting	1. Approval of the 2022 Business Report and Financial Statements 2. Approval of the Company's 2022 profit distribution.

2. Important resolutions of the Board Meeting

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
2023.01.12	1. 2023 budget plan	—	None	Approved by resolution of all attending Directors
	2. Application for commercial paper facilities from KGI Bank	—	None	Approved by resolution of all attending Directors
	3. Determining the overall 2023 risk appetite of the Company	—	None	Approved by resolution of all attending Directors
	4. Amendments to the "General Principles of Risk Control."	—	None	Approved by resolution of all attending Directors
	5. Amendments to the 2022 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	6. Amendments to the 2022 "Internal Control Policies for Service Business."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. Distribution of surplus bonuses for second half of 2022.	—	None	Approved by resolution of all attending Directors
2023.02.23	1. The Company underwrites second unsecured convertible bonds issued by Cyber Power Systems, Inc.	—	None	Approved by resolution of all attending Directors
	2. Proposal to increase operating capital allocation for futures proprietary trading.	—	None	Approved by resolution of all attending Directors
	3. Application for issuing commercial paper facilities from China Bills Finance Corporation.	—	None	Approved by resolution of all attending Directors
	4. Report of the Company's 2022 consolidated, individual	v	None	Approved by

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
	financial report and Business report.			deliberation of Audit Committee members; Approved by resolution of all attending Directors
	5. The Company's 2022 profit distribution.	—	None	Approved by resolution of all attending Directors
	6. Independence evaluation of the 2023 CPAs.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. The appointment of 2023 new CPAs and CPA fees.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	8. Amendments to the "Guidelines for Financial and Business Operations between Related Parties"	—	None	Approved by resolution of all attending Directors
	9. Amendments to the "Corporate Governance Best-Practice Principles", and "Sustainable Development Best Practice Principles", and formulation of "Self Discipline Standards for Disclosure of Merger Information".	—	None	Approved by resolution of all attending Directors
	10. Continuing contract with Yu-Hsiang Cheng as the Company's consultant	—	None	Approved by resolution of all attending Directors
2023.03.09	1. The Company applies to Bank of Taiwan for line of credit renewal	—	None	Approved by resolution of all attending Directors
	2. Proposal not to carry out capital increase by cash through private placement of shares before the end of the private placement approved at the Shareholders' Meeting in 2022.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	3. Offering new common shares through private placement for raising capital.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	4. Proposed to formulate the Company's 2022 "Statement on Internal Control" and "Statement on Internal Control of Anti-Money Laundering and Countering Terrorism Financing."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	5. Amendments to the "Articles of Incorporation."	—	None	Approved by resolution of all attending Directors
	6. Time and date, and motions of 2023 Shareholders' Meeting.	—	None	Approved by resolution of all attending Directors
	7. 2023 Salary raise of President, chief of divisions, as well as rank 10 personnel, including Vice Presidents, Supervisors and above.	—	None	Approved by resolution of all attending Directors
2023.04.13	1. The Company applies to Hua Nan Commercial Bank, Ltd. for line of credit renewal.	—	None	Approved by resolution of all attending Directors

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
	2. The Company applies to Shanghai Commercial and Savings Bank and King's Town Bank for credit extension.	—	None	Approved by resolution of all attending Directors
	(3) The notes to the Company's proposal to increase the capital in cash through private placement of common shares.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	4. The Company proposed to increase its investment in Taiwan Stock Exchange Corporation.	—	None	Approved by resolution of all attending Directors
	5. The Company proposed to conduct "Securities Firms Trading in Securities on a Fixed-Term, Fixed-Amount Basis."	—	None	Approved by resolution of all attending Directors
	6. Amendments to the 2023 "Internal Control Policies for Service Business."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. The Company proposed to establish subsidiary, Horizon Private Placement Equity Co., Ltd., to serve as a common partner for the venture capital investment undertaking and private placement equity funds.	—	None	Approved by resolution of all attending Directors
	8. Overall election of directors and the Board of Directors, and nomination of candidates for the 16th Board of Directors and Independent Directors.	—	None	Approved by resolution of all attending Directors
	9. Motion to be added to the 2023 Annual General Shareholders' Meeting.	—	None	Approved by resolution of all attending Directors
	10. Remuneration, compensation and traveling expenses of the 16th session of the board of directors.	—	None	Approved by resolution of all attending Directors
	11. The remuneration and travel expenses for the next term of the functional committee members.	—	None	Approved by resolution of all attending Directors
2023.05.04	1. The Company applies to International Bills Finance Corp. for credit extension.	—	None	Approved by resolution of all attending Directors
	2. Report of the Company's 2023 Q1 consolidated financial report.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	3. Appointment of managerial officers for futures proprietary trading operations.	—	None	Approved by resolution of all attending Directors
2023.05.31	Election of new Chairman in accordance with the law due to overall Director election of the Company	—	None	Director Ke-Chyn Jiang was elected the Chairman by all attending Directors.
2023.06.30	1. The Company applies to KGI Bank for line of credit, limit on issuance of non-guarantee commercial paper and limit on financial instruments transactions.	—	None	Approved by resolution of all attending Directors
	2. The Company applies to Cathay United Bank for the renewal of line of credit and financial transaction limit.	—	None	Approved by resolution of all attending Directors

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
	3. The Company implements the "Treating Customers Fairly Principle" evaluation form for financial services industry in 2023.	—	None	Approved by resolution of all attending Directors
	4. Revise the "Hierarchy of Responsibility Table" of the Brokerage Division.	—	None	Approved by resolution of all attending Directors
	5. Amendment to the Company's "Brokerage Pricing Policy."	—	None	Approved by resolution of all attending Directors
	6. Amendments to the 2022 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. Amendments to the Company's "Corporate Governance Best-Practice Principles".	—	None	Approved by resolution of all attending Directors
	8. To establish the Company's "Guidelines for the Implementation of the Major Issues Accountability System" for the and to amend the "Hierarchy of Responsibility Table" of the Human Resources Division under the President's Office.	—	None	Approved by resolution of all attending Directors
	9. Appointment of the members of the 3rd Risk Management Committee	—	None	Approved by resolution of all attending Directors
	10. Appointment of members of the Company's 2nd Sustainable Development Committee and the 5th Remuneration Committee.	—	None	Approved by resolution of all attending Directors
	11. Industry–academia cooperation and academic feedback mechanism agreement signed with Kaohsiung University of Science and Technology.	—	None	Approved by resolution of all attending Directors
2023.08.04	1. Reviewing the overall 2023 H2 risk appetite of the Company	—	None	Approved by resolution of all attending Directors
	2. The Company applies to Mega International Commercial Bank and Taishin International Bank for line of credit.	—	None	Approved by resolution of all attending Directors
	3. The Company applies to Yuanta Bank for line of credit.	—	None	Approved by resolution of all attending Directors
	4. Report of the Company's 2023 Q2 consolidated and individual financial report.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	5. Changes to the 2023 budget plan.	—	None	Approved by resolution of all attending Directors
	6. Amendments to the 2023 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. Renewal of the "Liability Insurance for Directors and Important Personnel."	—	None	Approved by resolution of all attending Directors
	8. Distribution of surplus bonuses for first half of 2023.	—	None	Approved by resolution of all attending Directors
	9. Preferential retirement plan for managers of the	—	None	Approved by resolution

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
	Company's Taichung Branch.			of all attending Directors
	10. Changes in the managers of Taichung Branch.	—	None	Approved by resolution of all attending Directors
2023.09.21	1. The Company applies to Taiwan Shin Kong Commercial Bank for line of credit.	—	None	Approved by resolution of all attending Directors
	2. The Company plans to handle its second domestic unsecured convertible corporate bonds.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	3. Amendments to the Company's "Operating Principles for Unrestricted Purpose Lending and Borrowing" and "Operating Principles for Securities Lending and Borrowing."	—	None	Approved by resolution of all attending Directors
	4. The Company's new offering of "Securities Lending and Borrowing."	—	None	Approved by resolution of all attending Directors
	5. Amendments to the 2023 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	6. Amendment to the "Rules Governing the Appointment of Consultants" of the Company.	—	None	Approved by resolution of all attending Directors
	7. Continuing contract with consultants	—	None	Approved by resolution of all attending Directors
2023.11.02	1. The Company applies to Mega Bills for credit limits.	—	None	Approved by resolution of all attending Directors
	2. Report of the Company's 2023 Q3 consolidated financial report.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	3. Application for cooperation in promotion of products of other companies or provision of related services.	—	None	Approved by resolution of all attending Directors
	4. Formulation of the Company's "Environment Policy."	—	None	Approved by resolution of all attending Directors
	5. Promotion of the 2024 sustainable development and ESG plans	—	None	Approved by resolution of all attending Directors
2023.12.21	1. Application for commercial paper facilities from Ta Ching Bills Finance Corp. and KGI Bank.	—	None	Approved by resolution of all attending Directors
	2. Amendment to the "Procedures for Proprietary Trading of Foreign Securities by Proprietary Trading Department" and the "Regulations Governing Proprietary Trading of Securities by Proprietary Trading Department" of the Company.	—	None	Approved by resolution of all attending Directors
	3. Establishment of the "Notes for Establishment, Use and Control of Margin Accounts for Futures Customers."	—	None	Approved by resolution of all attending Directors
	4. Amendment to the Company's "Information Security Policy" and the "Hierarchy of Responsibility Table" of the Network Management Department, Operations Service Division.	—	None	Approved by resolution of all attending Directors

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
	5. Amendment to the Company's "Operating Rules for Trading of Stocks on Emerging Stock Market."	—	None	Approved by resolution of all attending Directors
	6. Amendments to the Company's "Fair Client Treatment Principles Strategy," "Compliance System," and "Hierarchy of Responsibility Table" of the Compliance Office.	—	None	Approved by resolution of all attending Directors
	7. Appointment of permanent legal adviser.	—	None	Approved by resolution of all attending Directors
	8. Amendments to the 2023 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	9. Formulating the Company's 2024 internal audit plan	—	None	Approved by resolution of all attending Directors
	10. New members of the Company's Sustainable Development Committee.	—	None	Approved by resolution of all attending Directors
	11. The promotion of the head of the Underwriting Department, Capital Market Division of the Company.	—	None	Approved by resolution of all attending Directors
2024.01.25	1. 2024 budget plan	—	None	Approved by resolution of all attending Directors
	2. The Company proposed to increase its investment in Taiwan Stock Exchange Corporation.	—	None	Approved by resolution of all attending Directors
	3. Amendments to the Company's "Operating Principles for Unrestricted Purpose Lending and Borrowing" and "Operating Principles for Securities Lending and Borrowing."	—	None	Approved by resolution of all attending Directors
	4. Amendments to the "General Principles of Risk Control."	—	None	Approved by resolution of all attending Directors
	5. Determining the overall 2024 risk appetite of the Company	—	None	Approved by resolution of all attending Directors
	6. Amendments to the 2023 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	7. Continuing contract with Yu-Hsiang Cheng as the Company's consultant	—	None	Approved by resolution of all attending Directors
	8. Distribution of surplus bonuses for second half of 2023.	—	None	Approved by resolution of all attending Directors
	9. 2023 Distribution of remuneration to employees	—	None	Approved by resolution of all attending Directors
2024.02.22	1. The Company's plan to add "Securities Dealers' Segregated Settlement Accounts."	—	None	Approved by resolution of all attending Directors
	2. Amendments to the "Rules of Authorization of Bonds Department"	—	None	Approved by resolution of all attending Directors
	3. Report of the Company's 2023 consolidated, individual financial report and Business report.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution

Date	Motion	Issues stated in Article 14-3 or 14-5 of the Securities and Exchange Act:	Independent Directors' opinions and the Company's response	Resolutions at the Board Meetings and Audit Committee Meetings
				of all attending Directors
	4. Company's 2023 profit distribution and cash dividend distribution.	—	None	Approved by resolution of all attending Directors
	5. Independence evaluation of the 2024 CPAs.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	6. The appointment of 2024 new CPAs and CPA fees.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
2024.03.07	1. Application for issuing commercial paper facilities from China Bills Finance Corporation.	—	None	Approved by resolution of all attending Directors
	2. The Company's application for credit limits from Shanghai Commercial and Savings Bank, King's Town Bank, and Bank SinoPac.	—	None	Approved by resolution of all attending Directors
	3. Proposal not to carry out capital increase by cash through private placement of shares before the end of the private placement approved at the Shareholders' Meeting in 2023.	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	4. Proposed to formulate the Company's 2023 "Statement on Internal Control" and "Statement on Internal Control of Anti-Money Laundering and Countering Terrorism Financing."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	5. Amendments to the 2023 "Internal Control Policies."	v	None	Approved by deliberation of Audit Committee members; Approved by resolution of all attending Directors
	6. 2023 Distribution of remuneration to Directors.	—	None	Approved by resolution of all attending Directors
	7. Time and date, and motions of 2024 Shareholders' Meeting.	—	None	Approved by resolution of all attending Directors
	8. 2024 Promotion and salary raise of President, chief of divisions, as well as rank 10 personnel, including Vice Presidents, Supervisors and above.	—	None	Approved by resolution of all attending Directors
2024.04.11	1. Amendments to the Company's "Fair Treatment of Customers Principle"	—	None	Approved by resolution of all attending Directors
	2. Amendment to "Audit Committee Charter" and "Rules of Procedure for Board of Directors Meetings"	—	None	Approved by resolution of all attending Directors
	3. Amendment to "Guidelines for Stakeholder Trading"	—	None	Approved by resolution of all attending Directors

3. The resolutions of 2023 Shareholders' Meeting and review on implementation

No.	Motion	Status
Reports		
1	2022 Business Report	Resolved after reported

No.	Motion	Status
2	Review of 2022 financial statements by the Audit Committee.	Resolved after reported
3	Report of the Company's private placement of common shares.	Resolved after reported
4	The execution status of the Company's first issuance of domestic unsecured convertible corporate bonds.	Resolved after reported
Proposals		
1	2022 Business Report and Financial Statements	Proceed as proposed
2	The Company's 2022 profit distribution.	Proceed as proposed
Discussions		
1	Offering new common shares through private placement for raising capital.	It was resolved at the 9th Board Meeting of the 16th Board on March 7, 2024 not to carry out capital increase by cash through private placement of shares before the end of the previous private placement.
2	Amendments to the "Articles of Incorporation."	The Company is operating in accordance with the amended Articles of Incorporation.
3	The Company's subsidiary Horizon Private Placement Equity Co., Ltd. (provisionally named, subject to change) is to serve as a common partner for the venture capital investment undertaking and private placement equity funds.	It is expected to be submitted in the second quarter of 2024.
Extemporary Motions: None.		

In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions passed at the Board Meeting during the most recent fiscal year and up to the date on which this Annual Report was printed, and the opinion was recorded or delivered in writing, please provide its main content: None.

(XII) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions passed at the Board Meeting during the most recent fiscal year and up to the date on which this Annual Report was printed, and the opinion was recorded or delivered in writing, please provide its main content: None.

(XIII) Summary of resignation or dismissal of the company's chairman, president, accounting manager(s), financial manager(s), internal audit manager(s), corporate governance manager(s) and R&D manager(s) during the most recent fiscal and up to the date on which the annual report was printed: None.

4. Information on CPA Professional Fees

Unit: NTD thousand

Name of accounting firm	Name of CPA	CPA inspection period	Auditing fee	Non-auditing fee	Total	Remarks
Ernst & Young Global Limited	James Huang	2023.01.01~ 2023.12.31	2,300	722	3,022	Non-audit public expenditures include tax attestation fees, undistributed surplus tax rectification fees, assurance service fees for sustainability reports, accountant's review opinions on the issuance of convertible bonds, and expenses for typing, photocopying, and binding financial reports
	Spencer Ma					

Please specify the service content of non-audit fees: (such as tax filing, assurance engagement, or other financial consulting services)

Note: If there is a change in CPAs or CPA firms, please specify the respective audit inspection periods, provide reasons for the change in the remarks, and disclose the auditing fees and non-audit fees paid accordingly. For non-audit fees, the service content shall be provided as footnotes.

Matters shall be disclosed in any of the following circumstances.

(I) In the event that the non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed.

For 2023, the Company's audit public expenditure was NT$2,300 thousand, and the non-audit public expenditure was NT$722 thousand. The ratio of non-audit to audit public expenditure was 31%. The non-audit services included tax attestation, undistributed surplus tax rectification, assurance service fees for sustainability reports, accountant's review opinions on the issuance of convertible bonds, and expenses for typing, photocopying, and binding financial reports.

(II) **In the event that the accounting firm has been changed and that the amount of audit fees paid during the fiscal year when the change occurs is lower than that paid during the previous fiscal year, the amounts decreased and percentage of decrease must be disclosed.**

N/A. No changing of accounting firm in 2023.

(III) **In the event that the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed.**

N/A. There are no such matters in 2023.

5. Information on Replacement of CPAs

N/A. No changing of CPAs in 2023.

6. Company chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal

Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent

(I) Share changes by directors, supervisors, managers, and major shareholders

Title	Name	2023		As of March 29 of the year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman	Ke-Chyn Jiang	—	—	—	—
Director	Cheng-Da Investment Consulting Co., Ltd.	—	8,000,000	—	—
Director	Chia-Hung Lee	—	—	—	—
Director	Jyun-De Li	—	—	—	—
Independent Director	HSIAO, CHEN-CHI	—	—	—	—
Independent Director	CHEN, YUH-JEN	—	—	—	—
Independent Director	Che-Ying Liaw	—	—	—	—
Independent Director	CHEN, MING-SHUN	—	—	—	—
Director and President	Jamie Lin	—	—	159,617	—
Vice President of Internal Auditing Office	Rogers Huang	(15,000)	—	—	—
Assistant Vice President of Internal Auditing Office	Hui-Wen Wu	—	—	—	—
Vice President of Risk Management Office	Vicki Chen	—	—	—	—
Senior Vice President of Compliance Office	Lillian Chen	—	—	—	—
Vice President of President's Office	Shao-Chen Chiang	—	—	—	—
Assistant Vice President of President's Office	John Jiang	(23,829)	—	—	—
Vice President of Finance Division	Chilli Hsieh	(27,000)	—	—	—
Assistant Vice President of Finance Division	Meng-Wei Lu	—	—	—	—
Vice President of Digital Products Division	Liang-Chen Chu	—	—	—	—
Assistant Vice President of Digital Products Division	Kuei-Ching Huang	—	—	—	—

Title	Name	2023		As of March 29 of the year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Assistant Vice President of Digital Products Division	Justine Lin	—	—	—	—
Vice President of Operations Service Division	Franco Jiang	26,439	—	(27,000)	—
Assistant Vice President of Operations Service Division	Joyce Lai	—	—	—	—
Assistant Vice President of Operations Service Division	Julie Sue	—	—	—	—
Senior Vice President of Proprietary Investment Division	May Lin	—	—	—	—
Vice President of Proprietary Investment Division	Alex Tsai	—	—	—	—
Senior Manager of Proprietary Investment Division	Lin, Chung-Yang	—	—	—	—
Senior Vice President of Capital Market Division	Gilbert Chang	—	—	—	—
Vice President of Capital Market Division	Lingc Huang	—	—	—	—
Vice President of Capital Market Division	Chih-Sung Jen	—	—	—	—
Vice President of Capital Market Division	Steven Wu	—	—	—	—
Senior Assistant Vice President of Capital Market Division	Christine Chang	—	—	—	—
Senior Assistant Vice President of Capital Market Division	Sophia Liu	—	—	—	—
Senior Assistant Vice President of Capital Market Division	Brian Chiu	—	—	—	—

Title	Name	2023		As of March 29 of the year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Senior Assistant Vice President of Capital Market Division	Rita Chen	—	—	—	—
Senior Assistant Vice President of Capital Market Division	Angela Lin	—	—	—	—
Senior Assistant Vice President of Capital Market Division	Alice Wang	127,524	—	—	—
Assistant Vice President of Capital Market Division	Wan-Ting Huang	—	—	—	—
Assistant Vice President of Capital Market Division	Hui-Wen Chang	—	—	—	—
Assistant Vice President of Capital Market Division	Jau-Jiun Yu	—	—	—	—
Assistant Vice President of Capital Market Division	Ya-Shan Wang	—	—	—	—
Assistant Vice President of Capital Market Division	Kuei-Wen Chao	—	—	—	—
Executive Vice President of Brokerage Division	Frank Liao	—	—	—	—
Senior Vice President of Brokerage Division	Maggie Chen	—	—	—	—
Vice President of Brokerage Division	Yung-Chi Yang	—	—	—	—
Vice President of Brokerage Division	Chia-Yi Lin	—	—	—	—
Senior Assistant Vice President of Brokerage Division	Mei-Chien Li	—	—	—	—
Assistant Vice President of Brokerage Division	Chen-Yu Yang	—	—	—	—

Title	Name	2023		As of March 29 of the year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Assistant Vice President of Brokerage Division	Ting-Cheng Chan	—	—	—	—
Assistant Vice President of Brokerage Division	Hsu, Ching-Hsuan	—	—	—	—
Assistant Vice President of Brokerage Division	Hsu Fu Chang	—	—	—	—
Assistant Vice President of Brokerage Division	Chiou-Fan Chen	—	—	—	—
Assistant Vice President of Brokerage Division	Chih-Chung Lee	(9,646)	—	—	—
Assistant Vice President of Brokerage Division	Joe Hu	—	—	—	—
Assistant Vice President of Brokerage Division	Ming-Che Tsai	—	—	—	—
Assistant Vice President of Brokerage Division	Pei-Shan Li	—	—	—	—
Assistant Vice President of Brokerage Division	Hui-Chun Yu	—	—	—	—
Assistant Vice President of Brokerage Division	Chun-Han Huang	—	—	—	—
Assistant Vice President of Brokerage Division	Shao-Ti Su	—	—	—	—
Assistant Vice President of Brokerage Division	Chin-Lung Chang	—	—	—	—
Assistant Vice President of Brokerage Division	Liang, Kung-Feng	—	—	—	—

Title	Name	2023		As of March 29 of the year	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Assistant Vice President of Brokerage Division	Wang, Chun-Yen	—	—	—	—
Assistant Vice President of Brokerage Division	Chen, Mei-Ling	—	—	—	—
Assistant Vice President of Brokerage Division	Shih, Hsing-Ying	—	—	—	—
Assistant Vice President of Brokerage Division	Liao, Tsui-Hua	—	—	—	—
Manager of Brokerage Division	Yu-Feng Sun	—	—	—	—

Note 1: Cheng-Da Investment Consulting Co., Ltd. term renewed on 2023.05.31.
Note 2: Ke-Chyn Jiang term renewed on 2023.05.31.
Note 3: Jyun-De Li term renewed on 2023.05.31.
Note 4: Chia-Hung Lee term expired on 2023.05.31.
Note 4: Chen-Chi Hsiao term renewed on 2023.05.31.
Note 5: Yuh-Jen Chen term renewed on 2023.05.31.
Note 6: Che-Ying Liaw term renewed on 2023.05.31.
Note 7: Ming-Shun Chen was newly elected on 2023.05.31.

(II) Information on share transfers: The counterparties of shareholding transfers are not related parties.

(III) Information on share pledges: The counterparties of share pledges are not related parties.

8. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another.

March 29, 2024

Name (Note 1)	Shareholdings		Shares held by spouse or minor children		Shares held in the name of others		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree (Note 3).		Remarks
	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Name	Relation	
Cheng-Da Investment Consulting Co., Ltd.	35,160,200	10.01%	0	-	0	-	None	None	-
Representative: Ke-Chyn Jiang	0	-	183,072	0.05%	800,000	0.23%	None	None	-
Mercury Fu Bao Co. Ltd. Representative: Hsien-Chang	21,503,160	6.12%	0	-	0	-	Mercuries Life Insurance Co. Ltd.	Same Parent Company	-

Wang									
	0	-	0	-	0	-	None	None	-
Chinatrust Commercial Bank special account for employees entrusted by Horizon Securities Representative: Jamie Lin	8,204,536	2.34%	0	-	0	-	None	None	-
	469,633	0.13%	0	-	0	-	None	None	-
Mercuries Life Insurance Co. Ltd. Representative: Chao-Hsi Weng	7,510,100	2.14%	0	-	0	-	Mercury Fu Bao Co. Ltd.	Same Parent Company	-
	0	-	0	-	0	-	None	None	-
Tsai-Chin-Kuei Lai	2,269,490	0.65%	0	-	0	-	None	None	-
Shih-Chien Tseng	2,093,000	0.60%	0	-	0	-	None	None	-
Citi Bank as a custodian for DFA Emerging Markets Investment Account	2,045,560	0.58%	0	-	0	-	None	None	-
Gao Jin Food Co., Ltd. Representative: Yen-Chang Li	1,713,305	0.49%	0	-	0	-	None	None	-
	0	-	0	-	0	-	None	None	-
Citibank as a custodian for Berkeley Capital SBL/PB investment account	1,692,108	0.48%	0	-	0	-	None	None	-
Chien-Shuang Wen	1,601,000	0.46%	0	-	0	-	None	None	-

Note 1: The Company's ten largest shareholders shall be listed. For institutional shareholders, the name and representative shall be listed separately.

Note 2: Shareholdings include the shareholding percentage held in his/her own name, in the name of spouses and minor children.

Note 3: The aforementioned shareholders 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.

9. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2023

Investee	Company's investment		Investment by directors/supervisors/managers and by companies directly or indirectly controlled by the Company		Total investment	
	Number of shares (shares)	Percentage of shareholding (%)	Number of shares (shares)	Percentage of shareholding (%)	Number of shares (shares)	Percentage of shareholding (%)
Horizon SICE Co., Ltd.	12,000,000	100.00	0	0	12,000,000	100.00
Horizon Venture Capital Co., Ltd.	60,000,000	100.00	0	0	60,000,000	100.00
Horizon Venture Management Co., Ltd.	2,000,000	100.00	0	0	2,000,000	100.00

Note: Investee accounted for under the equity method.

IV. Capital Overview

1. Capital and Shares

(I) Sources of capital

1. Sources of capital

May 8, 2024; Unit: thousand shares/NTD thousand

Year/month	Issue price	Authorized capital stock		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Property other than cash as substitute for share price	Others
Dec. 1961	10	99	990	99	990	Founding of the Company	—	—
Mar. 1965	10	600	6,000	600	6,000	Capital increase by cash NTD 5,010 thousand.	—	—
Feb. 1967	10	120	1,200	120	1,200	Capital reduction NTD 4,800 thousand.	—	—
Aug. 1971	10	200	2,000	200	2,000	Capital increase by cash NTD 800 thousand.	—	—
Feb. 1973	10	500	5,000	500	5,000	Capital increase by cash NTD 3,000 thousand.	—	—
Jun. 1977	10	1,000	10,000	1,000	10,000	Capital increase by cash NTD 2,365 thousand. Capitalization of earnings of NTD 2,635 thousand.	—	—
Sep. 1981	10	5,000	50,000	2,290	22,900	Capital increase by cash NTD 12,900 thousand.	—	—
Sep. 1986	10	5,000	50,000	4,580	45,800	Capitalization of earnings of NTD 2,290 thousand. Capital surplus transferred to capital NTD 20,610 thousand.	—	—
May. 1987	10	10,000	100,000	7,328	73,280	Capitalization of earnings of NTD 27,480 thousand.	—	—
Apr. 1989	10	40,000	400,000	25,300	253,000	Capital increase by cash NTD 179,720 thousand.	—	Note 1
Nov. 1989	10	135,000	1,350,000	105,000	1,050,000	Capital increase by cash NTD 797,000 thousand.	—	Note 2
Aug. 1991	10	135,000	1,350,000	110,250	1,102,500	Capital surplus transferred to capital NTD 52,500 thousand.	—	Note 3
Aug. 1992	10	135,000	1,350,000	121,275	1,212,750	Capitalization of earnings of NTD 110,250 thousand.	—	Note 4
Aug. 1994	10	135,828	1,358,280	135,828	1,358,280	Capitalization of earnings of NTD 145,530 thousand.	—	Note 5
Nov. 1994	10	250,000	2,500,000	176,000	1,760,000	Capital increase by cash NTD 401,720 thousand.	—	Note 6
Jun. 1995	10	250,000	2,500,000	207,680	2,076,800	Capital increase by cash NTD 316,800 thousand.	—	Note 7
Oct. 1996	10	300,000	3,000,000	262,500	2,625,000	Capital increase by cash NTD 548,200 thousand.	—	Note 8

Year/month	Issue price	Authorized capital stock		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Property other than cash as substitute for share price	Others
Oct. 1997	10	600,000	6,000,000	450,000	4,500,000	Capital surplus transferred to capital NTD 78,750 thousand. Capitalization of earnings of NTD 347,250 thousand. Capital increase by cash NTD 1,449,000 thousand.	—	Note 9
Jun. 1998	10	600,000	6,000,000	540,000	5,400,000	Capital surplus transferred to capital NTD 135,000 thousand. Capitalization of earnings of NTD 765,000 thousand.	—	Note 10
Jul. 2005	10	600,000	6,000,000	324,000	3,240,000	Capital reduction NTD 2,160,000 thousand.	—	Note 11
Jul. 2005	10	600,000	6,000,000	359,700	3,597,000	Capital increase by cash NTD 357,000 thousand. (Note 15)	—	Note 12
Aug. 2005	10	600,000	6,000,000	400,785	4,007,850	Capital increase by cash NTD 410,850 thousand. (Note 15)	—	Note 13
Sep. 2005	10	600,000	6,000,000	430,000	4,300,000	Capital increase by cash NTD 292,150 thousand. (Note 15)	—	Note 14
Apr. 2008	10	600,000	6,000,000	429,900	4,299,000	Capital reduction NTD 1,000 thousand.	—	Note 16
Apr. 2010	10	600,000	6,000,000	456,839	4,568,388	Capital increase through merger NTD 269,388 thousand. (Note 17)	—	Note 17
Jul. 2013	10	600,000	6,000,000	444,839	4,448,388	Capital reduction NTD 120,000 thousand.	—	Note 18
Jan. 2014	10	600,000	6,000,000	426,839	4,268,388	Capital reduction NTD 180,000 thousand.	—	Note 19
Apr. 2016	10	600,000	6,000,000	414,881	4,148,808	Capital reduction NTD 119,580 thousand.	—	Note 20
Aug. 2016	10	600,000	6,000,000	405,001	4,050,008	Capital reduction NTD 98,800 thousand	—	Note 21
Jan. 2017	10	600,000	6,000,000	387,001	3,870,008	Capital reduction NTD 180,000 thousand.	—	Note 22
Mar. 2017	10	600,000	6,000,000	380,001	3,800,008	Capital reduction NTD 70,000 thousand.	—	Note 23
Aug. 2017	10	600,000	6,000,000	370,001	3,700,008	Capital reduction NTD 100,000 thousand.	—	Note 24
Nov. 2017	10	600,000	6,000,000	368,233	3,682,328	Capital reduction NTD 17,680 thousand.	—	Note 25
Dec. 2018	10	600,000	6,000,000	362,501	3,625,008	Capital reduction NTD 57,320 thousand.	—	Note 26
Mar. 2019	10	600,000	6,000,000	358,001	3,580,008	Capital reduction NTD 45,000 thousand.	—	Note 27
Jul. 2019	10	600,000	6,000,000	355,001	3,550,008	Capital reduction NTD 30,000 thousand.	—	Note 28
Nov. 2019	10	600,000	6,000,000	350,501	3,505,008	Capital reduction NTD 45,000 thousand.	—	Note 29

Year/month	Issue price	Authorized capital stock		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Property other than cash as substitute for share price	Others
Mar. 2020	10	600,000	6,000,000	347,001	3,470,008	Capital reduction NTD 35,000 thousand.	—	Note 30
Apr. 2020	10	600,000	6,000,000	338,201	3,382,008	Capital reduction NTD 88,000 thousand.	—	Note 31
Jul. 2020	10	600,000	6,000,000	332,501	3,325,008	Capital reduction NTD 57,000 thousand.	—	Note 32
Oct. 2020	10	600,000	6,000,000	330,817	3,308,168	Capital reduction NTD 16,840 thousand.	—	Note 33
Dec. 2021	10	600,000	6,000,000	331,369	3,313,694	Converted from bonds 552,655 shares (Note 34)	—	Note 34
Aug. 2022	10	600,000	6,000,000	351,252	3,512,516	Capitalization of earnings of NTD 198,822 thousand.		Note 35

Note 1: (78) Tai-Cai-Zheng-(1) Letter No. 00834 dated Apr. 19, 1989 from Securities and Exchange Commission (SEC).
Note 2: (78) Tai-Cai-Zheng-(1) Letter No. 29486 dated Nov. 22, 1989 from SEC.
Note 3: (80) Tai-Cai-Zheng-(1) Letter No. 21274 dated Aug. 20, 1991 from SEC.
Note 4: (81) Tai-Cai-Zheng-(1) Letter No. 60928 dated Aug. 11, 1992 from SEC.
Note 5: (83) Tai-Cai-Zheng-(1) Letter No. 34190 dated Aug. 11, 1994 from SEC.
Note 6: (83) Tai-Cai-Zheng-(2) Letter No. 46207 dated Nov. 25, 1994 from SEC.
Note 7: (84) Tai-Cai-Zheng-(2) Letter No. 36293 dated Jun. 21, 1995 from SEC.
Note 8: (85) Tai-Cai-Zheng-(2) Letter No. 58366 dated Oct. 7, 1996 from SEC.
Note 9: (86) Tai-Cai-Zheng-(2) Letter No. 71501 dated Oct. 9, 1997 from Securities and Futures Institute (SFI).
Note 10: (87) Tai-Cai-Zheng-(2) Letter No. 47380 dated Jun. 1, 1998 from SFI.
Note 11: (94) Jin-Guan-Zheng-(2) Letter No. 0940130809 dated Jul. 26, 2005 from Financial Supervisory Commission (FSC).
Note 12: Jing-Shou-Shang Letter No. 09401152510 dated Aug. 8, 2005 from Ministry of Economic Affairs (MEA).
Note 13: Jing-Shou-Shang Letter No. 09401181740 dated Sep. 15, 2005 from MEA.
Note 14: Jing-Shou-Shang Letter No. 09401196090 dated Oct. 6, 2005 from MEA.
Note 15: Private placement at issue price of NTD 7. Effective retrospectively upon Jin-Guan-Zheng-Quan Letter No. 0980055273 dated Oct. 21, 2009 from FSC, and renewed on Nov. 9, 2009.
Note 16: Repurchase of 100 thousand shares in the period Dec. 2007 to Feb. 2008. Capital reduction by share repurchase completed in Apr. 2008.
Note 17: Capital increase by issuance of 26,938,775 common shares through merger with Forwin Securities. Effective upon Jin-Guan-Zheng-Quan Letter No. 0980064331 dated Dec. 9, 2009.
Note 18: Jing-Shou-Shang Letter No. 10201135540 dated Jul. 12, 2013 from MEA.
Note 19: Jing-Shou-Shang Letter No. 10301005160 dated Jan. 10, 2014 from MEA.
Note 20: Jing-Shou-Shang Letter No. 10501071250 dated Apr. 13, 2016 from MEA.
Note 21: Jing-Shou-Shang Letter No. 10501201510 dated Aug 17, 2016 from MEA.
Note 22: Jing-Shou-Shang Letter No. 10601002770 dated Jan. 10, 2017 from MEA.
Note 23: Jing-Shou-Shang Letter No. 10601039930 dated Mar. 27, 2017 from MEA.
Note 24: Jing-Shou-Shang Letter No. 10601115860 dated Aug. 16, 2017 from MEA.
Note 25: Jing-Shou-Shang Letter No. 10601157860 dated Nov. 20, 2017 from MEA.
Note 26: Jing-Shou-Shang Letter No. 10701157310 dated Dec. 22, 2018 from MEA.
Note 27: Jing-Shou-Shang Letter No. 10801030230 dated Mar. 25, 2019 from MEA.
Note 28: Jing-Shou-Shang Letter No. 10801080340 dated Jul. 8, 2019 from MEA.
Note 29: Jing-Shou-Shang Letter No. 10801161310 dated Nov. 11, 2019 from MEA.
Note 30: Jing-Shou-Shang Letter No. 10901031140 dated Mar. 09, 2020 from MEA.
Note 31: Jing-Shou-Shang Letter No. 10901064860 dated Apr. 23, 2020 from MEA.
Note 32: Jing-Shou-Shang Letter No. 10901132830 dated Jul. 27, 2020 from MEA.
Note 33: Jing-Shou-Shang Letter No. 10901198320 dated Oct. 20, 2020 from MEA.
Note 34: Jing-Shou-Shang Letter No. 11001228310 dated Dec. 10, 2021 from MEA.
Note 35: Jing-Shou-Shang Letter No. 11101152550 dated Aug. 16, 2022 from MEA.

2. Share category

May 8, 2024; unit: thousand shares

Share category	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	351,252	248,748	600,000	

3. If the company adopts the shelf registration method for the raising and issue of common corporate bonds, relevant information concerning the approved amount, projected total issue amount, and the already issued total amount shall be disclosed: N/A.

(II) Shareholder Structure

March 29, 2024

Shareholder Structure / Quantity	Government agencies	Financial institution	Other juridical persons	Individual	Foreign institutions and foreign persons	Total
No. of person(s)	-	1	203	65,229	64	65,497
No. of shares held	-	7,510,100	70,992,399	261,534,118	11,214,978	351,251,595
Percentage of shareholding	-	2.14%	20.21%	74.46%	3.19%	100.0%

Note: Primary exchange-listed and primary OTC-listed companies and emerging stock market-listed company at emerging stock market shall disclose the percentage of their shares held by investment from Mainland China. As defined in Article 3 of the "Regulations Governing Permission for People of the Mainland Area to Invest in Taiwan," investment from China refers to any individual, juristic person, organization, or other institution of the Mainland Area, or any company it invests in any third area.

(III) Status of shareholding distribution

March 29, 2024

Level of holding	No. of shareholders	No. of shares held	Percentage of shareholding
1 – 999	41,020	2,875,653	0.82%
1,000 – 5,000	15,707	32,324,750	9.20%
5,001 – 10,000	3,831	26,370,773	7.51%
10,001 – 15,000	1,827	21,222,230	6.04%
15,001 – 20,000	698	12,308,535	3.50%
20,001 – 30,000	876	20,822,054	5.93%
30,001 – 40,000	435	14,973,380	4.26%
40,001 – 50,000	245	11,040,662	3.14%
50,001 – 100,000	464	31,976,043	9.10%
100,001 – 200,000	237	32,046,317	9.12%
200,001 – 400,000	98	27,159,318	7.73%
400,001 – 600,000	26	12,370,549	3.52%
600,001 – 800,000	8	5,360,388	1.53%
800,001 – 1,000,000	6	5,604,000	1.60%
1,000,001 and above (divide into different levels as required)	19	94,796,943	26.99%
Total	65,497	351,251,595	100.00%

(IV) List of major shareholders

March 29, 2024

Shareholding / Names of major shareholders	No. of shares held	Percentage of shareholding
Cheng-Da Investment Consulting Co., Ltd.	35,160,200	10.01%
Mercury Fu Bao Co. Ltd.	21,503,160	6.12%
Chinatrust Commercial Bank special account for employees entrusted by Horizon Securities	8,204,536	2.34%
Mercuries Life Insurance Co. Ltd.	7,510,100	2.14%
Tsai-Chin-Kuei Lai	2,269,490	0.65%
Shih-Chien Tseng	2,093,000	0.60%
Citi Bank as a custodian for DFA Emerging Markets Investment Account	2,045,560	0.58%
Gao Jin Food Co., Ltd.	1,713,305	0.49%
Citibank as a custodian for Berkeley Capital SBL/PB investment account	1,692,108	0.48%
Chien-Shuang Wen	1,601,000	0.46%

(V) Information on the market price, net value, earnings, and dividends per share in the most recent two years

Unit: thousand shares; NTD thousand

Items \ Year			2022	2023	As of Mar. 31, 2024 (Note 2)
Market price per share (Note 3)	Highest		19.30	13.90	12.95
	Lowest		8.64	8.49	10.05
	Average		14.03	11.33	11.83
Net value per share (Note 4)	Before dividend distribution		12.91	13.49	13.98
	After dividend distribution		12.91	13.24	(Note 1)
Earnings per share	Weighted average shares (thousand shares)		351,252	351,252	351,252
	Earnings per share (Note 5)		(0.63)	0.51	0.65
Dividends per share (NTD)	Cash dividends		-	0.25	(Note 1)
	Stock dividends	Retained earnings	-	(Note 1)	(Note 1)
		Capital reserve	-	(Note 1)	(Note 1)
	Accumulated undistributed dividends (Note 6)		-	-	(Note 1)
Return on investment	P/E ratio (Note 7)		N/A	22.13	(Note 2)
	P/D ratio (Note 8)		N/A	45.30	(Note 1)
	Cash dividend yield (%) (Note 9)		N/A	2.21	(Note 1)

Note 1: Distribution of cash dividends has not been approved by the Shareholders' Meeting.
Note 2: The net value per share and earnings per share as of Mar. 31, 2024 has been audited by the CPAs.
Note 3: The table listed highest and lowest market price per share of common stock for each year, and the average market price of each year is calculated based on the annual actual transaction value and volume.
Note 4: Fill in the information on the basis of the outstanding shares as of the end of the year and the resolution of the Board or Shareholders' Meeting in the next year for distribution.
Note 5: If retrospective restatement is required due to stock dividends, EPS both before and after adjustment shall be stated.
Note 6: If the unpaid dividends equity securities of the current year are qualified to be accumulated and paid until in the year of earnings, the dividends unpaid as of the current year should be disclosed separately.
Note 7: Price/Earnings ratio = Yearly average closing price / Earnings per share.
Note 8: P/D ratio = Average closing price per share of the current year / cash dividend per share.
Note 9: Cash dividend yield = Cash dividends per share / average closing price per share for the current fiscal year.

(VI) Dividend policy of the company and implementation status

1. Dividend policy

If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. Independent Directors). However, profits must first be taken to offset against cumulative losses if any. The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees. The employee compensation may be distributed in the form of cash or shares, and may be distributed to employees including the qualified employees of the Company's subsidiaries. The Directors' remuneration shall be distributed only in the form of cash.

When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings. The allocation shall not be subject to the above if the amount of accumulated legal capital reserve has reached the amount of the paid-in capital of the Company. The Company shall also set aside a certain amount of profit as special

reserve in accordance with the laws and regulations. Besides the amount retained for business needs, the distribution may shall be determined by the Board with reference to the operational status of the Company. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the shareholders' meeting for resolution before distribution.

As stipulated by Paragraph 5 of Article 240 of the Company Act, the Company may distribute the distributable dividends in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors.

Taking into consideration the future growth of operation scale and diversified development of businesses, the Company shall appropriate no less than 50% of the total distributable profit as dividends. However, the Company may be exempt from distribution of dividends in cases where accumulated distributable profit is less than 10% of paid-in capital. Stock dividends shall be no more than 50%, and cash dividends shall be no less than 50% of the total distributable dividends. However, the Company may adjust the percentage thereof and the percentage of distributable earnings depending on the Company's business development and capital requirement.

2. Dividend distribution proposed at the current shareholders' meeting:

   As stipulated in Paragraph 2, Article 24 of the Articles of Incorporation, the Company authorizes the Board to determine whether to distribute all or partial cash dividends and bonuses in the form of cash and report the resolutions to the shareholders' meeting. The Company's Board of Directors resolved on February 22, 2024 to distribute a cash dividend of NT$87,812,899 to shareholders. Based on the number of issued shares outstanding, each shareholder will receive a cash dividend of NT$0.25 per share (rounded down to the nearest NT dollar). Any remaining fractional amounts that are less than NT$1 will be transferred to the company's employee welfare committee without compensation. The Chairman of the Board was authorized to determine the record date for cash dividend distribution, the payment date, and other related matters. If, prior to the record date for dividend distribution, the number of outstanding shares is affected due to the Company's share buyback or transfer of treasury shares, conversion of convertible corporate bonds, or any other increase or decrease in shares, resulting in a change in the dividend ratio per share, the Board of Directors shall handle the related matters accordingly.

3. When there is an anticipated significant change in the dividend policy, the Company should provide explanation thereto.

   As of the printing date of this Annual Report there is no anticipated significant change in the dividend policy.

(VII) The influence of the bonus shares issuance proposed at the current shareholders' meeting on the operation performance and EPS of the Company.

The Company did not prepare the financial forecast of 2024. This rule is not applicable in this context.

(VIII) Remuneration to Employees, Directors, and Supervisors

1. Percentages or ranges with respect to the remuneration to employees, Supervisors, Directors as set forth in the company's Articles of Incorporation:

   If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. Independent Directors). However, profits must first be taken to offset against cumulative losses if any. The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees.

2. The basis for estimating the amount of remuneration to employees, Directors, and Supervisors, for calculating the number of shares to be distributed as remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   As stipulated in the Articles of Incorporation, the Company shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration. For 2023, the remuneration to directors was NT$5 million and the remuneration to employees was NT$5 million. The actual amount paid is consistent with the annual estimated amount recognized as expenses.

3. Information on any approval by the Board of Directors of distribution of remuneration:

   (1) The amount of any employee remuneration distributed in cash or stocks and remuneration for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year, these expenses are recognized, and the discrepancy, its cause, and the status of treatment shall be disclosed:

   For 2023, the remuneration in cash distributed to directors is NT$5 million and the remuneration in cash distributed to employees is NT$5 million. The actual amount paid is consistent with the annual estimated amount recognized as expenses.

   (2) The amount of stock dividend paid to employees as employee remuneration, as a percentage to the sum of the net income as stated in the individual financial statements and the total remunerations to employees:

   The Company has not proposed to distribute employee remuneration in the form of stocks for the year 2023, so this does not apply.

4. The actual distribution of remuneration to employees, directors, and supervisors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if any, discrepancy between the actual distribution and the recognized remuneration to employees, directors, or supervisors; additionally, the discrepancy, cause, and how it is treated:

   There were no estimated remunerations to employees and directors as the Company was operating at a loss for the year 2022.

(IX) Share repurchases:

1. Share repurchases (repurchase completed): None.

May 8, 2024

No. of repurchase	
Purpose	
Repurchase period	
Price range	
Type and no. of shares repurchased	
Monetary amount of shares repurchased	
No. of repurchased shares as a percentage of proposed share repurchase (%)	
No. of shares retired or transferred.	
Accumulated no. of shares held	
Accumulated no. of shares held as a percentage of the total issued shares (%)	

2. Share repurchases (repurchase in process): None.

May 8, 2024

No. of repurchase	th
Purpose	—
Type of shares to be repurchased	—
Ceiling on total monetary amount of the repurchase	—
Planned period for the repurchase	—
No. of shares to be repurchased	—
Price range of the shares to be repurchased	—
Type and no. of shares repurchased	—
Monetary amount of shares repurchased	—
No. of repurchased shares as a percentage of proposed share repurchase (%)	—

2. Corporate Bonds (Incl. overseas bonds):

(I) As of the printing date of this Annual Report, the status of the Company's corporate bonds are as follows:

Type of corporate bonds	First domestic unsecured convertible corporate bond
Issue date	Jun. 11, 2021
Face value	NT$100,000 each, with a of NT$700,000,000.
Issue price	117.8% of par
Total issue amount	NT$ 824,581,730
Interest rate	0%
Tenure	5 years. Maturity date: 2026.06.11
Guarantor	None
Trustee	KGI Bank
Underwriter	KGI Securities
Legal Counsel	N/A
Auditor	N/A
Repayment	The Company makes bullet repayment by cash within 5 working days of the maturity date of the bonds, unless the bondholders converts the bonds into the Company's common shares in accordance with Article 10 of the Regulations Governing Issuance and Conversion of Bonds, the Company puts a bond in accordance with Article 19, or the Company calls and cancels a bond through securities firm in accordance with Article 18.
Outstanding	NT$ 605,000,000

Type of corporate bonds		First domestic unsecured convertible corporate bond
Redemption or early repayment clause		Please refer to the Regulations Governing Issuance and Conversion of Bonds
Restrictions		None
Credit rating agency, date of credit rating, credit rating		None
Other rights of bondholders	As of the printing date of the annual report, the amount of converted or exchanged common shares, ADRs or other securities	NT$ 10,600,000
	Issuance and conversion (exchange or subscription) right	In accordance with the Company's first domestic unsecured convertible corporate bond.
Dilution effects and other adverse effects on existing shareholders due to the issuance and conversion, exchange or subscription, issuance terms of the bonds		Based on the current conversion price, NT$15.22, if all outstanding convertible bonds are converted into common shares, there will be a dilution rate of 11.31%. The effect on shareholders' benefits and rights is limited.
Custodian		N/A
Buyback and cancellation: As of the publication date of the annual report, the Company bought back and canceled shares at a total face value of NT$95,000,000. The total face value of bought-back to be cancelled is $0.		

Type of corporate bonds	Second domestic unsecured convertible corporate bond
Issue date	January 5, 2024
Face value	NT$100,000 each, with a total of NT$600,000,000.
Issue price	101.36% of par
Total issue amount	NT$ 608,160,270
Interest rate	0%
Tenure	5 years. Maturity date: January 5, 2029
Guarantor	None
Trustee	KGI Bank
Underwriter	KGI Securities
Legal Counsel	N/A
Auditor	N/A
Repayment	The Company makes a bullet repayment by cash at 102.5251% (yield to maturity at 0.5%) of the face value within 10 working days of the maturity date of the bonds, unless the bondholders convert the bonds into the Company's common shares in accordance with Article 10 of the Regulations Governing Issuance and Conversion of Bonds, the Company puts a bond in accordance with Article 19, or the Company calls and cancels a bond through a securities firm in accordance with Article 18.
Outstanding	NT$ 600,000,000
Redemption or early repayment clause	Please refer to the Regulations Governing Issuance

Type of corporate bonds		Second domestic unsecured convertible corporate bond
		and Conversion of Bonds
Restrictions		None
Credit rating agency, date of credit rating, credit rating		Fitch Australia, Taiwan Branch
Other rights of bondholders	As of the printing date of the annual report, the amount of converted or exchanged common shares, ADRs or other securities	None
	Issuance and conversion (exchange or subscription) right	In accordance with the Company's second domestic unsecured convertible corporate bond
Dilution effects and other adverse effects on existing shareholders due to the issuance and conversion, exchange or subscription, issuance terms of the bonds		Based on the current conversion price, NT$10.7, if all outstanding convertible bonds are converted into common shares, there will be a dilution rate of 15.96%. The effect on shareholders' benefits and rights is limited.
Custodian		N/A

(II) Information of corporate bond conversion

Type of corporate bonds (Note 1)		First domestic unsecured convertible corporate bond	
Items \ Year		2023	As of the printing date of this Annual Report (Note 4)
Market price of the bonds (Note)	Highest	99.25	99.8
	Lowest	94.15	98.25
	Average	97.15	107.11
Conversion price		15.54	15.22
Issue date and conversion price		Date: Jun. 11, 2021 Conversion price on issue date: NT$ 19.6/share	
Conversion obligation (Note 3)		Issuance of new shares	

Type of corporate bonds (Note 1)		Second domestic unsecured convertible corporate bond	
Items \ Year		2023	As of the printing date of this Annual Report (Note 4)
Market price of the bonds (Note)	Highest	99.25	120.9
	Lowest	94.15	97.6
	Average	97.15	107.11
Conversion price		—	10.70
Issue date and conversion price		Date: Jan. 5, 2024 Conversion price on issue date: NT$ 10.92/share	
Conversion obligation (Note 3)		Issuance of new shares	

Note 1: Columns may be added according to the number of times of conversion

Note 2: If foreign corporate bond has more than one transaction location, please list the transactions according to locations.

Note3: Delivering already issued shares, or issuance of new shares.

Note 4: Please provide information of the year and as of the printing date of the annual report.

3. **Preferred Shares:** The Company has not issued any preferred shares.
4. **Global Depository Shares:** The Company does not have any global depository shares.
5. **Employee Stock Options and New Restricted Employee Shares:** The Company has not issued any employee stock options and new restricted employee shares.
6. **Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:** None.
7. **Implementation of the Company's Capital Allocation Plans:**

(I) The content and implementation of the plans for previous issuance of securities

1. The capital utilization plan for the domestic 1st series unsecured convertible bonds issued in 2021 has been completed on schedule. The details as of the date of publication of the annual report are as follows:

Unit: NTD thousand

Name of corporate bonds	Issue amount	Issue date	Purpose	Proposed capital use	Actual capital used
Horizon Securities first domestic unsecured convertible corporate bond in 2021	700,000,000	110.06.11	Replenishment of operating capital / repayment for borrowings	Q2 2021	Completed on June 11, 2021 as scheduled

2. The capital use plan of the Company's second domestic unsecured convertible corporate bond in 2024, and the execution status thereof:

Unit: NTD thousand

Projects	Expected completion date	Capital amount required	Proposed capital use	
			Q1 2024	Q2 2024
Replenishment of working capital	Q1 2024	8,160	8,160	—
Repayment of the principal of the resale rights exercised by the holders of the 1st domestic unsecured convertible corporate bonds	Q2 2024	600,000	—	600,000
Total		608,160	8,160	600,000

(II) Incomplete previous private placement of securities, or completed but no reasonable benefit is derived from the plan in the most recent 3 years: None.

V. Operating Highlights

1. Business Activities

(I) Business scope

1. The principal businesses of the Company:
   (1) Undertaking the trading of securities at centralized securities exchange market and its operating sites.
   (2) Trading securities at centralized securities exchange market and its operating sites.
   (3) Underwriting securities
   (4) Registrar agent for securities
   (5) Handling businesses regarding margin purchase and short sale.
   (6) Undertaking the overseas trading of securities
   (7) Handing business regarding short-term bills
   (8) Handling futures brokerage business
   (9) Handling futures proprietary trading business
   (10) Handling futures consulting business
   (11) Other businesses approved by the competent authority

2. Current products (services) and that as a percentage to total business amount:

Unit: NTD thousand

Principal business	2022		2023	
	Operating income	%	Operating income	%
Brokerage business	715,538	104.92	804,351	65.86
Underwriting business	168,507	24.71	160,684	13.16
Proprietary trading business	(191,406)	(28.07)	248,849	20.38
Others (Note)	(10,673)	(1.56)	7,303	0.60
Total	681,966	100.00	1,221,187	100.00

Note: Mainly consists of the evaluation gains or losses on the options of the issuance of convertible bonds, and the evaluation of reversal gains on expected credit impairment loss, and profit or loss on foreign exchange.

3. The principal products (services) of the Company:

Services	Main purpose or functions
Brokerage Dept. & Branches	. Undertaking the trading of securities at centralized securities exchange market and its operating sites. . Handling businesses regarding margin purchase and short sale. . Businesses regarding centralized custody and transfer of securities. Handing businesses regarding securities settlements. . Undertaking application service for public lottery of share underwriting. . Handling futures brokerage business.

Services	Main purpose or functions
	. Undertaking the sales of beneficiary certificates, other securities and financial products. . Undertaking the trading of emerging stocks.
Proprietary Trading Department	. Trading securities at centralized securities exchange market and its operating sites. . Trading of futures related products in the futures markets. . Taking due responsibility as a propriety trader to balance the supply and demand in the market, playing the role of market creator with underwriters.
Futures Proprietary Trading Department	. Handling futures proprietary trading.
Derivatives Investment Department	. Issuing and promoting call (put) warrants . R&D and trading share derivatives. . R&D, issuing, selling and trading various new financial products.
Bonds Department	. Handling matters regarding the offering planning, reverse auctions, and sales of bonds and securities. . Trading bonds on the primary and secondary markets, and handling matters thereof. . Developing and promoting derivatives products. . Capital movement of New Taiwan dollars. . Financial management of fixed income products.
Capital Market Division	. Guiding public companies listings on TPEx and TWSE, as well as underwriting capital increase for TPEx- and TWSE-listed companies . Providing consulting services for issuance and offering of securities. . Providing consulting services for planning and execution of the privatization of government-owned enterprises. . Providing planning and execution consultation services for enterprises. . Private placement of securities. . Providing consulting services for reorganization, strategic reconstruction. . Providing consulting services for venture investment plans, financial analysis and post-investment management. . Handling proprietary trading of emerging stocks. . Planning and managing brokerage businesses for emerging stocks.
Registrar Agency Department	. Serving as registrar agent in handling share related matters of public companies. . Serving as proxy agents for shareholder meeting proxy.

4. Proposed development of new products (services) and improvements to E-platforms for transactions.
   (1) Continuation of the co-development of building order placement App and PC platform for AI-selected Taiwan stock/programming strategy/intelligent analysis, by utilizing machine learning and deep learning technologies to increase accuracy and efficiency of share selection.
   (2) Continuation the optimizing Horizon online account opening system, increased

the number of digitally connected banks to facilitate the opening of settlement accounts, and provided a comprehensive account opening function.

(3) Continuation the optimization of order placement MultiCharts system for securities and futures, to facilitate the speed of order placement through customers' self-built programs or built-in programs.

(4) Continuation of enhancing various digital transaction platforms, and optimization according to the needs of customers in order to increase transaction efficiency and customer satisfaction.

(5) Continuation of optimizing the content of the Horizon Securities' social media groups, including FB, IG and YouTube, updating "experience sharing from investment experts," in order to provide customer with all rounded knowledge on financial management.

(6) Continuation of the optimization of customer-use re-consignment (incl. US stock, HK stock, and bond markets) E-platform, and order placement functions and accounting functions to increase customers' order placement efficiency.

(7) Optimization of Horizon Securities mobile application. Customers may utilize AI strategy and tokens to select personalized shares strategically. Also, with instant push notification, of buying and selling information, customers may place orders without watching the price at all times.

(8) Creating the ledger settlement services, providing customers with more settlement options, so as to allow customers to place orders at Horizon Securities without a bank account.

(9) Optimization of dollar-cost averaging transaction platform services, allowing average salaried workers to participate in investment with more ease.

(10) To establish a two-way securities lending platform, providing customers with the ability to apply for two-way securities lending qualifications, and conduct two-way securities lending transactions, thereby enhancing customers' operational performance and optimizing asset allocation.

(11) Establishment of Mobile ID identity verification system. Through this system, customers applying for relevant businesses can easily complete identity verification on an online platform without burdensome paperwork, and thus increased the efficiency and convenience.

(II) Status of the industry

1. Status and development of the industry

Under the trend of globalization, Taiwan's securities market continues to move towards liberalization and internationalization. Moreover, as the government has been vigorously encouraging securities firms to develop into larger entities, integrated securities firms or multi-service securities firms that combine brokerage, underwriting, and proprietary trading businesses have gradually become the main development focus of the securities service industry, owing to their better market risk management capabilities and multi-faceted customer services. According to the data provided by the Financial Supervisory Commission (FSC), in December 2023, there was a total of 102 securities firms, and 828 branches in Taiwan. Among them, 35 are integrated securities firms, 4 brokerage and proprietary trading firms, 6 brokerage and underwriting firms, 16 proprietary trading and underwriting firms, 22 brokerage firms, 19 proprietary trading firms and no underwriting firms. The statistics clearly shows that the securities firms are integrating large-scale securities firms or complex securities firms. On the other hand, due to the trend of Fintech and increasing use of e-transactions in recent years, the FSC approved that for the optimization of operating locations of securities firms, the branches may provide only wealth management services and need not set up facilities regarding brokerage business, in the aim to decrease the operational costs of securities firms. Also, the securities firms are allowed to sub-lease their operating locations to lessors of other industries. This not only helps to increase customer flow, but also adds to extra income.

Since the 21st century, with the increasing degree of globalization, the trend of borderless assets around the world has become more prominent, leading to an increasingly intense competitive environment faced by the securities industry. With corporate fundraising methods becoming increasingly diversified, in addition to traditional methods such as issuing stocks, corporate bonds, and commercial papers, companies can also raise funds through overseas channels like issuing overseas corporate bonds, global depository receipts, and listing shares on foreign securities markets. This satisfies their funding needs for business development. Furthermore, in line with the government's New Southbound Policy, the Financial Supervisory Commission has been actively promoting the "Counseling Taiwanese Businesses to Raise Funds through Domestic Capital Markets" program. By encouraging Taiwanese businesses to list on the domestic stock market, it aims to enhance the internationalization of Taiwan's capital market, increase investment options for the general public, and revitalize the domestic capital market. Driven by these diverse fundraising methods and policy incentives, the market demand for securities underwriters' counseling services will increase accordingly. Moreover, with continuous financial product innovation, the gradual opening of cross-strait financial services, accelerated consolidation and cross-industry alliances among domestic financial institutions, cross-selling, and the expansion of investment banking services, the business operations of domestic securities firms will become more diversified, enabling them to provide more professional and comprehensive products and services to investors. Additionally, factors such as the opening of international financial markets, rapid information dissemination, and diversification of investment instruments have made economic trend analysis and investment portfolio selection more complex, driving investors' growing demand for professional consultancy services. This demand has simultaneously led to the continued expansion of the securities industry. In the future, the enterprises and investors are expected to have higher demand for information regarding securities, and thus demand for services provided by securities firms will so increase.

Number of Securities Firms in the Most Recent Five Years

Year/month	Total securities firms		Securities brokers	Propriety traders	Underwriters
	Headquarters	Branch Offices			
Dec. 2019	106	853	71	75	58
Dec. 2020	105	848	70	74	58
Dec. 2021	105	849	70	74	58
Dec. 2022	105	849	69	74	59
Dec. 2023	102	828	67	74	57

Source: Key indicators of securities and futures market, FSC, Dec. 2023

(1) Trading market

Products traded on the Taiwan Exchange Market are mainly stocks, beneficiary certificates, government bonds and corporate bonds. Among them, stocks are the well-known and understood investment instruments in Taiwan. The domestic stock market is categorized into three types based on the listing standards for stocks. Stocks listed and traded on the Taiwan Stock Exchange are referred to as the centralized market. The Taiwan Stock Exchange is responsible for reviewing listing applications from domestic and foreign companies and supervising their daily operations. It is the most important stock trading venue in Taiwan. In recent years, to encourage companies with core technologies, innovation capabilities, or innovative business models to enter the capital market for fundraising, the Taiwan Stock Exchange has established the "Taipei Exchange Innovation Board" (hereinafter referred to as the Innovation Board) within the centralized market, following the practices of major international capital markets. This allows qualified investors to assist companies in raising funds and highlighting their corporate value. Additionally, to meet the fundraising needs of companies that do not meet the listing standards, the government has established the over-the-counter (OTC) market, operated by the Taiwan Stock Exchange Corporation, which is responsible for reviewing listing applications from domestic and foreign companies and supervising their daily operations. Furthermore, to provide an official, secure, and transparent stock trading market for publicly issued companies that are not listed or traded on the OTC market, and to incorporate the trading of unlisted and non-OTC stocks into an institutionalized management system, the government has established the Emerging Stock Market. The trading center for this market is located within recommending securities firms, and transactions are conducted either through direct negotiation between clients and recommending securities firms or through securities brokers who negotiate with recommending securities firms. As the abovementioned markets are three different exchange markets with three different risks of transactions, providing enterprises and investors with diverse choices of investments.

Moreover, in addition to the existing exchange market, the government has put forth the for-capital-raising-only "Go Incubation Board for Startup and Acceleration Firms (equity-based crowd-funding)" and "Innovation Venture Fund," initiated jointly by ten major peripheral financial institutions, including TWSE, Taiwan Futures Exchange, TPEx, Taiwan Depository & Clearing Corp., Securities and Futures Institute, Taiwan Securities Association, Securities Investment Trust & Consulting Association, Chinese National Futures Association, National Credit Card Center, and Joint Credit Information Center.

These institutions raised capital funds for start-ups through investment. The program was launched on Mar. 3, 2017 in order to encourage liberation and internationalization of the financial activities and in response to the policies supporting development of innovative and creative micro-enterprises and vitalizing the capital market.

Additionally, under the diversified development of ETF products on the Taiwan Stock Exchange and the Taipei Exchange, as well as cooperation with overseas markets, various products have been launched tracking the Shanghai and Shenzhen stock markets in China, the Nikkei index in Japan, the S&P 500 index in the U.S., and the Hang Seng index in Hong Kong. The range of products has expanded from traditional market capitalization and thematic ETFs to foreign, leveraged/inverse, and futures-based ETFs, leading to active trading. In 2023, as ETFs replaced individual stocks in the trend of investing for the long-term, investing in high-dividend ETFs became a nationwide activity. Also, with retail investors' expectations that the Fed would end its rate hike cycle, inflows into bond ETFs contributed to the assets under management of Taiwanese stock ETFs and bond ETFs reaching new highs of NT$1.4 trillion and NT$2.0 trillion, respectively, pushing the overall ETF market size to NT$3.9 trillion. Furthermore, in light of the rapid development of financial market globalization, the FSC continued to promote new financial products. In order to expand the business scope of the securities firms, the FSC, taking into account international practices, authorized the securities firms' issuance of Exchange Traded Note (ETN) in 2019, so as to fulfill the investors' need for diverse products.

From the changes in total trading values in the centralized and OTC markets over the past five years, it is evident that in recent years, factors such as natural disasters and geopolitical events, including COVID-19, the U.S.–China rivalry, the Russia–Ukraine war, and the Israel–Palestine conflict, have impacted the international political, economic, and financial environments. Furthermore, between 2022 and 2023, the repeated interest rate hikes announced by the U.S. Federal Reserve led foreign investors, who play a crucial role in the Taiwanese stock market, to withdraw their funds in pursuit of higher returns, resulting in significant fluctuations in the total trading value of the securities market. To respond to global changes, the Financial Supervisory Commission has been continuously adjusting the supervisory regulations and systems for TWSE/TPEx listed companies based on international situations. By promoting initiatives such as information security, financial technology, green finance, corporate governance, and capital markets, the FSC aims to enhance the development blueprint of the financial market. Therefore, once the global economy returns to normal, the prosperous development of Taiwan's capital market should be anticipated.

Total Trading Volume in the Securities Market in the Most Recent Five Years

Unit: NTD billions

Year	2019	2020	2021	2022	2023
TWSE					
Stock	26,464.63	45,654.29	92,289.97	56,080.59	63,170.25
ETF	2,080.52	2,838.64	2,454.48	2,938.09	3,454.32
ETN	1.99	5.57	13.58	4.06	4.14
Closed end funds	0.00	0.00	0.00	0.00	0.00

Year	2019	2020	2021	2022	2023
Beneficial Securities	10.02	11.55	5.31	9.43	36.58
Call (Put) Warrants	497.09	509.20	681.15	531.21	531.65
TDR	2.40	163.29	72.51	10.36	9.25
Subtotal	29,056.65	49,182.54	95,517.00	59,573.74	67,206.19
TPEx					
Stock	7,607.48	12,087.07	20,275.96	14,878.66	16,847.45
Call (Put) Warrants	145.44	154.60	177.41	133.74	171.80
ETF	854.03	415.35	241.06	228.16	1,237.04
ETN	0.66	1.95	8.58	1.93	1.02
Bonds	44,677.05	40,604.16	29,171.37	29,956.55	29,461.27
Subtotal	53,284.00	53,263.13	49,874.38	45,199.04	47,718.58
Total	82,341.31	102,445.67	145,391.38	104,772.78	114,924.77
TAIEX	11,997.14	14,732.53	18,218.84	14,137.69	17,930.81

Source: Key indicators of securities and futures market, FSC, Dec. 2023 and trading information, Taiwan Stock Exchange Corp., Dec. 2023.

(2) Primary market

With Taiwan's thriving economy, the domestic securities market was also growing. As of Dec 2023, there are 918 domestic TWSE-listed companies, 79 TWSE primary listed foreign companies with a total capital of NTD 7,638.8 billion, 786 domestic TPEx-listed companies, 30 foreign TPEx primary listed companies with a total capital of NTD 757.91 billion. The number of listed companies is still increasing year by year. On the other hand, there were 828 non-listed companies (incl. emerging stock companies) with a total capital of NTD 1,381.96 billion as of Dec. 2023. This shows that there is still room for more companies to be listed on the TWSE and TPEx markets. Moreover, the monetary amount scale of financing activities, including cash capital increase and issuance of convertible corporate bonds of the TWSE/TPEx-listed companies are also at a significant level. Therefore, whether companies seek to raise funds in the public market through the guidance of securities underwriters in applying for stock listings or over-the-counter trading, or whether they are already listed or traded over-the-counter companies raising funds through the issuance of securities in the public market, these activities enable the stable development of the securities business.

Number of TWSE/TPEx-Listed Companies and their Total Capital in the Most Recent Five Years

Unit: NTD billions

Year/month	TWSE-listed company		TPEx-listed company	
	Number of companies	Total capital	Number of companies	Total capital
Dec. 2019	942	7,155.64	775	746.66
Dec. 2020	948	7,238.36	782	742.24
Dec. 2021	959	7,385.29	788	760.86
Dec. 2022	971	7,499.90	808	742.03
Dec. 2023	997	7,638.80	816	757.91

Source: Key indicators of securities and futures market, FSC, Dec. 2023

Benefiting from the prosperous development of international trade, driven by the internationalization and liberalization of financial markets, companies are no longer limited to listing on the stock exchanges of their countries of establishment or operation. Instead, companies can evaluate and select the trading market that is most favorable for their operational development to list their shares. Currently, most global stock exchanges are developing towards becoming international fundraising platforms. Taiwan is strategically located in the core area of the world economy. It neighbors China, the second-largest economy, to the west, Japan, the third-largest economy, to the north, and is separated from the United States, the world's largest economy, by the Pacific Ocean to the east. To the south are the ten ASEAN countries and India. With this exceptional geographic environment, Taiwan serves as the optimal gateway for multinational corporations to enter the Asian market, making it the premier choice for corporate fundraising and strategic deployment.

Cash Capital Increase, Issuance of Corporate Bonds and TDR in the Capital Market

Unit: NTD billions

Year	Cash capital increase by TWSE-listed company (Note 1)	Cash capital increase by TPEx-listed company (Note 1)	Issuance of ordinary corporate bonds	Issuance of convertible (exchangeable) bonds (Note 2)	TDR	Total	Total percentage growth (%)
2019	157.46	23.13	1,901.20	118.61	5.83	2,206.23	2.18
2020	109.81	33.19	2,350.56	133.82	14.34	2,641.72	19.74
2021	216.69	36.39	2,716.96	148.83	10.24	3,129.11	18.45
2022	240.15	35.18	2,826.59	182.87	8.00	3,292.79	5.23
2023	164.41	44.24	3,239.80	208.81	9.65	3,666.91	11.36

Source: Key indicators of securities and futures market, FSC, Dec. 2023

Note 1: Actual financing monetary amount with completion date as the reference date.

Note 2: Monetary issuance amount of corporate bonds with warrants

Summary of Funds Utilization of Domestic Capital Raising Plans of Public Company

Purpose	2021	2022	2023
	As a percentage of total (%)	As a percentage of total (%)	As a percentage of total (%)
Repayment of borrowings	48.49	40.08	43.29
Expansion of factory equipment	30.90	29.92	17.91
Replenishment of working capital	15.03	26.18	34.32
Investment in other companies	3.88	3.37	4.40
Merger	1.58	0.00	0.00
Others	0.12	0.45	0.08
Total	100.00	100.00	100.00

Source: Press release by FSC on Feb. 1, 2024

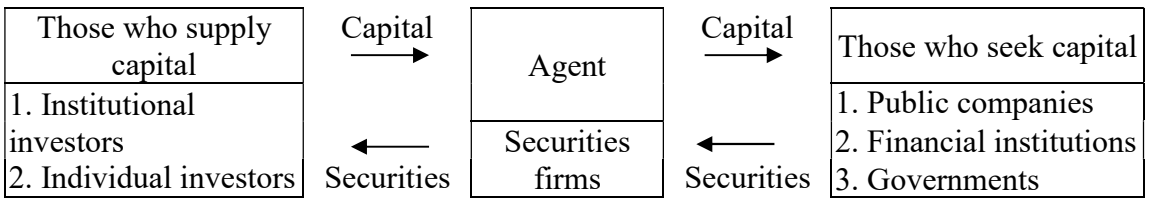
From the statistics provided by the Securities and Futures Bureau of the Financial Supervisory Commission, in 2019, the ongoing U.S.–China trade dispute brought significant uncertainties that greatly impacted the global capital markets. As a result, Taiwanese businesses overseas actively adjusted their strategic deployments, and international capital continued to shift and move, affecting the flow of funds in the domestic capital market. Consequently, the domestic corporate fundraising market performed relatively weakly. During 2020 to 2022, under the impact of the COVID-19 pandemic sweeping across the globe, the world economy struggled. However, due to Taiwan's successful pandemic control, as the pandemic transformed lifestyles and the stay-at-home economy emerged, orders for computer and peripheral products unexpectedly surged, prompting many electronics companies to raise funds through bond issuances to purchase additional machinery and expand their facilities to meet business demands. In 2023, as inventory adjustments neared completion and the markets for artificial intelligence and high-performance computing remained robust, numerous companies rushed to raise funds through various channels to secure a head start in the market and reserve momentum for future development. According to the content of the news release by the Securities and Futures Bureau of the Financial Supervisory Commission on February 1, 2024, in 2023, the primary purpose for publicly issued companies to conduct domestic cash capital increases and issue corporate bonds remained debt repayment. However, the proportion of funds used for expanding plant and equipment decreased, while the proportion for replenishing operating capital increased compared to 2022. This indicates that in the face of a relatively slow global economic recovery, companies will focus on product and technology development to reduce potential losses from slow inventory turnover.

In Taiwan, issuing ordinary corporate bonds has been the main method for enterprise fundraising. In the last 5 years, the total monetary amount issued reached 80% of the entire financing market. The second common financing method is cash capital increase and issuance of convertible corporate bonds. The monetary amount of issued convertible bonds have been very stable in recent years, but cash capital increase is prone to fluctuations due to the overall economic environment and stock markets.

2. Association between upstream, midstream, and downstream industry participants:

The securities market is the connecting bridge between those who seek capital (such as public companies, financial institutions, and governments) and those who supply capital (such as individual investors, institutional investors). In this case, enterprises raise capital from investors directly at a reasonable price to enhance their financial robustness. With the growth of enterprises, investors enjoy not only capital gains but also dividends, creating a win-win situation between both parties.

The securities market, serving as the connecting bridge between the two parties, channels social funds and savings of the general public to effective investment. Thus, there is no distinct structure of upstream, midstream, and downstream industry participants. The supply and demand of capital can be illustrated as follows:



3. Development trends and competition among products:

(1) Brokerage business

With increasing economy and financing cross-strait interactions and comprehensiveness of laws, regulations and supporting measures, the domestic securities market is anticipating more investments from abroad, which brings positive effect on the mid/long-term growth of the domestic capital market. Our brokerage business upholds its principles of passion and professionalism in serving its clients. With the Company's advantage of R&D in the field of investment, we offer the most comprehensive services and research reports to attract domestic and foreign institutions and professional investment institutions to the stock market, thereby encouraging the growth of our brokerage business.

Currently, the brokerage business has 10 operating locations. In 2023, in the centralized exchange market and Taipei Exchange Market, our brokerage share was 0.59% and Brokerage per Branch was 0.059%. The brokerage business focuses on profitability. With complete brokerage business system and well-trained back-end staff, we provide our sales personnel with the best business platform allowing each branch to have it opportunity in creating profits. Thus, the current key emphasis of the brokerage business is to perk up the profitability of each operating locations in phases. Based on the business philosophy of strengthening and expanding the operating scale of its brokerage business, the Company continues to seek out for potential securities firms as merger targets. Moreover, the Company has a diverse order placement platform for investors. Through providing clients with the fastest and most convenient order placement services, we anticipate that the overall competitiveness of our brokerage business may be improved.

(2) Underwriting business

As the Taiwanese economy grows and the competitiveness within the industry heightens, enterprises have a burgeoning demand for capital for robust operation and sustainable development. Moreover, with the loosening of securities and finance related laws and regulations and surging trading volume in the secondary market, the primary market has matured in aspects including business types or acceptance from the investors. As the financing environment becomes well developed, the enterprises are experiencing a growing reliance on direct access to capital through the capital markets.

In recent years, in order to grasp the opportunity of the global supply chain restructuring and turn Taiwan into a key force in the global economy, the Executive Yuan has approved the following on May 21, 2021 to include information and digital industries, cybersecurity excellence industries, Taiwan's precision health industries, green and renewable energy industries, national defense and strategic industries, and strategic stockpile industries into the "Six Core Strategic Industries Promotion Programs." However, the aforementioned companies in the six major industries are mostly loss-making or have no revenue in the early stage of establishment. In order to connect with the international market and implement national policies, the Stock Exchange has launched the Taiwan Innovation Board to encourage companies with key core technologies and innovative capabilities or innovative business models to raise funds in the capital market. The Taiwan Innovation Board intends to help enterprises raise capital and expand operations through comprehensive financing channels. While fully supporting the industrial development strategy promoted by the government, it drives domestic economic development. In addition, in order to expand the scale of the domestic capital market, the competent authorities not only visit

domestic companies as much as possible, but also actively seeks investment overseas to encourage quality companies to list on the TWSE/TPEx. Affected by geopolitical factors and cost-effectiveness, Taiwanese companies in China are gradually considering relocation of bases, while Taiwanese companies in Southeast Asia are looking for business expansion. Taiwan Stock Exchange has been developing business in Taiwan and China for years, and devoted to strengthening services of the new Southbound Market. Therefore, under the comprehensive consideration of Taiwan's relatively complete listing mechanism, Taiwan Stock Exchange should be the best fund-raising partner for Taiwanese companies to transform and develop. In conclusion, as the competent authority actively promotes various policies to enhance international competitiveness, and enterprises seek the goal of sustainable development, the domestic underwriting business is expected to usher in further growth in the future.

As of the date of publication of the 2023 and 2024 annual reports, the Company has completed the convertible corporate bonds of Cyber Power Systems, Inc., the organizer, capital increase of Career Technology MFG, convertible corporate bonds of TUL Corp., and domestic delivery of Alchip-KY DR to Taiwan. The capital increase by Faraday Technology, the organizer, has been approved by the Securities and Futures Bureau, and the underwriting is in progress. As for the IPO, the Company has organized and advised Thaixon Tech-KY on the primary listing of common stock and listing of ELTA Technology on the Innovation Board. The listing of UnicoCell on the Innovation Board was approved by the Board of Directors of TWSE, and the underwriting is in progress. In addition to the aforementioned information, the Company has also successfully completed the share swap and acquisition of Subtron Technology Co., Ltd. by Unimicron Technology Corporation, the share swap and acquisition of StrongLED-KY by Tons Lighting, and the public acquisition of the common shares of Entrepreneur by Xxentria Chi Co., Ltd. These fully demonstrated the Company's highly integration and professional ability to provide comprehensive capital market services and assist enterprises for robust development.

(3) Proprietary trading business

Propriety trading refers to investments in the domestic centralized exchange market with private capital. As profitability is highly sensitive to the fluctuation on the market, risk management is thus more important than optimizing profits. With the diversification and internationalization of trading environment, in order to expand its business, the proprietary trading focuses on better understanding in the current corporate operation status and improve the timeliness and the integrity of information. Moreover, how to scale down the risk exposure and to ensure completion of transactions through prudent planning and adoption of relevant risk management measures are also an indispensable part of the proprietary trading business.

(4) Futures proprietary trading business

The Taiwan Futures Exchange has launched a few new products in recent years. The products not only serve as diverse investment instruments, but also help internationalize the futures markets, as well as offering more investment and hedging options. While planning and implementing dynamic price banding mechanism and risk control policies, we also strengthened the market risk control and stability.

Besides hedging and control of investment risks, futures proprietary trading business is devoted to the development of more innovative trading strategies.

Under acceptable risk limits, we aim to boost the Company's proprietary trading profit, and to create more profitability opportunities for our clients.

(5) Bonds business

We focus on the analysis on the macro-economy and corporate management, and look into factors causing fluctuations in interest rates. At the same time, we also study new interest products, and do not miss out on any opportunities to make profit from interest products, in order to grasp the market interest fluctuation and corporate management performance, thereby optimizing the proprietary performance of bonds and convertible bonds.

(III) Technology and R&D: N/A. The Company is a securities firm.

(IV) Long/Short-Term Business Development Plan

1. Short-term business development plan
   (1) Building order placement App and PC platform for AI-selected Taiwan stock/programming strategy/intelligent analysis.
   (2) Optimization of Horizon online account opening system, opening of settlement account connected to the Bank, and addition of reconsignment settlement banks, to provide a comprehensive account opening function.
   (3) Building order placement MultiCharts system for securities and futures, to facilitate the speed of order placement through customers' self-built programs or built-in programs.
   (4) Optimizing and launching new version of official site in the social community, Line@, and building new functions for order placement and strategic stock selection.
   (5) Optimizing of various platforms based on customer needs.
   (6) Building customer-use reconsignment (incl. US and HK markets) E-platform and order placement functions.
   (7) Improving the content, updating "experience sharing from investment experts" on official websites on FB, IG and YouTube, in order to provide customers with all-round knowledge on financial management.
2. Long-term business development plan:
   (1) Increasing the market share of our brokerage business, actively developing new domestic and overseas institutional clients, and improving communication platform, in order to provide all-round services.
   (2) Seeking opportunities for overseas strategic alliance, developing network for sales and services for the global Chinese capital market.
   (3) Emphasizing on interest rate analysis, further studying new interest rate products, utilizing all opportunities to make profits from interest products, and building relative sales channels for interest rate related products.
   (4) Developing bond strategic trading mechanism.
   (5) Organizing and co-organizing business work for clients, focusing on clients' requests.
   (6) Reinforcing cooperation with investment and R&D department, seeking corporates with potential in the emerging market.
   (7) Strengthening the potential of the R&D team and improving R&D quality to optimize profitability of investment portfolio.
   (8) Identifying accurately the trend of the market and level of risk to improve the Company's contribution to EPS.

(9) Reducing operating costs and increasing operating revenue.

(10) Strengthening risk control and improving operating performance.

(11) Enhancing process transformation and increasing work efficiency, in order to perfect back-end support and facilitate smooth operation of the Company and various business units.

(12) Continuing to develop wealth management business and expand the market share of the undertaking of the overseas trading of securities.

2. Analysis of the Market as well as Production and Marketing Situation

(I) Market analysis

1. Regions where the main products (services) are provided (supplied)

We are a professional integrated securities firm, with main business focus on brokerage, proprietary trading and underwriting securities as well as providing registrar agent service for public companies. We serve the general investors, institutional investors, public companies as well as approved professional investment institutes and individuals. The domestic market is the main service region of the Company.

2. Market share

2023 Brokerage service fees received by the Company and market share by regions:

Region	Brokerage service fees (NTD thousand)	Market share (%)
Northern Taiwan	426,613	0.39%
Central & Southern Taiwan	189,361	0.16%
Eastern Taiwan	63,937	0.04%
Total	679,911	0.59%

3. Demand and supply conditions for the market in the future:

(1) Supply

The domestic securities firms are facing rising pressure from the dominating large-scale securities firms and increasing market shares from overseas securities firms. However, with the competent authorities' loosening of laws and regulations regarding securities finance firms, and their approval of new financial products, there is an increase in the types of products that are sold in the domestic securities market. Thus, the services and products the securities firms are able to provide are more comprehensive and diverse. Especially since the competent authorities allowed securities firm brokers to handle wealth management trusts, securities firms may expand their wealth management service scope. In recent years, the government has been eagerly promoting the liberation and internationalization of securities markets. This has increased the willingness of domestic enterprises to raise capital in overseas markets, and also extended securities firms' service regions.

(5) Demand

With the development of new financial products and the diversifying market, the concept for financial management in the domestic securities market is also changing. The traditional share sale and purchase has been replaced by multifaceted wealth management, and share brokerage business is no longer the main source of income of securities brokers. Services of non-brokerage trading

orders are increasing and becoming the focus of the future securities firm development. In the face of the ever-changing trading environment and trading instruments, the securities firms must proactively provide more professional and profound wealth management services in order to satisfy clients' needs. With the increasing cross-strait interaction in the securities markets, the domestic securities firms have a chance to extend their businesses into the China market, which is more profitable.

4. The Company's competitive niche:
   (1) The changes and uncertainty caused by the trend of consolidation in the securities industry are beneficial to our hiring of talents and development of new clients.
   (6) Under the intense market competition, small-scale securities firms are facing difficulties of survival, while large-scale securities firms are suffering from excess operating locations. Therefore, it is our niche to expand through mergers and acquisitions.
   (7) We insist on upholding our professionalism as a securities firm. With our flexible and practical business model and the absence of cross-marketing between securities firms under a finance holding company, we are blessed to focus on attracting outstanding talents in this business.
   (8) The managerial officers are also the Company's major shareholders, and thus the Company weighs opinions from both the Company's and the employees' perspectives. This is exceptionally beneficial to attracting new talents.
   (9) The improvements in the brokerage trading system and informatization of administrative work, increased the efficiency of our business operation.
   (10) With the rapid growth of underwriting and registrar businesses, we have a wider range of business opportunities.
   (11) Unlike other mid/small-scale securities firms that have restricted businesses, we have balanced development in all areas. We are able to satisfy the multifaceted needs of clients in the capital market, without the rigidness and bureaucratic structure of large-scale securities firms.
   (12) Our major shareholder, Mercuries & Associates Holding, Ltd., has plentiful resources to provide us for extra growth potential.
5. Positive and negative factors for future development:
   (1) Positive factors
      A. Business model:
         a. Professional team led leadership; professional knowledge-based decision making.
         b. Clear and defined chain of command; flexible and efficient operation.
         c. Sales personnel are not responsible for cross-selling, which is beneficial to the dismissal of processionals and improvement of quality.
         d. No cross-marketing requirements from the parent company which is a finance holding company. The Company may choose financial products that are more profitable to customers, and customize more effective wealth management plans according to clients' needs.
      B. Major shareholder (Mercuries & Associates Holding, Ltd.):
         a. Positive corporate image; plentiful corporate business resources.
         b. Major shareholder and managerial officers of the Company have a total

shareholding of 21.46%, showing a robust management structure.

c. Affiliated companies include medium/large life insurance companies (Mercuries Life Insurance). We work closely yet independently with our affiliates. We enjoy business resources no less than that of subsidiaries of financial holding companies, but without the intervention, restrictions or cumbrance from a financial holding company.

C. Operating team:

a. Committed to the capital market, we have a huge customer base.

b. Our team members have been working with each other for a long time. They share the same philosophy and have excellent cooperation.

c. A total shareholding of 13.20% in the Company; high level of coherence and stability.

(2) Negative factors

A. In recent years, the influence of geopolitics on the global semiconductor manufacturing industry has been increasing. Taiwan is easily affected by the technology sector, energy and homeland security, and ESG policies. Negative news has affected investors' trading sentiment, resulting in low market turnover.

B. Cut-throat horizontal competition; price war on the service fees.

C. Domestic industry shifting to overseas; demand in domestic capital market nearing saturation.

(3) Response to such factors

A. We are proactively developing new businesses, and with optimizing investment R&D and institutional investment services, we plan to develop institutional investment services as it has higher profitability.

B. We prudently select our core client group based on available resources, and we differentiate ourselves from our peers through timely services provided by our professional and well-trained teams. In this way, we can steer away from a resource war with major finance groups, while establishing our own niche market through service word-of-mouth.

C. By providing multifaceted professional wealth management planning service, we will proactively develop new clients while reinforcing loyalty of current clients through sound management, clear business model, professional and experienced management team.

(II) Usage and manufacturing processes for the company's main products

1. Usage for the company's main products or services:

Main services:	Major purpose
Brokerage business	Undertaking the trading of securities in centralized securities exchange market and over-the-counter market, reconsignment of overseas securities, and brokerage of domestic futures and options.
Underwriting business	Assisting issuers' offering and issuing of securities, application for company listing, or financial consultation. We serve as an investing bank.
Proprietary trading business	Trading securities in the centralized securities exchange market, over-the-counter market and securities exchange market. We are not only responsible for the Company's profit but also the stability of the share prices and the balance of demand and supply in the market.

2. Manufacturing processes: The Company belongs to the securities service industry. There are no manufacturing processes.

(III) Supply situation for the company's major raw materials: N/A.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the two most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

The Company is a company providing securities related services. Our operating income consists of mainly brokerage fees from general investors, underwriting fees, and service fees from public companies. Besides the above, the Company's income also includes profits from the Proprietary Trading Department and Underwriting Department from securities trading. The source of the Company's income is dispersed, and income from each individual client accounts for only a small proportion of the total operating income. Thus, it is not possible to identify the top ten clients to whom the Company has the highest sales volume. Also, there is no procurement of raw materials. Thus, not applicable.

(V) Production volume for the two most recent fiscal years: N/A.

(VI) Volume of units sold for the two most recent fiscal years N/A.

(VII) Industry-specific Key Performance Indicators (KPIs):

By business	2021		2022		2023	
	Value	Ranking	Value	Ranking	Value	Ranking
Brokerage market share	0.65%	21	0.63%	21	0.59%	20
Electronic transaction market share	0.55%	28	0.55%	29	0.52%	28
Financing market share	1.14%	Note 1	1.12%	Note 1	1.31%	Note 1
Futures market share	0.19%	24	0.21%	24	0.21%	22
Options market share	0.12%	23	0.16%	21	0.13%	21
Underwriting market share	28	17	27	18	20	23
Bonds market share	0.53%	35	0.11%	57	0.49%	39

Note 1: The Company undertake businesses for securities lending/borrowing.

3. Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including Percentage of Employees at Each Level)

Year		2022	2023	As of Feb. 29, 2024
No. of employees	Management personnel	71	72	72
	Ordinary staff	443	453	453
	Total	514	525	525
Average age		46	47	48
Average seniority		10.82	11.05	11.18
Education background (%)	PhD	0.00%	0.00%	0.00%
	Master	13.62%	12.95%	12.76%
	College graduate	71.98%	73.14%	73.34%
	High school	14.40%	13.90%	13.90%
	Below high school	0.00%	0.00%	0.00%

4. Disbursements for Environmental Protection

: As of the printing date of this Annual Report, there is no matter of losses due to environmental pollution in the year 2023.

5. Labor Relations

(I) Compensation and benefits

The Company has established the "Articles of Incorporation," "Work Rules," "Salary Management Measures," and regulations governing bonuses for related businesses, as well as a legal and reasonable compensation and benefit system. The Company comprehensively cares for all employees, and continues to improve the Company's compensation and benefit system. We aim to develop into a company with leading remuneration and benefits in the same industry.

1. Compensation system

The Company has established the salary structure according to position and job rankings. The employees' salaries are higher than the minimum standards of the Labor Standards Act. The Company determines the salary adjustment rate every year based on its operating conditions and the annual consumer price index (CPI) while referring to the salary levels in the same industry, and the employee salary adjustment rate is around 1% to 4%.

Employee compensation and surplus bonus are distributed based on the Company's overall profit and earnings, and employee compensation and surplus bonus are distributed with reference to the performance of each unit and individual performance. There are separate bonus regulations for Company's salespersons and traders, and bonuses are given based on the performance of the Company's future risk adjustments.

2. Employee benefits

(1) In addition to the compulsory basic insurance as stipulated by the laws and regulations related to the Labor Standards Act, the Company provides various welfare superior to the requirement of laws for our employees. This shows that we value each and every employee of ours. Details as follows:

A. A total 12 days of sick leave and family leave every year.

B. Free fidelity insurance for all employees, eliminating the cumbersome process of seeking a corporate or personal guarantor.

C. Provide health examination by external high-quality health centers and health management for our employees.

D. Hire visually impaired masseurs and masseuses to provide stress-relieving massages for employees to relieve their stress at a discounted price in a comfortable therapy room with equipment offered by the Company.

(2) Current employee benefits:

A. Besides the compulsory Labor insurance and National Health Insurance, the Company also takes out life insurance, group medical and cancer insurances for our employees. The Employee Welfare Committee takes out group accident insurance for the employees, in order to ensure them an overall protection. We aim to be our employees' strongest support, and thus spend more than NTD 1 million on insurance expenses annually.

B. Starting July 2012, the Company launched the employee stock ownership trust plan. Participating employees deposit a portion of their monthly salary to the trust account, and on the other hand the Company appropriates a certain amount as incentives to purchase company shares. The aim is to encourage employees to build saving habits in a long-term and stable manner, grow with the Company, and assist them with their retirement plan.

C. We signed a service contract with Hess International Educational Group, that provides nursery care for the children of our employees.

D. The Company sets aside a certain percentage of profit as remuneration to employees. When the Company conducts cash capital increase, a certain percentage shall be retained for the employees to subscribe.

(3) Established the Employee Welfare Committee to handle matters related to employee benefits:

A. Cash gifts for wedding, births or religious parades, such as NTD 5,000 gift money for weddings, NTD 2,000 for employees' children's weddings, NTD 10,000 for new babies.

B. NTD 1,000 bonus for Labor Day, NTD 1,000 PX Mart voucher for birthdays.

C. NTD 3,000 subsidy for employee group tour.

D. NTD 1,000 to 20,000 daily medical subsidy when hospitalized.

E. NTD 3,000 grant for in-service bachelor program per semester and NTD 4,000 grant for in-service master program per semester, to encourage our employees to pursue further studies.

F. Employees are encouraged to set up cultural, recreational and recreational clubs. New clubs will be provided with subsidy of NT$20,000. The annual activity subsidy for clubs will also be capped at NT$20,000.

G. Disaster relief at a maximum of NTD 30,000 per case.

H. Gifts or cash gifts on Dragon Boat Festival, Mid-Autumn Festival and Spring Festival depending on the Company's earnings.

I. The average benefit expense for all employees in 2023 was $1,288 thousand.

3. Retirement system and implementation:

(1) Pension appropriation amount and pension account

Since securities firms are covered by the Labor Standards Act starting Mar. 1, 1998, the Company formulated Regulations Governing Retirement and established the Retirement Reserve Fund Supervising Committee to supervise operations regarding pension appropriation. Upon approval by the competent authorities, the Company appropriated 2.9% of employees' base salary to the pension account in Bank of Taiwan on a monthly basis before Jun. 2001. Since Jun. 2001, the Company raised the appropriation rate to 3.4%; Apr. 2002, 3.7%; Mar. 2003, 3.8%; Aug. 2005, 2%.

Currently, the Company appropriates pensions to the pension account on a monthly basis. As of end of Feb. 2024, the Company had appropriated a total of NTD 67,579,186.

(2) Retirement

A. Voluntary retirement

(A) Workers who attain the age of 55 and have worked for more than 15 years.

(B) Workers who have worked for more than 25 years.

(C) Workers who attain the age of 60 and have worked for more than 10 years.

B. Compulsory retirement

(A) Workers who attain the age of 65 but approved by the Company to continue their service for at most 3 years.

(B) Workers who are mentally ill or are unable to perform their duties due to disability.

(3) Since the launch of the "Labor Pension Act" on Jul. 1, 2015, the Company's standards for workers' pension payment are as follows:

A. For employees, who opted for the pension system of the "Labor Standards Act" and who are subject to the pension system of the "Labor Pension Act," with employment starting date starting before Jul. 1, 2005, their seniority before they are subject to the acts: Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The retirement pension base shall be one month's average wage of the worker at the time when his or her retirement is approved.

B. For employees, who opted for the pension system of the "Labor Pension Act," with employment starting date starting after Jul. 1, 2005, their seniority before they are subject to the acts: The Company appropriates 6% of employees' month salary to the pension reserve fund on a monthly basis.

(II) Employee training and career development

The Company conducts employee training and development plans in accordance with the "Education and Training Management Regulations." The training plan is compiled based on the Company's annual operating plan and the functional evaluation of employees in various units. to improve employee productivity and the Company's business performance.

The Company values employee performance appraisal and career development, and accepts performance appraisal every year, which is used as the basis for promotion and salary adjustment. The Company established an internal digital e-learning platform (e-learning) in June 2008, and the internal lecturer system was introduced in March 2010. Since 2011, the Company has been stipulating a minimum of 10 hours of training per

annum, which is linked to performance appraisals. The Company won the bronze medal in the 2014 Talent Quality-Management System (TTQS) evaluation on the effectiveness of the training.

Training courses are divided into internal and external training based on the organizer. Internal training includes training for senior-level managerial employees, seminars given by scholars and experts, and other professional training courses, e.g. corporate governance and sustainable development courses. External training courses include pre-employment and on-job securities training, pre-employment and on-job futures training, and other training regarding wealth management, internal audits, margin purchase and short sale, corporate governance, anti-money laundering, occupational safety and health, and first aid. These courses are organized as required by the competent authorities of finance and occupational safety.

Annual education and training hours and expense analysis table					
Year	Number of people trained	Total training hours	Average training hours/person	Annual training expenses	Training expenses/person
2021	1,552	6,796	14.55	981,930	2,103
2022	2,237	6,809	13.60	1,469,811	2,934
2023	2,200	6,489	12.45	1,569,840	3,013

Digital learning platform training:

Analysis table of digital learning platform training results			
Year	Number of new training courses	Cumulative number of people viewing the learning courses	Accumulated learning hours
2021	15	11,790	17,838
2022	16	14,233	22,246
2023	12	16,886	32,362

Employees of the securities industry are required to receive relevant on-the-job trainings such as securities or futures orientation and on-the-job training, introduction to the rules and practices of re-consignment, anti-money laundering and counter terrorism on-the-job training, and education and training on the Financial Consumer Protection Act, and stock affairs operation briefing for the stock affairs unit. Therefore, the Company must organize relevant on-the-job training to protect employees' right to work. The total number of relevant on-the-job training hours received by employees in 2023 was 5,637 hours. The detailed statistics are as follows:

Course type	Number of people trained	Training hours
Securities Pre-job Training Course (including courses for senior managers and salespersons)	17	204
Securities on-the-job training (including courses for senior executives, mid-level executives, and salespersons)	137	2,021
Futures pre-job training	11	99
Futures on-job Training	134	1,000
On-the-job training for futures consultant salesperson	5	30
Pre-Practice internal audit seminar for securities firms (Including senior salesperson and general salesperson)	0	0
Seminar for the first-time internal auditors of the futures industry	1	18
On-the-job training for securities and futures compliance personnel	3	9

Course type	Number of people trained	Training hours
(including supervisors) (including beginner and advanced courses)		
Introduction to reconsignment regulations and professional ethics	42	126
Training for Personnel Anti-Money Laundering and Countering the Financing of Terrorism (including 12hrs and 24hrs)	2	24
AML/CFT on-the-job training (dedicated supervisors, dedicated personnel, and supervisors)	66	672
AML/CFT on-the-job training (salesperson)	445	1,335
Financial Consumer Protection Act education and training	8	24
Continuing education course for accounting supervisors (including accounting supervisors and agents)	2	24
Stock affairs operation briefing meeting for the stock affairs unit (including business seminar for supervisors)	12	51
Total	885	5,637

Certifications and Qualifications Acquired by Personnel Regarding Financial Transparency

March 1, 2024

Certifications and Qualifications	Finance Division (14 persons)	Percentage (%)	Risk Management Office (3 persons)	Percentage (%)	Internal Auditing Office (19 persons)	Percentage (%)
Agents of Securities Firms	4	28.57%	1	33.33%	17	89.47%
Senior Agents of Securities Firms	6	42.86%	2	66.67%	12	63.16%
Securities Investment Analyst	1	7.14%	0	0.00%	0	0.00%
Business Staff Members of Securities Trading Margin Purchase and Short Sale Operations by Securities Firms	1	7.14%	1	33.33%	16	84.21%
Advanced Calculation Method for the Regulatory Capital Adequacy Ratio for Securities Firms	6	42.86%	3	100.00%	2	10.53%
Workshop for Internal Audit Operations of Securities Firms	0	0.00%	1	33.33%	17	89.47%
Wealth Management Agents of Securities Firms	0	0.00%	0	0.00%	8	42.11%
Qualification training for spot foreign exchange traders	1	7.14%	0	0.00%	0	0.00%
Agents of Futures Commission Merchants	3	21.43%	3	100.00%	16	84.21%
Seminar for the first-time internal auditors of the futures industry	0	0.00%	0	0.00%	6	31.58%
Agents of Securities Investment Trust and Consulting	4	28.57%	0	0.00%	7	36.84%
Agents of Trust	3	21.43%	0	0.00%	7	36.84%
Agents of Life Insurance Policies	2	14.29%	0	0.00%	11	57.89%
Agents of Investment-linked Insurance Products	1	7.14%	0	0.00%	3	15.79%
Agents of None-Life Insurance Policies	1	7.14%	0	0.00%	7	36.84%
Financial Planning Personnel	1	7.14%	0	0.00%	3	15.79%
Stock Affair Specialist Certification	2	14.29%	0	0.00%	2	10.53%
Corporate Internal Control	2	14.29%	0	0.00%	1	5.26%
Bank Internal Control	2	14.29%	0	0.00%	2	10.53%
Chief Accounts and Finance Officer	2	14.29%	1	33.33%	0	0.00%

Certifications and Qualifications	Finance Division (14 persons)	Percentage (%)	Risk Management Office (3 persons)	Percentage (%)	Internal Auditing Office (19 persons)	Percentage (%)
Certification for Public Companies						
Financial Risk Manager (FRM®)	0	0.00%	1	33.33%	0	0.00%
AML/CFT Professional Test	1	7.14%	0	0.00%	0	0.00%

(III) Workplace Safety and Employee Health

In order to provide excellent working environment and provide personal safety, the Company takes relative measures in accordance with laws and regulations regarding occupational safety and health. The execution focus points of measures regarding firefighting equipment, safety management, environmental hygiene and personal safety are as follows:

Firefighting equipment:

The indoor decoration of the headquarters and branches is designed built in accordance with the Regulations Governing the Indoor Decoration of Buildings released by the Ministry of the Interior. Firefighting and escape equipment is regularly renewed, and a fire escape plan is prepared according to the fire inspection. The Company has taken out public liability insurance for the headquarters and branches.

Safety management:

Controlling all persons in or out of the company building by security guards, regular maintenance for elevators and automatic power generators, installing surveillance cameras in office buildings, basement, canteens and offices, and connecting to security systems.

Environmental hygiene:

The Company cleans the water tank regularly, changes filters of water dispensers to ensure the drinking water quality. The air-conditioners are maintained regularly. The Company prohibits smoking in all school buildings, and carries out waste separation and recycling.

Personal safety:

1. According to regulations related to occupational safety and health, personnel (total 13) in headquarters and all branches are delegated with the responsibility for occupational safety and health. They take part in profession related training, obtain required certificates, and are in charge of occupational safety and health related duties. Moreover, the Company appoints 16 personnel in total (in headquarters and all branches) to be responsible for emergency medical services. They take part in training, obtain required certificates, and are in charge of emergency medical services at the first instance.

2023 Occupational safety and health number of people trained and hours statistics table

Course type	Number of employees trained	Training hours
On-the-job training for occupational safety and health business managers and occupational safety and health administrators	2	12
Fire prevention manager workshop (initial and recurring training)	3	22
On-the-job training for first responders	0	0

2. The Company has also prepared the list of employee emergency contacts, formulated the notification mechanisms for emergencies and measures for sexual harassment, as well as established channels for whistleblowing.
3. The employees are enrolled in labor insurance and national health insurance in

accordance with the law. The Company also provides health examinations biennially at selected medical institutes, or the employees may choose to take the health examination at medical institutes of their choice.

4. In 2018, the Company hired part-time medical personnel in accordance with the Occupational Safety and Health Act. The Company provides a mentally and physically healthy workplace through the chief of occupational safety and health's formulating annual safety plans and safety policies focusing on the Company's overall occupational health and safety and employees' health management.
5. Since December 2023, the company collaborates with Pojen General Hospital to provide on-site contracted occupational physicians to visit the Company to provide employee health management and consultation services.

(IV) Status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

The Company has formulated relative work rules in accordance with laws and regulations regarding Labor Act, and has submitted such work rules to the Department of Labor, Taipei City Government for review. Rules and regulations of the work rules are announced to the employees via email, and are also disclosed on the company's internal website.

The Company convenes a Labor–Management Meeting every quarter in accordance with "Regulations for Implementing Labor–Management Meeting." Employee situation and updates of the laws and regulations regarding laborers are reported in the meeting. Moreover, participants discuss to reach consensus on motions related to working conditions. All representatives from the labor side are directly elected and the election matter has been reported to the Department of Labor, Taipei City Government.

The measures for whistleblowing are stipulated in the Company's work rules, and are announced to the employees.

(V) Formulation of Code of Ethical Conducts for Employees

The Company is committed to the establishment of business ethics and professional ethics. We work closely together with our employees for the prosperity of our business. We have not only established comprehensive operational and management systems, but also work rules. Furthermore, we require all employees to sign an employment agreement upon the start of their employment, and obey the following rules with due responsibilities.

1. Uphold the Company's honor, develop team spirit, and carry out tasks diligently and with due responsibility.
2. Obey the laws and all company regulations and announcements, obey reasonable supervision and orders from supervisors, and pay attention to work safety.
3. No conduct of arrogance, willfulness, greed, sloth and others that may harm the reputation of individuals or the Company.
4. Do not accept gifts and invitation from others through connection due to one's position and authority, resulting in losses to the Company.
5. Do not perform non-company-related businesses under the Company's name.
6. Absolute obligation to maintaining the confidentiality of the Company's information.
7. If a certain qualification is required for a position, such qualification shall be obtained, and be effective before first day of duty.
8. Matters prohibited in the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms" are not allowed.
9. Accept duty, task and work location arrangements according to Company's operation requirements.

10. Use only legal software provided by the Company for work, and no downloading, installation and use of unauthorized software on Company's computers.

(VI) The Company always has harmonious labor relations; all matters are handled in accordance with the laws. It pays high attention to employee compensation and benefit measures and the creation of a friendly workplace, and a good interactive relationship with employees is maintained. In September 2023, the Company was awarded the 1st Middle-aged and Elderly Citizen-Friendly Enterprise Certification by the Taipei City Government.

(VII) List any losses suffered by the company in the most recent two fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and an estimate of possible expenses that could be incurred currently and in the future 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: As of the printing date of this Annual Report, there is no matter of losses due to labor relation disputes in the year 2023.

6. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

   The Company has established the Information Security Management Committee under the President, with the President serving as the chairperson of the Information Security Management Committee, and supervisors of each unit and department serving as the committee members. The committee is for the formulation and supervision of the Company's information security policies. The President appoints the information security executive secretary to organize the information security implementation team, to carry out the implementation of various information security matters and information security risk management, and to convene the information security management meeting every two months in order to allow the Information Security Management Committee to understand the current situation of information security in the Company and to discuss how to avoid and mitigate the information security risks and accidents encountered.

2. Cyber security policies, and concrete management programs investments in resources for cyber security management.

   In accordance with the Company's information security policies, the Company has formulated the "Regulations Governing the Information Security Management," and carries out information security management and risk assessment in all aspects in order to mitigate information security risks. The methods are as follows:

   (1) Personnel management

   The Company carries out safety evaluation regarding relevant positions and duties, divides labors and duties in each information security system, supervises the information security operations of the employees to prevent illegal and improper conducts, and requires personnel handling important or confidential data should sign a non-disclosure agreement.

   (2) Information security training

   ①General employees should undergo at least 3 hours of information security training every year.

②Information security management personnel should undergo at least 15 hours of information security management training every year.

③Carry out at least one information security advocacy among employees every month.

(3) Computer system safety management

①Carry out regular information security risk level evaluation on all system servers, and conduct loophole corrections and risk mitigation according to the evaluation results.

②The employees shall update their personal computers regularly with operating system security and install endpoint protection software (EDR) to protect employees' computers from computer virus, malicious programs or being hacked.

③The Company carries out social engineering drills to protect employees from social email scams, prevent computers from ransomware or malicious programs, which may allow hackers to hack into the intranet and cause damages.

(4) Internet safety management

①In addition to installing a firewall for protection of external network, the Company also set up an intrusion prevention system (IPS) to detect improper connections and malicious attacks that cannot be blocked by the firewall.

②The Company formulates the "Regulations Governing New Technology Network and Information Security Control" stipulating the establishment and use of the Company's network environment, the provision and use of cloud services, and the use of social media and mobile devices, in order to avoid security loopholes caused by improper setting or use.

③The Company introduces the DDoS defense mechanism to prevent external attack on the Company's external bandwidth or servers by a large number of connections, paralyzing the network or resulting in failure of the server due to malicious traffic.

④The Company also introduced the web application firewall (WAF) to protect its online order placement system from web attacks.

(5) System access control

①When sharing online drives on the intranet, passwords should be set up to prevent viewing or accessing by non-related parties.

②Important and confidential data are maintained by designated personnel and are backed up regularly. The data is stored in a physical secured area, such as a computer room or a vault.

③When the employment of a person at the Company is terminated, all of the person's access to the computer use at the Company is terminated.

④When scrapping computers or stored media, the data should be securely deleted.

(6) Safety management of application development and maintenance

①The Company takes into account the information security in the development of systems.

②Trials are conducted before full launch.

③The programs or revisions are reviewed before launch, and are handled by designated personnel.

④Professionals are hired to test the information security of the mobile applications or major revisions before the launch.

(7) Information assets security management

The Company has formulated the management and regulations of the use of information equipment, stipulating the use and management of various information equipment and networks, in order to prevent information security risks caused by improper use.

(8) Physical and environment safety management

①All important information equipment are located in the computer facilities, and the Company has formulated the Regulations Governing the Computer Facility Management, to manage relevant matters.

②The computer facilities are equipped with access controls to prevent unauthorized personnel from entering and leaving at will.

③After the use printers, fax machines, etc., the photocopies or printed documents must immediately be picked up to avoid data leakage.

(9) Planning and execution of continual of information business plan

The Company has formulated the Regulations Governing the Continual of Information Business Management, in order to maintain the continued operation of all information systems.

(10) Notification of security incidents and collection of intelligence

①The Company has formulated Regulations Governing the Information Security Incident Management, stipulating that all employees must report to their supervisors or security personnel when they discover a security incident.

②The Company participates in the information security protection organization, and receives information regarding information security from time to time. The Company inspects whether the Company has relevant risks and make corrections and improvements accordingly.

(11) Outsourcing management of information business

The Company has formulated the Regulations Governing the Outsourcing of Information Equipment, stipulating that the suppliers should abide by the Company's information security policies and jointly maintain the Company's information security.

(12) Reporting of the overall implementation of information security protection and disclosure of the Statement on the Overall Implementation of Information Security Measures

Before March of each year, the Company shall submit the implementation of information security protection of the previous year to the Board of Directors, so as to acquaint the Board of Directors with the information security issues encountered by the Company in the implementation, and the information security risks it faces. These will serve as a reference in the decision making of corporate governance and approval of information security budgets.

The Company continues to implement the "Regulations Governing the Information Security Management", reviews and revive the information security policies every year to be in line with the current information security development trend and law requirements, so as to mitigate the Company's information security risks.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date 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.

1. 1. In 2023, there were many hacking and encryption virus infection incidents in Taiwan and around the world. If the transaction servers are under such an attack and cannot be repaired immediately, there will be consequences.
   (1) Customer complaints, claims, loss of reputation and loss of customers.
   (2) Attribution of responsibility and punishment by the competent authorities.
   (3) Failure to recover important data that are encrypted, and in severe cases, it may result in a business shutdown.
   (4) Supplementary budgets for further information security defense systems due to insufficient information security protection.
2. Responses:
   (1) Raise employees' information security awareness, and strengthen the connection management of outsourced manufacturers to prevent hackers from using employees' or outsourced manufacturers' computers to attack the Company's hosts.
   (2) Comply with the competent authority's requirements to make a preliminary notification through the Cyber Security Notification System for Securities and Futures Industry within 30 minutes after the discovery of the incident.
   (3) Back up the server image file and data to recover the server if such an event occurs.
   (4) Perform server and data recovery drills on a regular basis, so that operators are familiar with the operation process and can complete system recovery in the shortest time.

The Company does not have any major security incidents resulting in business damages in 2023.

7. Important Contracts

Nature of contracts	Counterparty	Term	Major contents	Restrictions
Lease contract	Cathay Life Insurance	Mar. 19, 2023 – Mar. 18, 2028	Leasing 3-5F and 7F of Xinyi Anhe Building	None
Securities investment advisor retainer agreement	Horizon SICE Co., Ltd.	Jan. 1, 2024 – Dec. 31, 2024	Retaining Horizon SICE as an advisor for suggestions and analysis of domestic and overseas securities.	None

VI. Financial Information

1. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

(I) Condensed Balance Sheets and Statements of Comprehensive Income

1. Consolidated Condensed Balance Sheets – IAS

Unit: NTD thousand

Project year		2019 – 2023				
		2019	2020	2021	2022	2023
Current assets		10,560,405	15,834,117	15,253,011	8,620,467	13,814,040
Property, plant, and equipment		43,827	40,522	49,877	90,233	77,816
Intangible assets		24,798	29,429	74,223	85,004	84,311
Other assets		926,466	970,217	1,118,024	1,295,666	1,490,690
Total assets		11,555,496	16,874,285	16,495,135	10,091,370	15,466,857
Current liabilities	Before dividend distribution	7,562,467	12,632,094	10,340,111	4,791,997	10,515,583
	After dividend distribution (Note 1)	7,510,687	12,466,686	9,743,646	(Note 2)	(Note 3)
Non-current liabilities		93,361	82,825	826,386	765,297	214,471
Total liabilities	Before dividend distribution	7,655,828	12,714,919	11,166,497	5,557,294	10,730,054
	After dividend distribution (Note 1)	7,604,048	12,549,511	10,570,032	(Note 2)	(Note 3)
Equity attributable to Shareholders of the Company		-	-	-	-	-
Share capital		3,625,008	3,308,168	3,313,694	3,512,516	3,512,516
Capital reserve		237,869	312,359	359,443	356,228	355,468
Retained earnings	Before dividend distribution	133,968	477,667	1,537,273	556,835	733,063
	After dividend distribution (Note 1)	82,188	312,259	741,986	(Note 2)	(Note 3)
Other equity		48,459	61,172	118,228	108,497	135,756
Treasury stock		(25,636)	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before dividend distribution	3,899,668	4,159,366	5,328,638	4,534,076	4,736,803
	After dividend	3,847,888	3,993,958	4,533,351	(Note 2)	(Note 3)

	distribution (Note 1)					

＊Companies that are required to prepare individual financial reports should separately prepare the condensed balance sheets and statements of comprehensive income for the past five fiscal years.

＊If the financial information reported according to the IFRSs has less than 5 years of information, the following table(2) should be prepared the financial information separately in accordance with the Enterprise Accounting Standard of Taiwan.

Note 1: the aforementioned ex-dividends figure is based on the figures approved by the Board or the Shareholders Meeting of the next year.

Note 2: The Company had a loss in 2022, and thus no dividend was distributed.

Note 3: The profit distribution for 2023 has been approved by the Board of Directors and has not been reported to the shareholders' meeting.

Note 4: The above financial information of each year was audited by the CPA.

2. Condensed Balance Sheets - IAS

Unit: NTD thousand

Project year		2019 – 2023				
		2019	2020	2021	2022	2023
Current assets		10,283,908	15,647,677	14,839,426	8,369,280	13,543,454
Property, plant, and equipment		43,595	40,185	49,596	90,038	77,326
Intangible assets		24,798	29,429	74,223	85,004	84,311
Other assets		1,188,070	1,141,544	1,503,464	1,537,796	1,739,249
Total assets		11,540,371	16,858,835	16,466,709	10,082,118	15,444,340
Current liabilities	Before dividend distribution	7,550,336	12,617,814	10,311,685	8,369,280	10,499,762
	After dividend distribution (Note 1)	7,498,556	12,452,406	9,715,220	(Note 2)	(Note 3)
Non-current liabilities		90,367	81,655	826,386	764,739	207,775
Total liabilities	Before dividend distribution	7,640,703	12,699,469	11,138,071	5,548,042	10,707,537
	After dividend distribution (Note 1)	7,588,923	12,534,061	10,541,606	(Note 2)	(Note 3)
Equity attributable to Shareholders of the Company		-	-	-	-	-
Share capital		3,505,008	3,308,168	3,313,694	3,512,516	3,512,516
Capital reserve		237,869	312,359	359,443	356,228	355,468
Retained earnings	Before dividend distribution	133,968	477,667	1,537,273	556,835	733,063
	After dividend distribution (Note 1)	82,188	312,259	741,986	(Note 2)	(Note 3)
Other equity		48,459	61,172	118,228	108,497	135,756
Treasury stock		(25,636)	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before dividend distribution	3,899,668	4,159,366	5,328,638	4,534,076	4,736,803
	After dividend distribution (Note 1)	3,847,888	3,993,958	4,533,351	(Note 2)	(Note 3)

Note 1: the aforementioned ex-dividends figure is based on the figures approved by the Board or the Shareholders Meeting of the next year.

Note 2: The Company had a loss in 2022, and thus no dividend was distributed.

Note 3: The profit distribution for 2023 has been approved by the Board of Directors and has not been reported

to the shareholders' meeting.

Note 4: The above financial information of each year was audited by the CPA.

3. Condensed Statements of Comprehensive Income – IAS

Unit: NTD thousand

Project year	2019 – 2023				
	2019	2020	2021	2022	2023
Operating income	851,358	1,306,107	2,641,258	681,966	1,221,187
Gross profit margin	773,638	1,215,951	2,538,677	606,710	1,114,025
Net operating income (loss)	36,534	322,850	1,215,024	(367,526)	10,830
Non-operating income and expenses	102,369	94,364	154,904	180,038	195,754
Profit before tax	138,903	417,214	1,369,928	(187,488)	206,584
Net income for the year from the continuing department	140,833	414,718	1,239,273	(220,184)	179,799
Loss from the discontinued department	-	-	-	-	-
Net profit (loss) for the period	140,833	414,718	1,239,273	(220,184)	179,799
Other comprehensive income for the period (net after tax)	(4,282)	(6,526)	42,797	25,302	23,688
Total comprehensive loss for the period	136,551	408,192	1,282,070	(194,882)	203,487
Net profit attributable to the owner of the parent company	140,833	414,718	1,239,273	(220,184)	179,799
Net profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to the owner of the parent company	136,551	408,192	1,282,070	(194,882)	203,487
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	0.42	1.32	3.53	(0.63)	0.51

Note 1: The above financial information of each year was audited by the CPAs.

4. Individual Condensed Statements of Comprehensive Income – IAS

Unit: NTD thousand

Project year	2019 – 2023				
	2019	2020	2021	2022	2023
Operating income	798,442	1,329,949	2,608,900	676,012	1,179,917
Gross profit margin	721,758	1,240,871	2,507,320	601,590	1,073,837
Net operating income (loss)	(2,123)	365,026	1,221,180	(359,730)	(10,438)
Non-operating income and expenses	142,629	53,057	147,995	170,447	216,124
Profit before tax	140,506	418,083	1,369,175	(189,283)	205,686
Net income for the year from the continuing department	140,833	414,718	1,239,273	(220,184)	179,799
Loss from the discontinued department	-	-	-	-	-
Net profit (loss) for the period	140,833	414,718	1,239,273	(220,184)	179,799
Other comprehensive income for the period (net after tax)	(4,282)	(6,526)	42,797	25,302	23,688
Total comprehensive loss for the period	136,551	408,192	1,282,070	(194,882)	203,487

Net profit attributable to the owner of the parent company	-	-	-	-	-
Net profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to the owner of the parent company	-	-	-	-	-
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	0.42	1.32	3.53	(0.63)	0.51

Note: The above financial information of each year was audited by the CPAs.

(II) Auditors' Opinions for the Most Recent Five Years

Year	Name of accounting firm	Name of CPA	Audit opinion
2019	Ernst & Young Global Limited	James Huang and Bob Chang	Unqualified opinion
2020	Ernst & Young Global Limited	James Huang and Bob Chang	Unqualified opinion
2021	Ernst & Young Global Limited	James Huang and Bob Chang	Unqualified opinion
2022	Ernst & Young Global Limited	James Huang and Spencer Ma.	Unqualified opinion
2023	Ernst & Young Global Limited	James Huang and Spencer Ma.	Unqualified opinion

(III) **Reasons and description of replacement:**

In 2022, due to internal job rotation of Ernst & Young Global Limited, the original CPAs, James Huang and Bob Chang, are replaced by James Huang and Spencer Ma.

2. Financial Analyses for the Past Five Fiscal Years

1. Consolidated financial position analysis

Project year			2019 – 2023				
			2019	2020	2021	2022	2023
Financial structure (%)	Ratio of liabilities to assets		66.25	75.35	67.70	55.07	69.37
	Ratio of long-term capital to property and equipment		9,110.78	10,468.86	12,340.40	5,873.01	6,362.82
Debt service ability (%)	Current ratio		139.64	125.35	147.51	179.89	131.37
	Quick ratio		139.37	124.67	147.33	179.50	131.22
Profitability	Asset return ratio (%)		1.22	2.92	7.43	(1.66)	1.41
	Equity return ratio (%)		3.63	10.29	26.12	(4.46)	3.88
	Ratio to paid-in capital (%)	Operating profit	1.04	9.74	36.50	(10.42)	0.31
		Income before tax	3.95	12.58	41.16	(5.32)	5.86
	Net profit ratio (%)		16.54	31.75	46.92	(32.29)	14.72
	Earnings per share (NTD) (Note 2)		0.42	1.32	3.53	(0.63)	0.51
Cash Flow	Cash flow ratio (%)		2.89	註 3	15.28	6.65	註 3
	Cash flow sufficiency ratio (%)		24.29	註 3	235.16	156.54	161.28
	Cash reinvestment ratio (%)		5.22	註 4	24.88	註 4	註 4
Special purpose ratios (%)	Ratio of debt to equity		196.32	305.69	209.56	122.57	226.53
	Ratio of property and equipment to assets		1.76	1.21	1.35	2.75	1.73
	Ratio of total amount of underwriting to quick assets		1.13	6.13	4.61	2.56	1.76
	Ratio of total amounts of margin loan to equity		-	-	-	-	-
	Ratio of total amount of short sales to equity		-	-	-	-	-

Analysis on changes:

1. The increase in ratio of liabilities to assets in the current period compared to the same period last year is mainly due to the increase in repo transaction in the current period, bond investment under reverse repurchase agreement and call loans to banks, and the call loans to banks increased by a larger margin.
2. The decrease in solvency ratio in the current period compared to the same period last year is mainly due to the increase in repo transaction in the current period, bond investment under reverse repurchase agreement and call

loans to banks, and the call loans to banks increased by a larger margin.
3. The various aspects of profitability are higher than that in the previous year. This is due to the Company's profit in the current year.
4. The debt-to-equity ratio of the current period increases over the same period last year, mainly due to the increase in total liabilities in the current period.
5. The real estate and equipment to total assets ratio of the current period decreases over the same period last year, mainly due to the increase in total assets in the current period.
6. The ratio of total underwriting to quick assets decreases in the same period of last year, mainly due to the increase of bond position and the increase in bond investment under reverse repurchase agreement in the current period, resulting in the increase of quick assets.

Note 1: The above financial information of each year was audited by the CPAs.
Note 2: EPS is calculated based on retrospectively adjusted weighted-average shares.
Note 3: The "Net cash flow from operating activities" was outflow, and thus not applicable.
Note 4: The "Net cash flow from operating activities – cash dividends" was outflow, thus not applicable.
Note 5: Formulas for financial ratios and financial ratio analysis:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets
   (2) Ratio of long-term funds to property and equipment = (Total equity + Long-term liability)/Net property and equipment
2. Debt service ability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Prepaid expenses)/Current liabilities
3. Profitability
   (1) Asset return ratio = (Profit or loss after tax)/Average total assets
   (2) Equity return ratio = Profit or loss after tax/Average total equity
   (3) Net profit ratio = Profit or loss after tax/Income
   (4) Earnings per share = (Net profit after tax - Preferred shares dividends)/Weighted average number of shares issued
4. Cash flow
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Cash dividends) for the most recent five years
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property and equipment + Long-term investment + Other non-current assets + Working capital)
5. Ratios of other special requirements
   (1) Ratio of debt to equity = Total liabilities/Total equity
   (2) Ratio of property and equipment to assets = Total property and equipment/Total assets
   (3) Ratio of total amount of underwriting to quick assets = total amount of underwriting/(Current assets - Current liabilities)
   (4) Ratio of total amounts of margin loan to equity = Total amounts of margin loan/Total equity
   (5) Ratio of total amount of short sales to equity = Total amount of short sales/Total equity

2. Individual financial position analysis

			2019 – 2023				
			2019	2020	2021	2022	2023
Financial structure (%)	Ratio of liabilities to assets		66.21	75.33	67.64	55.03	69.33
	Ratio of long-term capital to property and equipment		9,152.59	10,553.80	12,410.27	5,885.09	6,394.44
Debt service ability (%)	Current ratio		136.20	124.01	143.91	174.97	128.99
	Quick ratio		135.94	123.34	143.74	174.61	128.86
Profitability	Asset return ratio (%)		1.22	2.92	7.44	(1.66)	1.41
	Equity return ratio (%)		3.63	10.29	26.12	(4.46)	3.88
	Ratio to paid-in capital (%)	Operating profit	(0.06)	11.01	36.69	(10.20)	(0.30)
		Income before tax	4.00	12.61	41.14	(5.37)	5.83
	Net profit ratio (%)		17.64	31.18	47.50	(32.57)	15.24
	Earnings per share (NTD) (Note 1)		0.42	1.32	3.53	(0.63)	0.51
Cash Flow	Cash flow ratio (%)		3.27	0.13	14.69	10.95	註 3

	Cash flow sufficiency ratio (%)	11.20	註 3	241.26	180.49	181.91
	Cash reinvestment ratio (%)	6.17	註 4	21.61	(1.35)	註 4
Special purpose ratios (%)	Ratio of debt to equity	195.93	305.32	209.02	122.36	226.05
	Ratio of property and equipment to assets	1.76	1.20	1.34	2.74	1.72
	Ratio of total amount of underwriting to quick assets	1.16	6.20	4.74	2.63	1.80
	Ratio of total amounts of margin loan to equity	-	-	-	-	-
	Ratio of total amount of short sales to equity	-	-	-	-	-

Analysis on changes:

1. The increase in ratio of liabilities to assets in the current period compared to the same period last year is mainly due to the increase in repo transaction in the current period, bond investment under reverse repurchase agreement and call loans to banks, and the call loans to banks increased by a larger margin.
2. The decrease in solvency ratio in the current period compared to the same period last year is mainly due to the increase in repo transaction in the current period, bond investment under reverse repurchase agreement and call loans to banks, and the call loans to banks increased by a larger margin.
3. The various aspects of profitability are higher than that in the previous year. This is due to the Company's profit in the current year.
4. The debt-to-equity ratio of the current period increases over the same period last year, mainly due to the increase in total liabilities in the current period.
5. The real estate and equipment to total assets ratio of the current period decreases over the same period last year, mainly due to the increase in total assets in the current period.
6. The ratio of total underwriting to quick assets decreases in the same period of last year, mainly due to the increase of bond position and the increase in bond investment under reverse repurchase agreement in the current period, resulting in the increase of quick assets.

Note 1: The year for which the financial information was not verified by a CPA should be indicated.

Note 2: All financial information, of a TWSE/TPEx-listed company as of the printing date of the annual report, that are verified or reviewed by a CPA recently shall be analyzed.

Note 3: Below the table in the annual report, the following formula should be provided.

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets
   (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities) / Net property, plant, and equipment
2. Debt service ability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities
   (3) Times interest earned ratio = Earnings before interest and taxes / Interest expenses
3. Operating ability
   (1) Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales / Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities)
   (2) Average days for cash receipts = 365 / Accounts receivable turnover
   (3) Inventory turnover rate= Cost of sales / Average inventory
   (4) Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales / Balance of average accounts payable in each period (including accounts payable and bills payable from business activities)
   (5) Average days for sale of goods = 365 / Inventory turnover
   (6) Turnover rate for property, plant and equipment = Net sales / Average net property, plant, and equipment
   (7) Total asset turnover rate = Net sales/Average total assets
4. Profitability
   (1) Asset return ratio = [Profit or loss after tax + Interest expenses × (1 - Tax rate)] / Average total assets
   (2) Equity return ratio = Profit or loss after tax / Average total equity
   (3) Net profit ratio = Profit or loss after tax / Net sales
   (4) Earnings per share = (Net profit after tax - Preferred shares dividends) / Weighted average number of shares issued (Note 4).
5. Cash flow
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities
   (2) Cash flow sufficiency ratio = Net cash flow from operating activities for the most recent five years / (Capital expenditures + Inventory increment + Cash dividends) for the most recent five years

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross property and equipment + Long-term investment + Other non-current assets + Working capital) (Note 5)

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating income (Note 6).

(2) Financial leverage = Operating income / (Operating income - Interest expenses)

Note 4: The following matters should be noted when using the above formula for earnings per share for evaluation:

1. Number of weighted average common shares should be used instead of number of issued shares at the end of the year.
2. In the event of cash capital increase, or treasury stock transactions, weighted average number of shares shall be calculated based on the outstanding period.
3. In the event of capital increase from earnings or capital surplus, the annual or semi-annual earnings per share shall be adjusted retrospectively according to the ratio of capital increase but not the outstanding period.
4. If the preference shares are unconvertible accumulated preference shares, the dividends of that year (whether to be distributed or not) shall be deducted from net profit after tax, or added to net gain or loss after tax. If the preference shares are not accumulative, when there is net profit after tax, preference share dividends shall be deducted from net gain after tax, but no adjustment is required if there is a loss.

Note 5: The following matters should be noted when evaluating by cash flow analysis:

1. "Net cash flow from operating activities" refers to the net cash inflow from operating activities indicated in the cash flow statement.
2. "Capital expenditure" refers to the cash outflow from annual capital investment.
3. Increase in inventories is only recognized when ending balance is larger than beginning balance. For decrease in inventories, 0 is recognized.
4. Cash Dividends includes the dividends in cash paid to holders of common shares and preferred shares.
5. Gross property, plant, and equipment refers to the property, plant, and equipment before accumulated depreciation.

Note 6: Issuers should divide all operating costs and operating expenses into fix or variable costs based on their nature. If subjective decision making is required, it shall be reasonable and consistent.

Note 7: If the Company issues shares without face value or at face values other than NT$10 per share, the calculation of the aforementioned "as a percentage of paid-in capital" shall be calculated based on the equity attributable to Shareholders of the Company in the balance sheet.

3. Audit Committee's Report for the Most Recent Fiscal Year's Financial Statement

Approved

The 2023 standalone and consolidated financial reports (including balance sheet, comprehensive income statement, cash flow statement, statement of changes in equity, etc.) prepared by the board have been audited by accounts James Huang and Spencer Ma of Ernst & Young Taiwan. The reports, together with the business report, have been reviewed and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Best regards

2024 Horizon Securities Co., Ltd. Annual General Meeting

Audit Committee of Horizon Securities Co., Ltd.

Convener: HSIAO, CHEN-CHI

February 22, 2024

4. Financial Statements for the Most Recent Fiscal Year

For 2023 consolidated financial statements and auditor's report: Please refer to page 134-235 of this Annual Report.

5. Individual Financial Statement for the Most Recent Fiscal Year, Certified by the CPA

For 2023 individual financial statements and auditor's report: Please refer to page 236-326 of this Annual Report.

6. If the Company or Its Affiliates Have Encountered Any Financial Difficulties in the Most Recent Fiscal Year and as of the Printing Date of the Annual Report, the Impact on the Company's Financial Situation Shall Be Set Forth.

The Company or its affiliates have not encountered matters of financial difficulties in the most recent fiscal year or as of the printing date of the annual report.

VII. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

1. Financial Position

The annual report shall list the main reasons for any material change (any increase or decrease greater than 20% or monetary amount larger than NTD 10 million) in the Company's assets, liabilities, or equity during the most recent two fiscal years, the effect thereof, and the measures to be taken in response:

Unit: NTD thousand

Items \ Year	2022	2023	Difference	
			Amount	Percentage
Current assets	$8,369,280	$13,543,454	$5,174,174	61.82%
Property and equipment	90,038	77,326	(12,712)	(14.12)%
Right-of-use assets.	124,218	278,976	154,758	124.59%
Intangible assets	85,004	84,311	(693)	(0.82)%
Other assets	1,413,578	1,460,273	46,695	3.30%
Total assets	10,082,118	15,444,340	5,362,222	53.19%
Current liabilities	4,783,303	10,499,762	5,716,459	119.51%
Non-current liabilities	764,739	207,775	(556,964)	(72.83)%
Total liabilities	5,548,042	10,707,537	5,159,495	93.00%
Share capital	3,512,516	3,512,516	-	0.00%
Capital reserve	356,228	355,468	(760)	(0.21)%
Retained earnings	556,835	733,063	176,228	31.65%
Other items under equity	108,497	135,756	27,259	25.12%
Total equity	4,534,076	4,736,803	202,727	4.47%

Analysis for any increase or decrease greater than 20% or monetary amount larger than NTD 10 million.

1. The current assets and total assets of the current period is higher than that in 2022, mainly due to the decrease in bond investment under reverse repurchase agreement in the current period, and the increase in settlement receivables from brokerage trades in the current period.
2. The real estate and equipment of the current period decreases compared to 2022, mainly due to the depreciation provided in the current period.
3. The right-of-use assets of the current period is higher than that in 2022, mainly due to the renewal of the least contract of the head office building in the current period.
4. The current liabilities and total liabilities of the current period is higher than that in 2022, mainly due to the increase of call loans to banks, and the increase in settlement receivables from brokerage trades in the current period.
5. Non-current liabilities for the current period were lower than that of 2022 mainly due to the transfer of convertible corporate bonds that can be sold back within one year to current liabilities.
6. The retained earnings for the current year increased compared with that for 2022, mainly due to profit increase in the current period.
7. The increase in other items under equity from 2022 is mainly due to the increase in the valuation gains of OCI position in the current period.

2. Financial Performance

(I) Financial Performance Analysis

Unit: NTD thousand

Items \ Year	2022	2023	Change, by monetary amount	Change, by percentage
Income	$676,012	$1,179,917	$503,905	74.54%
Operating expense	1,035,742	1,190,355	154,613	14.93%
Operating profit (loss)	(359,730)	(10,438)	349,292	97.10%
Non-operating profit or loss	170,447	216,124	45,677	26.80%
Net profit before tax (loss)	(189,283)	205,686	394,969	208.67%
Income tax profit (expense)	(30,901)	(25,887)	5,014	16.23%
Net profit (loss) for the period	(220,184)	179,799	399,983	181.66%

Analysis for any increase or decrease greater than 10%.

1. The current income, operating profit, net profit before tax and net profit all increase over the same period last year, mainly due to the increase in sales of securities held-for-trading over 2022.
2. The operating expenses of the current period increase over the same period last year, mainly due to the increase in personnel cost.
3. The non-operating gains and losses increase over the same period of last year, mainly due to the increase in the financial income and net gain on investment disposal over 2022.

(II) Sales volume forecast and the basis therefor, effect upon the Company's financial operations as well as measures to be taken in response:

The Company belongs to the securities service industry, and is not involved in manufacturing. Thus, N/A.

3. Cash Flow

(I) Analysis of changes in cash flow in the most recent year

Items \ Year	2022	2023	Change, by percentage
Cash flow ratio (%)	10.95	Note 1	—
Cash flow sufficiency ratio (%)	180.49	181.91	0.79%
Cash reinvestment ratio (%)	Note 2	Note 2	—

Note 1: The "Net cash flow from operating activities less cash dividends" was outflow, thus not applicable.

The increase of cash flow adequacy ratio in the current period from the previous period is mainly due to the decrease in capital expenditures and cash dividends in the current period for the past five years.

(II) Cash flow analysis for the next year

Unit: NTD thousand

Beginning cash balance (1)	Cash flow from operating activities for the whole year (2)	Net cash outflow for the whole year (3)	Cash surplus (deficit) (1)+(2)+(3)	Remedies for cash deficit	
				Investment plans	Financing plans
1,973,794	545,422	(108,000)	2,411,216	—	—

Cash flow analysis for the future year: N/A. No cash deficit expected in the future year.

4. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

(I) Utilization and source of major capital expenditure: None.

(II) Expected benefit: None.

5. The Company's Policy for the Most Recent Fiscal Year on Investments in Other Companies, the Main Reasons for Profits/Losses Resulting therefrom, Plans for Improvement, and Investment Plans for the Coming Fiscal Year.

(I) Policy on Investments in Other Companies

Most of the Company's invested companies are in the securities industry. Though each invested company is autonomous, they provide clients with multifaceted services through business cooperation to optimize shareholders' profit.

(II) Profits/Losses Resulting from the Aforementioned Investments and Plans for Improvement

Unit: NTD thousand; Dec. 31, 2023

Investee	Cost of investment	Book Value	Net income (Note 1)	Main reason for profits or losses	Improvement plans
Horizon SICE Co., Ltd.	114,282	127,504	4,243	Mainly due to the increase in consultancy fee income and gain on disposal of investments.	—
Horizon Venture Capital Co., Ltd.	579,420	521,786	18,646	Mainly due to the profit generated by the good operation of the holding position.	—
Horizon Venture Management Co., Ltd.	20,000	25,801	4,903	Mainly due to the receipt of consulting income from Horizon Securities Venture Capital.	—

Note 1: The profit/loss for the current period is the profit/loss of the investee company in the year 2023 under equity method.

(III) Investment Plans for the Coming Fiscal Year

The Company has no investment plans for the coming fiscal year.

6. Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report

(I) The effect upon the company's profits/losses of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest Rate:

(1) The impact on profit and loss in the last two years

Unit: NTD thousand

Items	2022				2023			
	Inventory cost	Market value	Average duration	Profit/loss per 1bp fluctuation	Inventory cost	Market value	Average duration	Profit/loss per 1bp fluctuation
Bonds (excl. the following)	1,721,431	1,691,964	2.50	426	2,720,623	2,702,254	4.30	1,161
Perpetual financial	200,000	200,000	31.30	626	200,000	200,000	31.30	626

debentures								

(2) Measures to be taken in the future

Though the bonds (corporate and government bonds) with repurchase agreement held by the Company are directly affected by fluctuations in interest rate, such effect does not pose material impact on the Company's profitability, as the bonds are purchased to be owned until maturity.

2. Change in exchange rate:

(1) The impact on profit and loss in the last two years

Unit: NTD thousand

Date	Profit/loss per 1% fluctuation
2022.12.31	348
2023.12.31	485

(2) Measures to be taken in the future

The Company is a securities firm, with its main source of income from domestic investors and public companies, and transactions denominated in domestic currency. Thus, fluctuations of exchange rate have only limited impact on the Company's profit or loss. Besides this, the Company's international bonds have foreign currency repurchase agreements, in the aim to effectively reduce the risk of foreign currency capital movement and exchange rate fluctuation.

3. Inflation:

As the Company is a securities firm, the impact of inflation on income is positively correlated to that on costs, and the Company has taken the effects of inflation into consideration when handling related businesses to prevent the Company's profitability from being eroded by inflation. Thus, inflation has no significant influence on the Company's profitability.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. As of the most recent fiscal year and the printing date of the Annual Report, the Company is not engaged in high-risk investments, highly leveraged investments, loans to other parties, endorsements, and guarantees.
2. In the Company's promotion of derivatives businesses, the Company has taking the market situation and predictable risks into consideration when designing such products. At the same time, for the robustness of operation, the Company has also placed reasonable hedging positions based on the market situation to reduce risk exposure, and streamlining costs and expenses in order to increase the return on equity.
3. The Company only involves in derivatives that are approved by the competent authorities. The Company has formulated the "Procedures for Derivative Trading" as an internal control mechanism. The Company has also established the Risk Management Office to manage risks of derivatives trading.

(III) Research and development plans for the future, and expenditures expected for research and development work.

The Company belongs to the securities service industry. Thus, N/A.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

Changes in the legal environment at home and abroad.	The effect upon the Company's financial operations	Response to such factors
The "Climate Change Response Act" has included the 2050 net zero emission goal and enhanced the level of climate governance.	Enhance environmental, social and governance (ESG) responsibilities.	1. Establish a culture of sustainable development values and emphasizing ESG, emphasize information security protection mechanisms, implement an accountability system for the Board of Directors and management, and use functional committees to assist the Board of Directors in exerting their functions. 2. Play the intermediary function to assist the sustainable development of enterprises, implement various sustainable development and ESG promotion plans, establish self-discipline, increase incentives and rewards, strengthen the supervision mechanism, implement fair treatment for guests, and strengthen protection of investors such as specific groups such as seniors and people with disabilities. 3. Strengthen the information disclosure of the Company's sustainable development,

		and the ability to respond to the risks of climate change, improve information disclosure of sustainable development information of business, and improve the information disclosure channels and external communication.

(V) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response.

1. Effects: The new 5G of mobile communication. ultra-high-speed network transmission, and improvements of hardware performances have boosted the applications of innovative technologies that require massive computing resources and high internet transmission speed. Such technologies include AI, machine learning, big data, SDN, IOT and others. Technology innovation capability has become a key competitive advantage. To utilize these innovative technologies on a digital transformation or reinforcement of Fintech application have become a mutual goal of securities firms. The business model and services of securities firms are under a transition driven by the rapid development of innovative technologies. Not only has the monetary amount of order placement on the E-platform exceeded half of all order placements, traditional over-the-counter account opening services are also moving to online platforms. The traditional in-person investment or accounting consultation services provided only during rigid office hours are replaced by various Apps that clients have access to 24-7, providing faster and more accurate services.

   In the office automation and paperless trend, the Company has to reform various work procedures to be in line with the latest technology, in the aim to increase work efficiency, to improve decision analysis models and to reduce operation expenses. The Company has introduced robotic process automation (RPA) artificial intelligence (AI) to improve workflow, reduce human errors, and promote digitalization. Through the promotion of a paperless office, we aim to save energy and carbon, and make contributions to prevent global climate change.

   Due to the popularizing of smart mobile devices and thriving Fintech applications, the level of information security required has increased greatly. As the financial firms are developing convenient electronic transaction tools, they are continuously attacked by new types of internet hackers, including DDos, zombie, Trojan horse, phishing, and social engineering. Therefore, securities firms require more professional information security personnel and the latest equipment to enhance information security protection.

2. Responses:
   (1) Continuing the development and optimization of service software including digital account opening, online account opening, electronic order placement system.
   (2) Increasing the number of information security personnel and enhancing new information technology training.
   (3) Continuing the update and replacement of information software and hardware.
   (4) Seeking new industry–academia cooperation to facilitate the development of innovative applications.
   (5) Continuing the development of latest FinTech software, to provide clients with more convenient and friendly services.
   (6) Continuing the introduction of robotic process automation (RPA) to facilitate or replace detailed and complicated manual work.

(7) Help employees become familiar with and applying the AI services to improve work efficiency.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response.

The Company is committed to providing investors with the best quality services based on our business philosophy of robustness and practicality, and earn clients' trust through providing our professionalism. Moreover, the Company has existing measures and responses for such matters and is capable of managing crises in an appropriate and timely manner.

(VII) Expected benefits and possible risks associated with any merger and acquisitions (M&A), and mitigation measures being or to be taken

The Company did not engage in merger and acquisition. Thus, not applicable.

(VIII) Expected benefits and possible risks associated with any plant (business locations) expansion, and mitigation measures being or to be taken

The expansion of the business and establishment of a new branch aims to transform the Company into a long-term partner in asset planning for customers. To achieve this goal, we have added a wealth management service and established an International Financial Business Department as the department in charge of wealth management business based on the long-term development trend of the financial market. It will assist the head office and branches in promoting wealth management business, provide customers with differentiated financial services and maintain long-term and positive relationships with customers. It will establish a high-quality team to provide one-on-one consulting services. Through close interaction with customers and in-depth understanding of their needs, investment attributes, risk appetite, and available assets, it can provide tailor-made suitable investment plans and asset management advice. Meanwhile, the Company will continue to strengthen the professionalism of the team and improve the service quality, while cultivating their patience, carefulness, and concentration, to establish a positive interactive relationship with customers, thereby reinforcing the foundation of mutual trust to maintain long-term customer relationship.

(IX) Risks associated with any consolidation of sales or purchasing (business) operations, and mitigation measures being or to be taken.

The Company's main customers include individual investors, institutional investors, approved foreign professional investment institutions, and natural persons of all public or non-public companies. The Company does not have the risk of the business overly concentrating on one single customer.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

The Directors or shareholders holding greater than a 10 percent stake in the company are holding the Company's shares in long and stable terms. Thus, there are no major changes in the shareholding structure, showing that there are no relevant risks.

(XI) Effect upon and risk to the company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

There were no matters of material changes in governance personnel or top management in the year 2023. Thus, N/A. Moreover, the management of the Company consists of mainly professional managerial officers, and strictly follows through the rules and regulations formulated by the Company. Thus, there are no expected impacts or risks from the changes in governance personnel or top management.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, any president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1. Any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the prospectus publication date: None.
2. Any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, president, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the prospectus publication date: None.
3. If there has been any material impact upon shareholders' equity or prices for the subsidiaries' securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the prospectus publication date, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case: None.

7. Risk Management

1. Policy and procedures of risk management
   (1) Risk policy, goal and model
      A. Risk policy

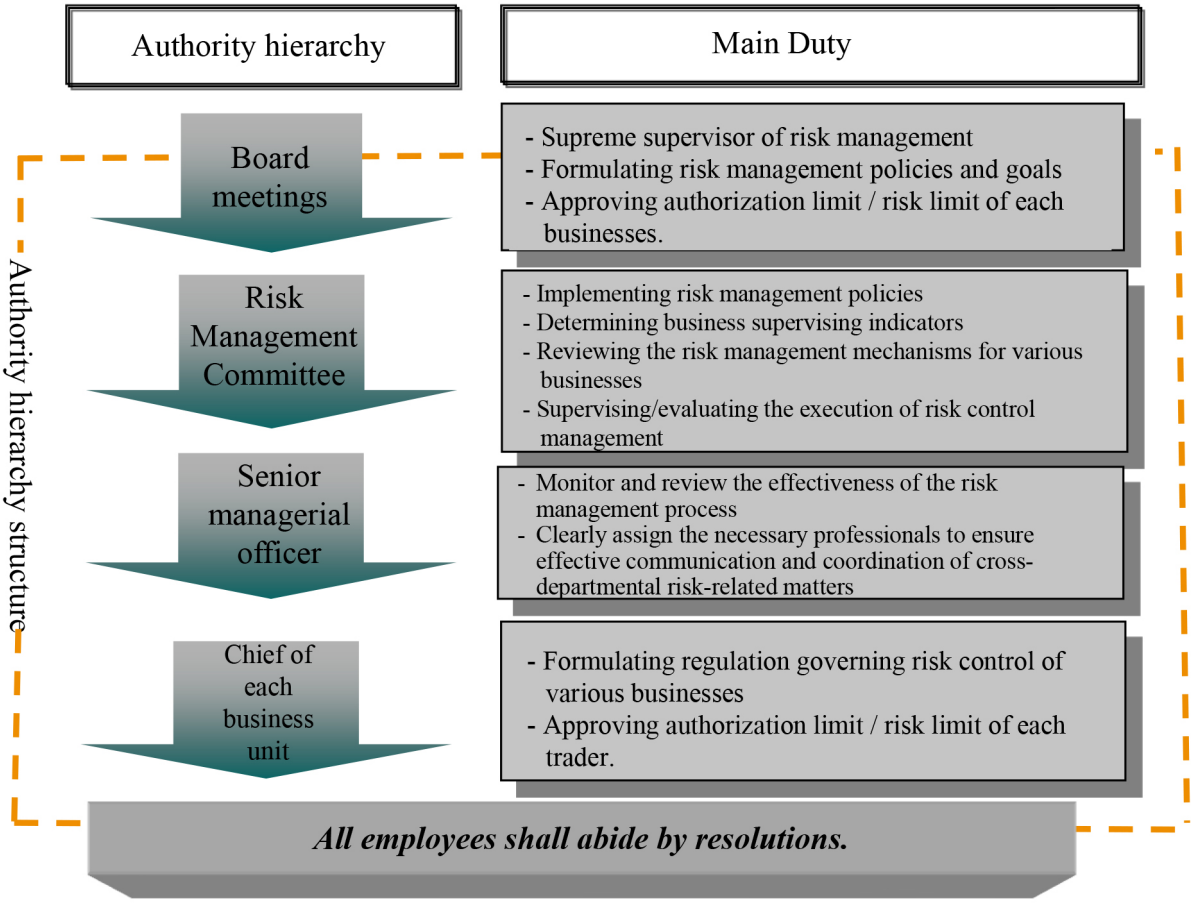
         Based on the current capital scale, the Company prudently quantize activities including recognition, measurement, monitoring and response with quantitative models based on the potential risks in the operating activities. This is done in order to rationalize the asset allocation and maximize shareholders' returns, and to ensure that the Company achieves its strategic operation goals within the risk appetite approved by the Board.

      B. Risk Goals
         a. Providing effective identification, measurement and monitoring of risks when the Company or the subsidiaries are handling businesses.
         b. Establishing timely, accurate and effective risk management indicators for the Company's operating activities in response to the fluctuations in the market.
         c. Controlling the overall risk within the risk limit of shareholders, and providing the basis of capital allocation for the Company's operating activities.
      C. Risk management model

The Company adopts both top-down and bottom-up approaches. First, the Company determines the overall economic capital and risk appetite with the top-down approach. After the overall economic capital is determined, the economic capital of each unit is then determined based on the bottom-up approach to ensure the consistency of total capital requirement.

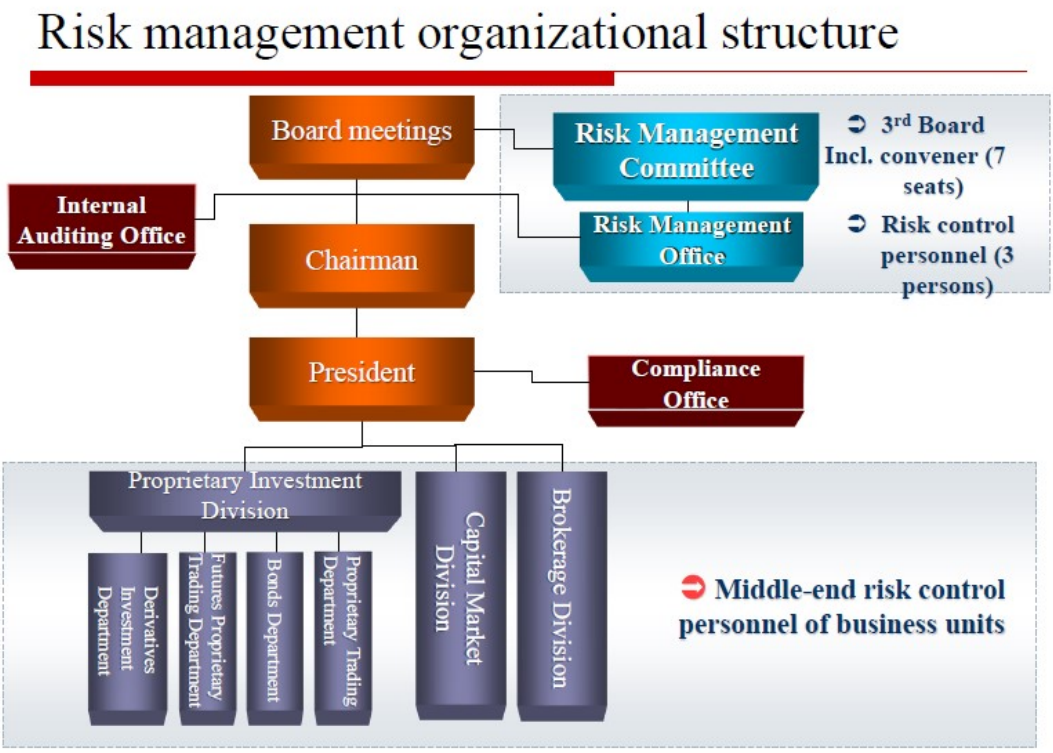
(2) Formulation and approval procedures of risk policy

The Company adopts the authorization hierarchy system for risk management. Procedures of formulations and Approval of relevant policies are as follows:



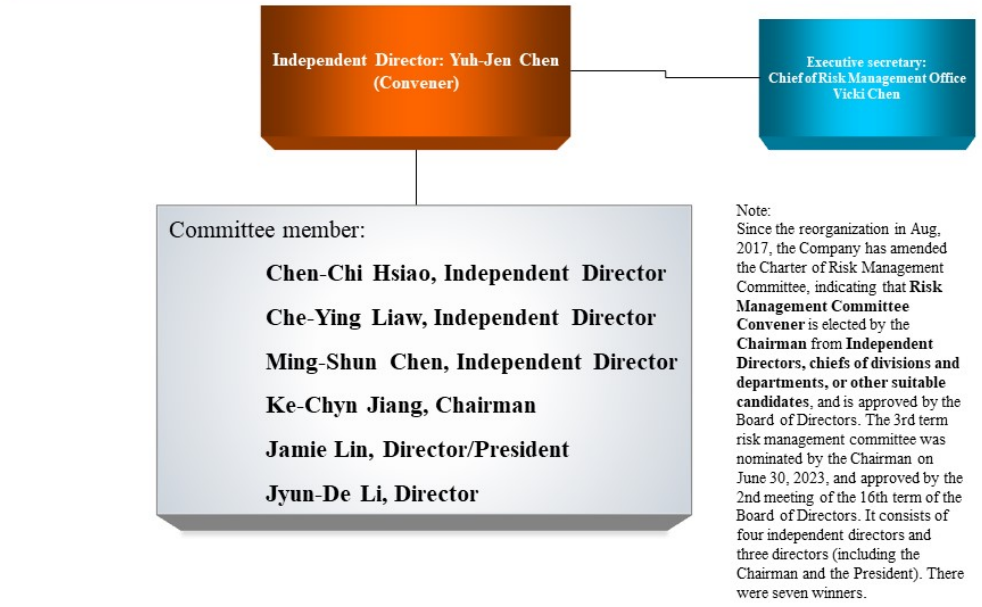
2. Risk management organization chart

(1) The Company's risk management organization structure includes the Board of Directors, "Risk Management Committee," top management, Risk Management Office, Internal Auditing Office, Compliance Office, and other business unites. The organizational chart is as follows:



(2) "Risk Management Committee" is the highest authority unit in the matter of risk management. It reports directly to the "Board of Directors." The organization, functions and work rules of the "Risk Management Committee" are handled according to the "Charter of Risk Management Committee"

A. The organizational chart of the current (3rd) Risk Management Committee:



B. Division of authority and responsibility for risk management

a. Market risk: All business units and Risk Management Office

b. Credit risk: All business units and Risk Management Office

c. Market liquidity risk: All business units and Risk Management Office

d. Capital liquidity risk: Finance Department and Risk Management Office

e. Operational risk: All business units and Risk Management Office

f. Legal risk: All business units, Compliance Office, and Risk Management Office

g. Model risk: All business-related units and Risk Management Office

h. Climate change and environmental sustainability risk: Sustainability-related units and Risk Management Office

i. Other new risks: Digital finance, information, and business-related units, and Risk Management Office

Based on its function and business scope, each unit of the Company bears the risks generated by its own daily affairs. This is the first line of defense. These units are responsible for identifying and managing risks, designing and implementing effective internal control procedures to cover all relevant operations based on the characteristics of risks.

The second line of defense refers to other functional units that are independent of the first line of defense and not the third line of defense. According to its characteristics, the second line of defense assists and supervises the first line of defense to identify and manage risks. The second line of defense includes risk management, compliance, and other dedicated units. They are responsible for the formulation of the Company's overall risk management policies for each major risk category, monitoring risk bearing capacity and current condition of risk taking, and reporting risk control to the Board of Directors or the management.

The third line of defense is the internal audit unit. It should exercise independence and detachment to conduct audits and assist the Board of Directors and senior management in auditing and assessing whether the risk management and internal control systems are operating effectively, including assessing the effectiveness of risk monitoring conducted by the first and second line of defense. Improvement suggestions are provided in a timely manner to reasonably ensure the continuous and effective implementation of the internal control system and serve as the basis for review and revision of the internal control system.

C. The operation of Risk Management Committee

a. 2nd term of the Risk Management Committee: July 9, 2020 - June 23, 2023

Title	Name	Qualifications (Note)	Actual attendance	Number of meetings in attendance by proxy	Actual attendance rate (%)	Remarks
Independent Director	CHEN, YUH-JEN	1	17	0	100.00	Convener
Independent Director	HSIAO, CHEN-	2	17	0	100.00	—

Title	Name	Qualifications (Note)	Actual attendance	Number of meetings in attendance by proxy	Actual attendance rate (%)	Remarks
	CHI					
Independent Director	Che-Ying Liaw	2	17	0	100.00	—
Chairman	Ke-Chyn Jiang	3	16	0	100.00	Appointed on Nov. 5, 2020
Chairman	Han-Tsung Liu	3	1	0	100.00	Resigned on Oct. 15, 2020
Director	Jamie Lin	3	17	0	100.00	—
Director	Jyun-De Li	3	17	0	100.00	—

b. The term of the 3rd Risk Management Committee: 2023.06.30 – 2026.05.30 (as of 2023.12.31)

Title	Name	Qualifications (Note)	Actual attendance	Number of meetings in attendance by proxy	Actual attendance rate (%)	Remarks
Independent Director	CHEN, YUH-JEN	1	3	0	100.00	Convener
Independent Director	HSIAO, CHEN-CHI	2	3	0	100.00	—
Independent Director	Che-Ying Liaw	2	3	0	100.00	—
Independent Director	CHEN, MING-SHUN	3	3	0	100.00	—
Chairman	Ke-Chyn Jiang	3	3	0	100.00	—
Director	Jamie Lin	3	3	0	100.00	—
Director	Jyun-De Li	3	3	0	100.00	—

(Note) Qualifications:

Note 1. Lecturer or higher position at a public or private university/college in the department of commerce, law, finance, accounting or other fields related to the business.

Note 2. Judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who have passed a national examination and received a certificate in a profession necessary for our business.

Note 3. Work experience in commerce, law, finance, accounting or any other fields necessary for our business.

3. Risk reporting/measurement system scope and characteristics

(1) The description of the measurement of risks faced by the Company are market risk, liquidity risk, credit risk, operational risk, legal risk, model risk, climate change and environmental sustainability risks, and other new risks:

A. Market Risk

The management of market risk is stipulated in the regulations governing risk control of each business. The methods of management (including acceptable scope of transactions, quantitative measurement of market risk, market risk limits of overall and individual position, authorization hierarchy and methods for handling over-limit risks) are monitored by the Risk Management Office. The Company estimates the Value at risk (VaR) on a daily basis, and adjusted the model and parameters retrospectively to more accurately predict the largest possible loss due to market price fluctuation.

B. Liquidity Risk

Liquidity risk includes market liquidity risk and capital liquidity risk of the positions held. For market liquidity risk, the Company determines the cap of individual positions based on the nature of each business and the concentration of the positions, and monitors the positions. For capital liquidity risk, the Company authorizes the Finance Department to be responsible for the capital movements, and has formulated the "Regulations Governing Capital Liquidity Risk Control." In the risk control system, the Company has established the capital liquidity indicators for simulation analysis for capital liquidity risk, and measures the Company's risk tolerance for capital liquidity risk based on the stress test on monetary losses, in aim to enhance liquidity risk control.

C. Credit risk

The Company has different credit risk management methods for different financial products. For example, a certain level of credit rating is required to hold securities. For the brokerage business, the credit risk of margin purchase and short sale is borne by the securities firms. The credit ratio and rating of the collaterals are handled in accordance with the standards and requirements of securities firms. Moreover, the Company's matters regarding lending money without specific purposes are managed and monitored in accordance with the "Guidelines for Lending Money Without Specific Purposes," "Regulations Governing Risk Control," and other regulations governing assessment of credits and credit lines. The review of financing lines, the approval of the quality of collateral and the liquidity ratio is handled in accordance with the Company's authority hierarchy.

The trading of futures and options in the proprietary trading of derivatives are conducted through the open market, so there is no credit risk. Besides this, the risk control responsibilities in the trading of convertible bond asset swap (incl. options) have different limits depending on the credit rating. Besides strengthening the pre-trading credit evaluation, business units are required to monitor and evaluate the credit status of counterparties, in order to reduce credit risk exposure.

D. Operational risk

The Company has formulated the Internal Control System Policy and Rules of the Implementation of Internal Audit in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service

Enterprises in Securities and Futures Markets" released by the FSC and "Standard Directions for Internal Control Systems in Securities Firms" released by the Taiwan Securities Exchange Corporation. All businesses of the Company are conducted in accordance with relevant regulations released by the competent authorities, regulations regarding operational risks in the Company's regulations of risk control, and the standard operations stipulated in the Company's internal control system, in the aim to effectively control operational risk.

E. Legal Risk

The Company has established the Compliance Office, serving as the supervising unit, reviewing the regulations related to overall financial and operating activities, compiling the latest information on legal changes, and enforcing announcement of laws and regulations. The Company has also formulated the "Regulations Governing the Signing of Contracts" to improve the procedures for contract signing and management and effectively control the legal risk of the Company's overall operation.

F. Model Risk

In order to maintain the operation and management of models and enhance the risk control of financial products, the Company has formulated the "Rules of the Management Operation of the Use of Models" to regulate the development, verification, safekeeping and changes of the models, in order to reduce model risks from the inappropriate use of models, parameters or hypotheses.

G. Climate Change and Environmental Sustainability Risks

Due to global warming, increase in average temperature, and increase in the frequency of extreme weather, extreme rainfall and temperature difference are causing natural disasters which result in impacts on the operation of the financial market and the Company's operation. Thus, we have to identify the potential risks that might be incurred by climate change.

H. Other New Risks

Due to new businesses or modified operations (e.g. FinTech), there might be adverse impact on the future business operation because of the lack of risk identification and assessment.

(2) Information scope, frequency and procedures of risk management report

A. Information scope of risk management report

a. The Risk Management Office is responsible for the monitoring of the Company's overall and business unit's individual risk exposures. Besides understanding the responses to risk management from each business unit, disclosures of the daily position gains on the asset risk control system and loses and daily overview of VaR, the Company's 2023 annual capital adequacy ratio, overall risk equivalent, interest and exchange rate sensitivity analysis, and Value-at-risk are as follows:

①Dec. 31, 2023 Capital Adequacy Ratio

Capital adequacy ratio	That day	Annual average	Max. value	Min. value
	339%	393%	455%	319%

②Business risk equivalent as of December 31, 2023, unit:(NTD thousand, %)

Overall risk equivalent	Market risk	Credit risk	Operational risk	Total
	461,814	223,906	260,987	946,707
	49%	24%	28%	100%

③Dec. 31, 2023 Interest Rate Sensitivity Analysis (excluding perpetual bonds) Unit:(NTD thousand)

Bond position	Face value	Inventory cost	Market value	Duration	Profit/loss per 1bp fluctuation
Government bonds	300,000	312,443	301,570	1.99	60
State-owned corporate bonds	400,000	402,621	403,422	2.85	114
Unsecured corporate bonds	2,000,000	2,005,559	1,997,262	4.94	987
Total (NTD)	2,700,000	2,720,623	2,702,254	4.30	1,161

④Dec. 31, 2023 Interest Rate Sensitivity Analysis (perpetual bonds) Unit:(NTD thousand)

Bond position	Face value	Inventory cost	Market value	Duration	Profit/loss per 1bp fluctuation
Perpetual subordinated financial debentures	200,000	200,000	200,000	31.30	626

⑤Dec. 31, 2023 Exchange Rate Sensitivity Analysis Unit:(NTD thousand, %)

Foreign currency positions	Original currency amount	Exchange rate on that day	Profit/loss per 1% fluctuation
Foreign currency savings – USD	1,550	30.7350	476
Foreign currency savings – RMB	3	4.3338	0
Foreign currency savings – HKD	75	3.9339	3
Foreign currency savings – AUD	28	21.0012	6
Total (NTD)	—	—	485

⑥The Company's quantized market risk model is measured based on value-at-risk, and the quantized calculation is based on parametric methods (variance-covariance method), historical simulation method. The values-at-risk at 99% confidence level are as follows:

Unit:(NTD thousand)

Value-at-risk (99% VaR)	2023.12.31	Annual average	Max. value	Min. value
	47,797	19,569	52,170	81

b. Regular back test

①The Company back tested the models to ensure the accuracy and reliability of models which are based on statistics. This is performed in accordance with “Risk Management Best-Practice Principles For Securities Firms” and “The Draft for Rules of Internal Model Approach for Market Risk Capital Charge.” The competent authority divides the 99% VaR back test into three zones, green, yellow and red, each representing difference response levels. Please refer to the table below.

②Green zone indicates that no problem is showing in the quality of model or accuracy through the back test, that all qualitative standards are met, and that multiplier factor 3 can be used without any additional factors.

③Yellow zone indicates that there are doubts in the models through the back test. However, the results are not conclusive, and multiplier factor 3 can be used with additional factors.

④Red zone indicates that it is almost certain that there are underlying problems in the model.

Zones	No. of exceptions (No. of times exceeding limits)	Additional factors
Green zone	0	0.00
	1	0.00
	2	0.00
	3	0.00
	4	0.00
Yellow zone	5	0.40
	6	0.50
	7	0.65
	8	0.75
	9	0.85
Red zone	> 10	1.00

⑤99% VaR back test results for the year 2023 (by actual gain or loss and static gain or loss):

By products	VaR methods	back test period	Region	
			Actual gain or loss	Static gain or loss
Company overall	Aggregation	2022.01.01~2022.12.31	Green zone	Green zone
Domestic shares	Variance-covariance method	2022.05.01~2023.04.30	Yellow zone	Yellow zone
Overseas stocks	Variance-covariance method	2022.02.23~2023.02.22	Green zone	Green zone
Domestic bond	Historical simulation method	2022.12.12~2023.12.11	Green zone	Green zone
Domestic convertible corporate bonds	Historical simulation method	2022.09.01~2023.08.31	Yellow zone	Yellow zone

Domestic futures and options (Note)	Variance-covariance method	2022.11.01~2023.10.31	Red zone	Green zone
Overseas futures	Variance-covariance method	2022.11.01~2023.10.31	Green zone	Green zone
Funds	Variance-covariance method	2022.09.01~2023.08.31	Green zone	Green zone
Domestic shares of Horizon Venture Capital	Variance-covariance method	2022.09.01~2023.08.31	Green zone	Green zone
Funds of Horizon SICE	Variance-covariance method	2022.05.01~2023.04.30	Green zone	Green zone

c. Regular stress test

①2023 Q4 Stress test conditions – Hypothetical scenario analysis

I. 50% decrease in the market value of equity investments (incl. options, equity funds, balanced funds, and other positions) (incl. subsidiaries)

II. 2% credit loss in the money funds (incl. subsidiaries)

III. 10% credit loss in non-government bonds (incl. bond funds) (incl. subsidiaries)

IV. Transaction volume of Taiwanese stock market dropped to a daily average of NTD 50 billion.

V. Based on the Company's Climate Change and Environmental Sustainability Report, the amount of the climate change stress test in the current year of the physical and transition risk is NT$18.01 million.

VI. The Company will have an estimated loss of NTD 1.45 billion. Ratio of shareholders' equity to assets will drop to 23.5% from 30.7% in that month. Capital adequacy ratio will be lowered to 246% from 339%, and is still in line with the requirement by law.

②2023 Q4 Stress test conditions – Historical scenario (I)

From January to March 2020, the global stock market crashed due to COVID-19. The hypothesis is based on the Taiwanese stock market decline two months after the pandemic outbreak, taking into consideration the largest average decline of 30.91% of the Dow Jones, PHLX Semiconductor and Korea Composite. Thus, the hypothesis of this stress test is 30% loss in the equity investment, 10% loss in non-government bond investment, and 2% loss in money investment. The Target of the stress test are the Company's positions including:

I. 30% decrease in the market value of equity investments (incl. options, equity funds, balanced funds, and other positions) (incl. subsidiaries)

II. 2% credit loss in the money funds (incl. subsidiaries)

III. 10% credit loss in non-government bonds (incl. bond funds)

IV. Transaction volume of Taiwanese stock market dropped to a daily average of NTD 50 billion.

V. Based on the Company's Climate Change and Environmental Sustainability Report, the amount of the climate change stress test

in the current year of the physical and transition risk is NT$18.01 million.

VI. If all the above happens, the Company will have an estimated loss of NTD 1.056 billion. Ratio of shareholders' equity to assets will drop to 25.6% from 30.7% in that month. Capital adequacy ratio will be lowered to 269% from 339%, and is still in line with the requirement by law.

③2023 Q4 Stress test conditions – Historical scenario (II)

The historical share market crash in the beginning of Feb., 2018, where Dow Jones plunged, fearing an early increase of interest rate by FED. The largest accumulated intraday and closing decline in Dow Jones and major Asian share markets in 15 days, based on the closing price on Jan. 26, 2018. Among the stock markets, Heng Seng Index and Dow Jones dived an accumulative 11.14% in closing and 12.23% in intraday trading, respectively. Thus, the hypothesis of this stress test is a 12% loss. The Target of the stress test are the Company's positions including:

I. 12% decrease in the market value of equity investments (incl. options, equity funds, balanced funds, and other positions) (incl. subsidiaries)

II. 2% credit loss in the money funds (incl. subsidiaries)

III. 12% credit loss in non-government bonds (incl. bond funds)

IV. Transaction volume of Taiwanese stock market dropped to a daily average of NTD 50 billion.

V. Based on the Company's Climate Change and Environmental Sustainability Report, the amount of the climate change stress test in the current year of the physical and transition risk is NT$18.01 million.

VI. If all the above happens, the Company will have an estimated loss of NTD 0.758 billion. Ratio of shareholders' equity to assets will drop to 27.1% from 30.7% in that month. Capital adequacy ratio will be lowered to 280% from 339%, and is still in line with the requirement by law.

④2023 Q4 Stress test conditions – Historical scenario (III)

Taking the Morakot typhoon disaster in August 2009 which resulted in a fall in Taiwan's stock market as the historical scenario assumption. The closing price at the end of July 2009 was 7,056.71, and the lowest point on August 21 was 6,654.80. Thus, this stress test is focused on the Company's holding positions based on a 6% loss in share equity.

I. 6% decrease in the market value of equity investments (incl. options, equity funds, balanced funds, and other positions) (incl. subsidiaries)

II. 3% credit loss in the money funds (incl. subsidiaries)

III. 2% credit loss in non-government bonds (incl. bond funds)

IV. Transaction volume of Taiwanese stock market dropped to a daily average of NTD 50 billion.

V. Based on the Company's Climate Change and Environmental Sustainability Report, the amount of the climate change stress test

in the current year of the physical and transition risk is NT$18.01 million.

VI. If all the above happens, the Company will have an estimated loss of NTD 0.38 billion. Ratio of shareholders' equity to assets will drop to 28.9% from 30.7% in that month. Capital adequacy ratio will be lowered to 309% from 339%, and is still in line with the requirement by law.

The main purpose of the Company's stress test is to assess the maximum loss that the Company's capital can bear and identify measures that can be used to mitigate risks and protect capital. In summary, if the Company encounters abnormal losses after stress testing and capital simulation, the Company may take the following countermeasures:

I. Readjust holding positions, close positions, and hedging.

II. Purchase credit guarantees, insurance or decrease risk limit.

III. Increase capital from available sources, to ensure sufficient capital during crisis and increase the capital liquidity of securities firms.

IV. Plan countermeasures based on stress test scenarios.

B. Frequencies of risk management reports

a. Regular reports

①Each unit should prepare a daily risk control report indicating the execution results in the asset risk control system (including inventory position on-hand, exceeding limits, overstepping of authority, reaching warning and stop-loss threshold, counterparty ratings, and exception management, etc.) The Risk Management Office compiles and reviews the reports and reports them to senior management.

②The Risk Management Office presents the risk control reports to each business unit and their management at management meetings, and reports to the Risk Management Committee at board meetings on a quarterly basis.

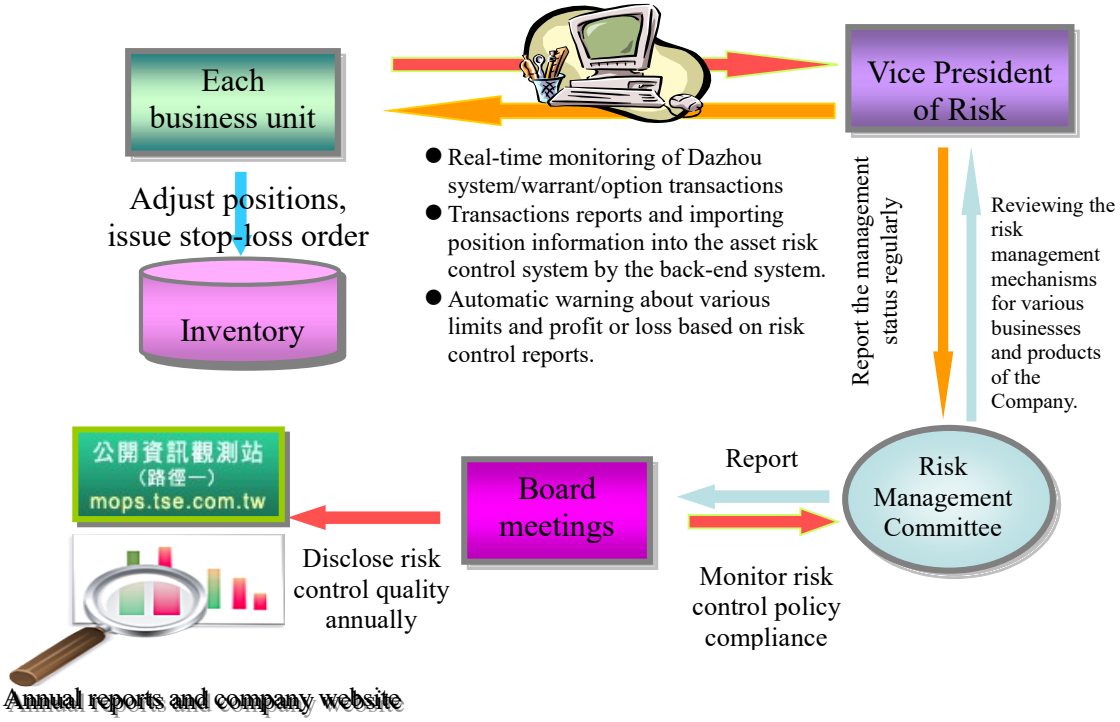
③As required by the competent authority, the Risk Management Office discloses relative quality information of risk control management in Annual Reports, company website and other places.

b. Reports when necessary

①The temporary suspension report of a business unit must be approved by the President before it is included in the exception management. Then, such matter is reported to the Risk Management Committee by the Risk Management Office on a regular basis.

②The Risk Management Office may request each unit to present the research report or explanation on specific positions or an individual stock.

C. Information and report procedures of risk management



4. The Company has formulated its "Regulations Governing Crisis Management" and "Regulations Governing the Continual of Information Business Management" to effectively carry out and implement strategies for continual of the Company's and subsidiaries' operation in case of crisis. Take COVID-19 as an example. The Company activated COVID-19 prevention measures in early 2020, and conducted drills for remote data back-up and working alternatively at office in March of the same year. We adopted a rolling wave planning policy in accordance with the guidance provided by the Central Epidemic Command Center. Apart from measures such as working from home for certain employees during level 2 and level 3 alert, the Brokerage Division was in charge of releasing emergency preventive measures for all branch offices in a timely manner, specifying drill framework of uninterrupted service of the Operations Service Division in order to protect the Company's key businesses. These measures ensure the Company's uninterrupted operations in the event of epidemic, major disasters, human-induced destruction and equipment malfunctions.
5. Bonds are interest-repayment securities, and their prices tend to return to their face values. In the first half of 2023, the U.S. Fed, in order to curb inflation, raised interest rates for a total of 3 times, for a cumulative interest rate increase of 3 spreads (75 bp). In the second half of the year, inflation is expected to decline due to the impact of the decline of international oil prices. In addition, the US Fed's interest rate policy meeting indicated that there will be room for three interest rate cuts in 2024, which led the U.S. bond yields to fall sharply. In the near future, the 10-year U.S. bond yields show a drop. Taiwan bond yields fell along with the U.S. bond yields under the influence of the Fed's suggestion of interest rate cuts. However, the market trading is still light. Recently, the 10-year Taiwan bond yields have been in a downward trend. Looking to the market outlook, the Central Bank of Taiwan decided to maintain the interest rate policy unchanged at the director and supervisor meeting. The market interpretation is that the interest rate increase cycle will not end until inflation cools below 2%. Therefore, it is expected that Taiwanese bonds will remain within a range in the short run. The trading range of 10-Year Taiwanese bond yields may fall between 1.15% and 1.25%. In view of this, the investment attractiveness of bonds as an asset allocation has been greatly improved. It is expected that the global bond

market environment will enter the investment stage of collecting interest and waiting for interest rate cut in 2024. Based on the average price increase of the bond market one year after the U.S. Fed's suspension of interest rate hikes in the past, all types of bond assets have room to perform.

6. In response to the intensifying climate change and environmental impact in the finance industry, the operation of the Company is expected to be impacted. Thus, the Company adopts the TCFD framework to identify its climate change and environmental sustainability risks and opportunities and countermeasures, gradually examines energy efficiency, greenhouse gas emissions, and extreme weather events, and performs stress tests on the impact of such natural disasters, to enhance its resilience and sensitivity to climate change risks. It implements climate change-related disclosures and adaptation strategies as the consensus of all management levels of the Company, while disclosing climate-related information as per the four categories of governance, strategy, risk management, indicators, and goals to continuously improve climate-related strategies and management to cope with changes in the general environment.

   The four core elements of the TCFD framework are as follows:

   (1) Governance: Governance of climate change risks and opportunities

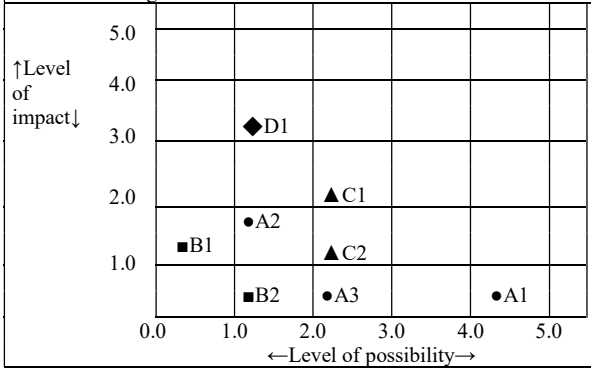
      A. The Company has included the environmental protection and sustainable governance in its CSR (Sustainability Report) in the form of a GRI table in accordance with guidelines and framework of the Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies (originally: Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEx Listed Companies), the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies, and the Global Reporting Initiative (GRI) since 2014.

      B. As the impact of climate change on the environment, ecology, and economic industry poses a significant threat to the Company's sustainable development, to attach importance to climate change issues and management, it amended the Guidelines for Risk Management Policies in 2021 to include climate change risks and submitted it to the board of directors for approval after deliberation by the Risk Management Committee.

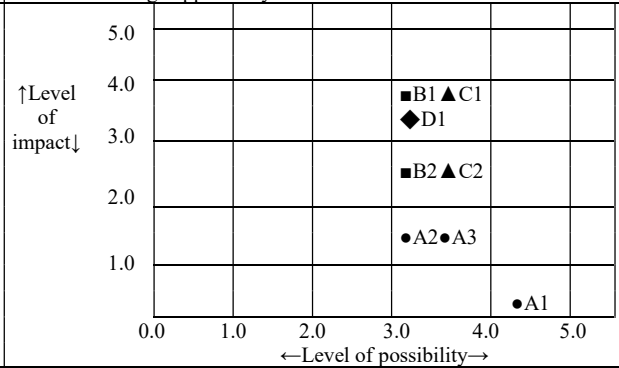
   (2) Strategy: Assess the actual and potential impacts of climate risks and opportunities and their financial impact on the Group and devise countermeasures.

      A. Climate change risk and opportunity matrix

1. Climate change risk matrix



2. Climate change opportunity matrix



S	●A1	Extreme weather such as heavy rain and typhoons may cause damage to the equipment, and causalities at the operating sites, resulting in the interruption of	S	●A1	We raise the employees' crisis awareness through education and training drills, review the Company's crisis response measures, and implement remote backup to

		operations.			improve operational flexibility.
L	●A2	Sea temperature around Taiwan due to El Nino, increasing number of days of extreme high temperature, prolonged pandemic, and increasing usage of power and water make it difficult to achieve carbon reduction goals.	L	●A2	We need to understand the limits of science and the uncertainties of estimates to carry out efficient communication and assessment on the climate change, which will help form a consensus and policies for sustainable development.
MS	●A3	Impairment of investment positions may be incurred due to climate anomalies.	MS	●A3	Increasing in investment portfolios and industry analysis of climate change-related matters help us grasp market trends and increase operational flexibility.
M	■B1	Loss of customers due to failure of Fintech development.	M	■B1	We optimize Fintech services, increase convenience of customers, and enhance corporate images to increase source of customers.
M	■B2	Against the backdrop of tightening greenhouse gas reduction and energy saving policies, failure to invest in energy saving equipment in time may result in increased operating costs.	M	■B2	We upgrade energy-saving equipment and increase energy efficiency to cut operating costs.
LM	▲C1	Against the backdrop of tightening greenhouse gas reduction and energy saving policies, failure to comply or disclose sufficient climate-related information in time may result in penalties.	MS	▲C1	Improvement to the transparency of corporate environmental sustainability to meet clients' requirements on brokers and underwriters selection in order to expand the customer sources.
M	▲C2	The toughening policies and regulations on the report obligation of carbon price and carbon reduction goals may cause an increase in the overall operating costs, and an decrease in the EPS gains from proprietary trading, thus lowering the profitability in proprietary trading.	M	▲C2	We increase climate- and environment sustainability-related emerging futures or financial product investment portfolios to increase investment income.
L	◆D1	Failure to actively engage in climate-related issues concerning stakeholders may impact the Company's image and reputation.	L	◆D1	We promise to focus on the impacts of climate change, work with internal and external stakeholders to reduce carbon emissions, implement climate change mitigation measures, and reduce climate change risks through stress tests.

L: Long-term M: Medium-term S: Short-term ●: Physical risks and opportunities ■: Resource and technology risks and opportunities ▲: Regulations and market risks and opportunities ◆: Reputation risks and opportunities

B. Through the identification of physical risks and transition risks, the responses to mitigation and adaptation are as follows:

Risk		Description of risk	Risk factor	Financial impact	Countermeasures	Duration
Climate change risk	Physical risk	Natural disasters, such as typhoons, floods, droughts, and other extreme climate events bear a risk of operational interruption and impair the investment position values.	● Equipment and personnel damage in business premises resulting in business interruption. ● Impairment of investment positions may be incurred due to climate anomalies	Operating revenue decreased Operating costs increased	● Crisis response regulations: remote work mechanism ● Regular stress tests to examine changes in the ratios of the Company's shareholders' equity to total assets and capital adequacy ratio	Short-, medium- and long-term
	Transition risk	Changes in energy conservation, carbon reduction, and resource use strategies	● Loss of customers due to failure of Fintech development. ● Upgrade energy-saving equipment	Operating revenue decreased Increase in operating expenses	● Adoption of energy efficient equipment ● Development of digital finance ● Implementation of green energy procurement	Medium-term

Risk		Description of risk	Risk factor	Financial impact	Countermeasures	Duration
		Corporate carbon footprint and greenhouse gas emissions control	● Carbon tax to be levied in the future, the impact of carbon credit trading, the increase in fines for the excess of the maximum quantity, or adverse price fluctuation of investment positions due to carbon trade.	Operating costs increased Self-operated profits decreased	● Inventory and disclosure of carbon footprints and greenhouse gas emission data ● Setting of emission reduction targets ● Our investment portfolio is categorized by industry. In the future, we will select sensitive industries and set investment limits for them, and direct our own investment in green energy industries with ESG indicators.	Medium- and long-term
Climate change opportunities	Improvement to the business image and increased opportunities for business development and proprietary trading investment	Improvement to the transparency of corporate environmental sustainability to meet clients' requirements on brokers and underwriters selectin	● Increased government funds, professional investment institutions, and orders in investment trust ● Increased underwriting cases from green energy enterprises	Increase in brokerage revenue Increase in underwriting revenue	● Support for climate change carbon reduction and adaptation policies, disclosure of financial-related information under the TCFD framework, and increased communication with the public. ● Collection of industry information to assess whether each underwriting client's industry and business are vulnerable to the impact of climate change risks, leading to a negative impact, and use of a green finance assessment form to conduct an in-depth KYC process as an indicator to strive for the underwriting business.	Medium- and short-term
		We optimize Fintech services, increase convenience of customers, and enhance corporate images to increase source of customers.	● Increase the digital financial opportunities	Increased revenue from brokerage and wealth management	Development of digital finance	Medium-term

Risk		Description of risk	Risk factor	Financial impact	Countermeasures	Duration
		Emerging futures or financial product investment	● Increasing in investment portfolios and industry analysis of climate change-related matters help us grasp market trends and increase operational flexibility.	Increased proprietary trading income	● Support for TCFD; proprietary traders understand the connection between the operational development of each investment target and climate change and environmental sustainability through regular interviews and review of financial reports. It is hoped that companies will use the climate-related financial information disclosed in financial reports to limit investment in sensitive industries and to guide their own investments in green energy industries with ESG indicators.	Medium-term

(3) Risk management: A risk mechanism of identifying and measuring climate change

A. To implement climate change management with reference to the reports and information released by relevant institutions at home and abroad, the Company manages to keep abreast of the international standards and responds and makes adjustments accordingly in real time. In addition, it should include the impact factors of climate change in the operational strategy planning and decision-making process, evaluate the relevant impacts, countermeasures, and business opportunities in daily business activities, and include it in the Company's risk management executive report and submit it to the Risk Management Committee and the board of directors.

B. Short-, medium-, and long-term climate change risks and opportunities are identified for occurrences of climate change-related scenarios. Each year, the Risk Management Office develops a climate risk matrix for Horizon based on potential frequency of occurrence and impact level based on actual and transitional risks that may occur in the future. Conduct qualitative analysis of physical risks (Attachment L2) and build up the knowledge and ability to respond to climate change (SDGs 13.2), so that all levels of the company have the ability to face environmental, economic and social disasters with resilience (SDGs 1.5). Strengthen the ability to adapt to climate changes, extreme climates, droughts, floods and other disasters (SDGs 13.1 Strengthen resilience and adaptive capacity to climate-related hazards), and use a 5KM grid overlay to include the scenario analysis parameters regarding uncertainty of climate risk. The disaster potential analysis map and scenario analysis map overlay are generated based on the level of greenhouse gas warming (GWL1.5°C, 2°C, 4°C), base period and future estimates of the representative concentration pathways (RCP4.5, 8.5. They disclose the physical risk assessment and scenario analysis of climate change for the Company's operating locations in 2023 (Attachment L2A), and the operating location of host underwriting and emerging stock customers (Attachment

L2B).

C. For the transition risk, the Operations Service Division will conduct a carbon inventory in accordance with the framework of ISO 14064-1. The Risk Management Office will further analyze and assess the Company's own carbon inventory transition risk (Attachment L3A) after organizing the inventory information. According to the "Global GHG Accounting and Reporting Standard for the Financial Industry" published by the Partnership for Carbon Accounting Financials (PCAF), the framework of the research report for Scope 3 of greenhouse gas emissions disclosed for securities, futures and trust industry, and Attachment 4 of Jin-Guan-Cheng-Quan-Zi No.: 1120359959 released by the Financial Supervisory Commission on February 15, 2024, the Scope 3 transition risk measurement guidance for the investment position of the Company in 2023 has been set up. (Scope of assessment: Limited to the stock of financial assets position measured at fair value through profit and loss (PL) or other comprehensive income (OCI).) With regard to the consistency scenario model, scope and parameter of NGFS (REMIND-MAgPIE model), the climate change risk stress test (Attachment L4) is analyzed and calculated through the carbon pricing simulations in the NGFS 2030 and 2050, which serve as the basis for the Company's environmental sustainability and climate change risk adjustment.

D. In order to effectively exert the professional influence of institutional investors and implement the spirit of responsible investment, in addition to considering the climate change and environmental sustainability risks of investment targets, the Company should also follow Article 3 of the Company's "Rules for Responsible Investment Management" when making investments with proprietary trading or capital. Article 3 indicates the six principles of responsible investment:

- Incorporate ESG issues into the investment analysis and decision-making process.
- Exercise active ownership and integrate ESG issues into ownership policies and practices.
- Appropriate ESG disclosure is required for invested institutions.
- Promote the investment community to accept and implement the Principles for Responsible Investment (PRI).
- Establish the collaborative system to strengthen the performance of the Principles for Responsible Investment (PRI).
- Review and implement the activity and progress of collaborative system to strengthen the performance of the Principles for Responsible Investment (PRI).

E. Please refer to the Company's environmental sustainability website for the above B and C attachments (L2 - L4).

(4) The Sustainability Report compiled is posted on the Company's website and disclosed in the annual report. The Company reports the implementation of the Company's sustainable development measures in accordance with the "Transition Strategies of Sustainable Development for Securities and Futures Sectors" on a quarterly basis as required by the Tai-Zheng-Fu-Zi No. 1110502094 (on July 21, 2022).

(5) Indicators and goals: The indicators used in the evaluation as per the strategies and the management process and the results of achieving the goals.

A. From the Kyoto Protocol in 1997 to the Paris Agreement in 2015, the world has been trying to address climate change, with the goal of limiting warming to 2°C by the end of this century or at least the 1.5°C target in a new report by the Intergovernmental Panel on Climate Change (IPCC), to jointly work to address the issue of global warming. The Company determined 2021 as the first year for greenhouse gas (CO2 emission) monitoring. In 2022, the Company added two new business locations and introduced ISO 14064-1 greenhouse gas inventory standards, so that the inventory base year is reset to 2022. The GHG reduction target is based on 2022, with an annual goal of 1% reduction in 2024 over 2023, and a short-term goal of 8% reduction in 2030 over 2022 (1% reduction per year). The long-term goal is to achieve net zero carbon emissions by 2050. The boundary of the inventory covers the head office, branch offices, and group subsidiaries.

B. Under the trend of automation and paperless office environment, the Company has also transformed various workflows with emerging technologies to improve work efficiency, improve the decision-making analysis model, and reduce operating expenses, such as accelerating the online account opening platform, optimizing the electronic trading platform, regularly working with stock market experts to hold online live seminars, launching the AI stock selection and ordering services, and providing customers with diverse market information and new trading knowledge on the social community, while being committed to continuously upgrading customer services.

C. In addition to reducing energy costs by updating water and power efficient equipment, the Group strengthens employee training and education, to continue to promote the concept of energy conservation and environmental protection. Further,pre, the Company has established a comprehensive paperless environment, including the e-office administrative procedures, electronic trading statements, and electronic order placement, and upgraded the automated information systems and transformed various workflows to reduce paper consumption and improve work efficiency as well.

7. Risk hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk monitoring, hedging and mitigation tools

(1) The Company carries out analysis based on the severity of loss, and assesses the pros and cons of each countermeasure. Potential hedging and mitigation policies include:

A. Risk avoidance: Take avoidance measures, to avoid activities that may have underlying risks.

B. Risk transfer/mitigation: Transfer part or all of the risk to a third party.

C. Risk control: Reduce the possibility and (or) impacts of risks through appropriate approaches.

D. Risk-taking: Not taking any measures to change the possibilities and impact of risks.

(2) The Company’s monitoring, hedging and mitigation tools are mainly derivatives. The Company maintains the risk of market price fluctuations of hedging positions within an acceptable limit, determines the authorization limit based on the risk tolerance, and establishes a monitoring warning mechanism to grasp the change in the hedging positions.

(3) The Company’s hedged items of the call (put) warrants issued by the Derivatives

Investment Department are mainly spot commodities, convertible corporate bonds, and call (put) warrants of other issuers. The Black-Scholes valuation model is used to estimate the Delta, Gamma and Vega values of the issuing positions and its hedging positions of derivatives, and the values are also used as a reporting parameter for the capital adequacy ratio. However, there have been no call (put) warrants issued since Jun. 2019.

8. The Company has also established the Futures Proprietary Trading Department, responsible for future trading. The risk control items include limits to value-at-risk, risk exposures, guarantee deposits, stock concentration, company scale, liquidity, stop-loss/take-profit. All investment strategies are approved after analysis on the fundamentals and strategic aspects and assessment of the general market trend at the investment decision meetings convened by the Proprietary Investment Division.
9. Credit rating andevaluation of risk control

(1) Recent credit rating

①2022-May Fitch Ratings Long-term: BBB (twn) Short-term:F3(twn) Outlook: Stable
②2022-Nov Fitch Ratings Long-term: BBB (twn) Short-term:F3(twn) Outlook: Stable
③2023-Nov Fitch Ratings Long-term: BBB (twn) Short-term:F3(twn) Outlook: Stable

(2) Evaluation of risk control

①The Company’s risk control evaluation for the year 2017 was Level 3 (Satisfactory).
②The Company’s risk control evaluation for the year 2018 was Level 2 (Good).
③The Company’s risk control evaluation for the year 2021 was Level 2 (Good).

8. Other important notes: None.

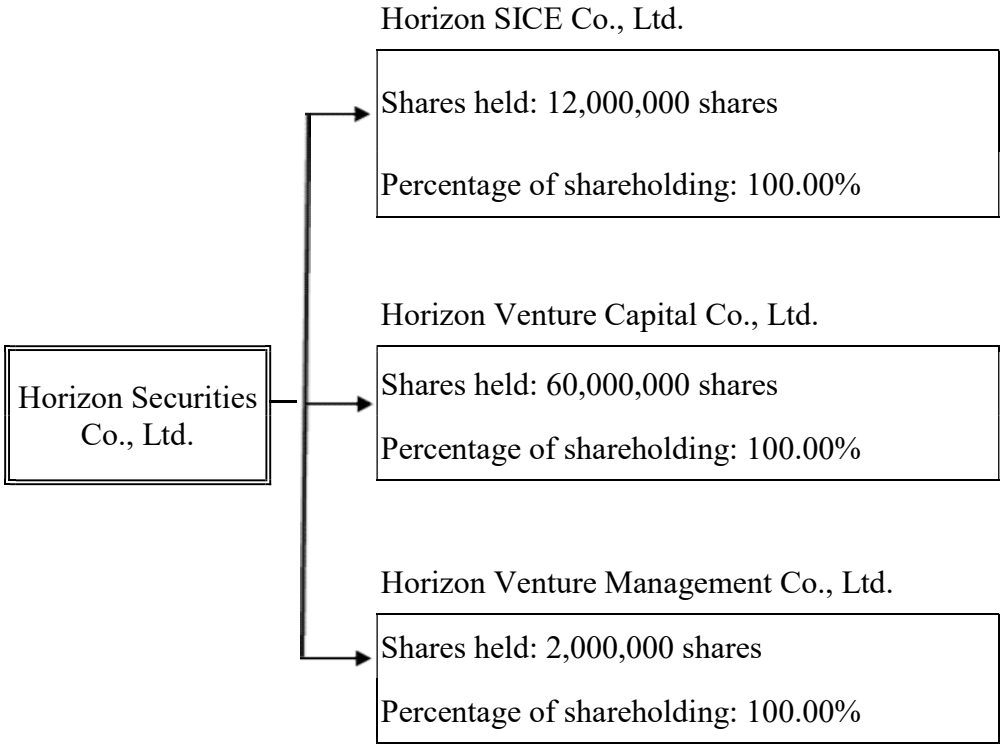
VIII. Special Disclosure

1. Information on the Company Affiliates

(I) Consolidated business reports of affiliates

1. Corporate Organization Chart

December 31, 2023



2. Basic information on affiliates

Company name	Date of Incorporation	Address	Paid-in Capital	Principal business or production
Horizon Securities Corp. (hereinafter referred to as Horizon Securities)	1961.12.08	3–5F., 7F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan	3,512,516	H301011 Securities Brokerage 1. Securities broker 2. Securities propriety traders 3. Securities underwriters 4. Futures Brokerage (H401011) 5. Futures Consultation Services (H405011) 6. Other businesses approved by the competent authority
Horizon SICE Co., Ltd. (hereinafter referred to as "Horizon SICE")	1993.07.02	4F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan	120,000	H304011 Security-investing Advices
Horizon Venture Capital Co., Ltd. (hereinafter referred to as "Horizon Venture Capital")	2014.04.08	7F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan	600,000	H202010 Venture Investment ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
Horizon Venture Management Co., Ltd. (hereinafter referred to as "Horizon Venture Management")	2019.03.13	7F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan	20,000	I102010 Investment Consultancy I103060 Management Consulting Services H202010 Venture Investment H201010 Investment

				ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

3. Where there is considered to be a controlled and subordinate relation, the information of the same shareholders

   Less than half of the number of executive shareholders or directors in the Company are temporarily acting as executive shareholders or directors in another company, and less than half of the total number of outstanding voting shares or the total amount of the capital stock of the Company and another company are held by the same shareholders. Thus, it is concluded that there is no existence of the controlling and subordinate relation.

4. Description of businesses covered by all the affiliates

   The description of the mutual dealings and division of work among such affiliates:

   (1) Horizon SICE: It provides the Company with investment analysis or consultation services, acts as an agent for overseas fund sales and privately placed overseas fund, and discretionary investment business, and serves as an administrative agent.

   (2) Horizon Venture Capital: Primarily engaged in venture investment. The scope of investment includes companies with industrial development trends, application markets and technological content, and timely referrals to the parent company for continuation of the underwriting services will be provided.

   (3) Horizon Venture Management: Its main business is managing the investment funds of venture capital enterprises. Currently, it is mainly responsible for the operation of fund of Horizon Venture Capital.

5. Information on directors, supervisors, and presidents of affiliates

December 31, 2023; unit: shares

Company name	Title	Names or representative	Shareholdings	
			Number of shares	Percentage of shareholding
Horizon Securities	Chairman	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Ke-Chyn Jiang	35,160,200	10.01%
	Director	Cheng-Da Investment Consulting Co., Ltd. Legal representative: Jamie Lin	35,160,200	10.01%
	Director	Jyun-De Li	0	0.00%
	Independent Director	HSIAO, CHEN-CHI	0	0.00%
	Independent Director	CHEN, YUH-JEN	0	0.00%
	Independent Director	Che-Ying Liaw	0	0.00%
	Independent Director	CHEN, MING-SHUN	0	0.00%
	President	Jamie Lin	310,016	0.09%
Horizon SICE	Chairman Director	Representative of Horizon Securities: Hung-Da Chen Chan-Mei Liu	12,000,000	100.000%

Company name	Title	Names or representative	Shareholdings	
			Number of shares	Percentage of shareholding
	Director Supervisor President	Kuo-Ching Chen Meng-Wei Lu Chan-Mei Liu		
Horizon Venture Capital	Chairman Director Director Supervisor President	Representative of Horizon Securities: Ke-Chyn Jiang Jamie Lin Gilbert Chang Christine Chang Hsu-Lun Chen	60,000,000	100.000%
Horizon Venture Management	Chairman Director Director Supervisor President	Representative of Horizon Securities: Ke-Chyn Jiang Jamie Lin Gilbert Chang Christine Chang Hsu-Lun Chen	2,000,000	100.000%

6. Operation summary of affiliates

Dec. 31, 2023; Unit: NTD thousand

Company name	Paid-in Capital	Total assets	Total liabilities	Net worth	Operating income	Net operating income (loss)	Net income (loss) (after tax)	Earnings per share (NTD) (after tax)
Horizon Securities	3,512,516	15,444,340	10,707,537	4,736,803	1,179,917	(10,438)	179,799	0.51
Horizon SICE	120,000	146,494	18,990	127,504	49,072	(2,808)	4,243	0.35
Horizon Venture Capital	600,000	525,475	3,689	521,786	34,216	18,089	18,646	0.31
Horizon Venture Management	20,000	29,124	3,323	25,801	14,913	5,975	4,903	2.45

(II) For consolidated financial statements of the affiliates: Please refer to page 134-235 of this Annual Report.

(III) Affiliation reports: None.

(IV) The information on guarantees & endorsement, loans to others, and derivatives of affiliates:

As of the most recent fiscal year and the printing date of this Annual Report, there is no matters of guarantees & endorsement, and loans to others. Except for the Company having established the Futures Proprietary Trading Department to handle products such as futures and options, other affiliates do not engage in derivatives trading.

2. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report

On May 31, 2023, the Company's shareholders' meeting resolved to offer new common shares through private placement to raise capital, and the new common shares will end on May 30, 2024. The second domestic unsecured convertible corporate bonds were collected in January 2024, and the raised amount was NT$608,160,270. It is sufficient to pay the holders of the first domestic unsecured convertible corporate bonds to sell the fund of this bond back earlier. As approved by the Board of Directors on March 7, 2024, the new common shares will no longer be offered.

Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report

As of the most recent fiscal year and the printing date of this Annual Report, the subsidiaries do not hold or dispose of shares in the Company.

3. Other Supplementary Information

(一) Number of employees in non-managerial positions and annual average employee benefits and the difference over the previous year:

	2023	2022	Difference
Number of employees in non-managerial positions (person)	448	441	7
Annual average employee benefits (thousands)	$1,288	$1,153	$135

In 2023, there are 448 employees in non-managerial positions and the annual average

employee benefit was NT$1,288 thousand. The difference compared to the previous year is because the Company operated at a loss in 2022, resulting in an increase in surplus bonuses. Thus, the increase in benefit expenses for the year 2023 is considered reasonable.

IX. Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

Statement of Declaration

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2023 (January 1 to December 31, 2023 pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included into the consolidated financial statement of the parent company and subsidiaries pursuant to the Statements of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statement of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statement of affiliated enterprises separately.

Hereby declare

Company name: Horizon Securities Co., Ltd.

Chairman: Ke-Chyn Jiang

February 22, 2024

Auditor's Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying consolidated balance sheet of Horizon Securities Co., Ltd. and subsidiary (hereinafter collectively referred to as the "Group") as of December 31, 2023 and 2022, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Notes of the consolidated financial statements (including major accounting policy) for the years then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Certified Public Accountants Engaged to Audit and Attest Financial Statements and the Standards on Auditing. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd. and subsidiary, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The "key audit matters" means that the independent auditor has used their professional judgment to audit the most important matters on the 2023 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Evaluation of financial instruments—no active market

Horizon Securities Co., Ltd. and its subsidiaries invest in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, Horizon Securities Co., Ltd. and its subsidiaries adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions used in the evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and

approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by Horizon Securities Co., Ltd. and its subsidiaries, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the consolidated financial statements.

Responsibilities of Management and Those in Charge of Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The 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 applicable IFRS, IAS,SIC, and IFRIC as recognized by the Financial Supervisory Commission, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements to be free from material misstatement whether due to fraud or error.

While preparing the consolidated financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd. and its subsidiaries, the disclosure of the relevant matters, and the adoption of the accounting base for continuing operation, unless the management intends to liquidate Horizon Securities Co., Ltd. and its subsidiaries or cease the business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd., and its subsidiaries (including the Audit Committee or supervisors) is responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 and auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that the individual financial statements conducted in accordance with the accounting principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 risks, and obtain evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

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

4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Horizon Securities Co., Ltd. and its subsidiaries and its 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 inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Horizon Securities Co., Ltd. and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of 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).

The independent auditor has, based on the communications with the governing unit, determined the key audit matters to be performed on the 2023 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. 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 communications.

Others

Horizon Securities Co., Ltd. has compiled its 2023 and 2022 individual financial statements, for which we issued unqualified opinion.

Ernst & Young Global Limited
Competent authorities have approved the audit of the financial reports of public companies
Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0970038990
Jin-Guan-Zheng-(Shen)-Zi No. 1060027042

James Huang

CPAs:

Chun-Ting Ma

February 22, 2024

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	$2,128,603	14	$2,455,920	24
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.20, 7, 8 and 12	4,095,809	26	2,356,378	23
113200	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	62,010	-	50,040	-
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	2,654,930	17	351,797	3
114060	Securities borrowings receivable	4, 6.6 and 12	10,046	-	59,992	1
114066	Loan receivable – non-restricted purpose	4, 6.7 and 12	786,342	5	591,815	6
114070	Customers' margin accounts	4, 6.8, 6.33 and 12	481,698	3	577,152	6
114110	Notes receivable-net	4, 6.9 and 12	120	-	327	-
114130	Accounts receivable – net	4, 6.9, 7 and 12	3,213,108	21	1,770,304	18
114150	Prepayments		15,303	-	18,683	-
114170	Other receivables	4, 6.10, 7 and 12	15,983	-	17,572	-
114600	Current income tax asset	4	2,397	-	3,389	-
119000	Other current assets	8 and 12	347,691	2	367,098	4
110000	Total current assets		13,814,040	88	8,620,467	85
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	472,473	3	456,136	5
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	132,082	1	103,205	1
123300	Financial assets based on cost after amortization- non-current	4, 6.4, 7 and 12	199,999	1	199,999	2
125000	Property, plant, and equipment – net	4, 6.11, 6.34 and 7	77,816	1	90,233	1
125800	Right-of-use assets- Net	4 and 6.27	287,183	2	124,481	1
127000	Intangible assets	4, 6.12 and 6.34	84,311	1	85,004	1
128000	Deferred income tax assets	4 and 6.31	9,753	-	9,337	-
129010	Business guarantee	6.13 and 12	280,000	2	280,000	3
129020	Settlement / clearance fund	6.14 and 12	89,278	1	90,300	1
129030	Refundable deposits	12	14,776	-	26,395	-
129070	Net determined benefit asset-non-current	4 and 6.21	2,926	-	5,093	-
129130	Prepayments for equipment		2,220	-	720	-
120000	Total of Non-Current Assets		1,652,817	12	1,470,903	15
906001	Total assets		$15,466,857	100	$10,091,370	100

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet (Continued)
December 31, 2023 and 2022

Unit: NTD thousand

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.15 and 12	$100,000	1	$50,000	-
211200	Commercial papers payable	6.16 and 12	199,762	1	-	-
212000	Financial liabilities at fair value through profit or loss- current	4, 5, 6.17, 6.20 and 12	4,347	-	12,034	-
214010	Call loans to banks	4, 6.18 and 12	5,460,243	35	2,099,446	21
214080	Futures traders' equity	4, 6.33 and 12	481,353	3	576,285	6
214130	Accounts payable	4, 6.19, 7 and 12	3,239,812	21	1,772,362	18
214150	Advances		3,890	-	697	-
214170	Other payables	7 and 12	175,231	1	118,349	1
214600	Current Tax Liability	4	3,309	-	13,769	-
215100	Liability reserve-Current	4 and 6.22	325	-	6,101	-
215200	Long-term liabilities due within one year or one operating cycle	4, 6.20 and 12	639,950	4	-	-
216000	Lease liabilities – current	4, 6.27 and 12	78,301	1	35,703	-
219000	Other current liabilities		129,060	1	107,251	1
210000	Total current liabilities		10,515,583	68	4,791,997	47
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.20 and 12	-	-	674,201	7
225100	Liabilities reserve- non-current	4 and 6.22	11,721	-	11,531	-
226000	Lease liabilities – noncurrent	4, 6.27 and 12	202,193	1	78,650	1
228000	Deferred tax liabilities	4 and 6.31	557	-	915	-
220000	Total of non-current liabilities		214,471	1	765,297	8
906003	Total liabilities		10,730,054	69	5,557,294	55
	Equity attributable to Shareholders of the Company	4 and 6.23				
301000	Share capital					
301010	Common stock capital		3,512,516	23	3,512,516	35
302000	Capital reserve		355,468	2	356,228	3
304000	Retained earnings					
304010	Statutory surplus reserves		175,446	1	175,446	2
304020	Special surplus reserves		356,113	3	356,113	4
304040	Undistributed earnings		201,504	1	25,276	-
305000	Other equity		135,756	1	108,497	1
906004	Total equity		4,736,803	31	4,534,076	45
906002	Total Liabilities and Equity		$15,466,857	100	$10,091,370	100

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Income Statement
2023 and 2022

Unit: NTD thousand

Code	Items	Note	2023		2022	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.24 and 7	$777,920	64	$695,958	102
402000	Commissions income from loans	4	254	-	131	-
404000	Underwriting business revenue	4, 6.24 and 7	63,668	5	76,807	11
410000	Operating gain (loss) on sale of securities	6.24 and 7	221,683	18	(105,026)	(15)
421100	Stock affairs agency revenue	4 and 7	80,535	6	79,137	12
421200	Interest revenue	4, 6.24 and 7	69,593	6	34,717	5
421300	Dividend income	4, 7	22,975	2	16,753	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.24 and 7	128,765	10	(166,719)	(24)
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.24 and 12	(161,906)	(13)	43,850	6
424500	Net gain (loss) from derivative financial instruments－OTC	4	7,454	1	(14,604)	(2)
425300	Expected credit impairment loss and reversal benefit	4 and 6.24	(620)	-	(43)	-
428000	Other operating revenue	6.25 and 7	10,866	1	21,005	3
400000	Total revenues		1,221,187	100	681,966	100
	Expense					
501000	Brokerage fee expenses		(60,563)	(5)	(58,625)	(9)
502000	Proprietary trade service commission expenses		(2,498)	-	(1,709)	-
521200	Financial costs	6.26	(35,258)	(3)	(4,936)	(1)
524300	Clearance and settlement service expenses		(7,837)	(1)	(9,155)	(1)
528000	Other operating expenses	7	(1,006)	-	(831)	-
531000	Employee benefits expenses	6.21, 6.28 and 7	(740,775)	(61)	(642,022)	(94)
532000	Depreciation and amortization expenses	6.27 and 6.28	(129,814)	(10)	(118,055)	(17)
533000	Other operating expenses	7	(232,606)	(19)	(214,159)	(32)
500000	Total Expense		(1,210,357)	(99)	(1,049,492)	(154)
5xxxxx	Operating profit (loss)		10,830	1	(367,526)	(54)
602000	Other profits and losses	4 and 6.29	195,754	16	180,038	26
902001	Net income before tax (loss)		206,584	17	(187,488)	(28)
701000	Income tax expenses	4 and 6.31	(26,785)	(2)	(32,696)	(5)
902005	Net income (loss) for the current period		179,799	15	(220,184)	(33)
805000	Other comprehensive income	6.30				
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(3,571)	-	35,033	5
805540	Investment of equity instruments at fair value through other comprehensive income					
	Unrealized valuation profit (loss), net		27,259	2	(9,731)	(1)
805000	Other comprehensive income for the period (post-tax profit or loss)		23,688	2	25,302	4
902006	Total comprehensive income in current period		$203,487	17	$(194,882)	(29)
913000	Net income (loss) attributable to:					
913100	Owners of parent		$179,799		$(220,184)	
914000	Total comprehensive income attributable to:					
914100	Owners of parent		$203,487		$(194,882)	
975000	Base earnings per share (NT$):					
975010	Net income (loss) for the current period	6.32	$0.51		$(0.63)	
985000	Diluted earnings per share (NT$):					
985010	Net income (loss) for the current period	6.32	$0.42		$(0.63)	

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang　　Managerial officers: Jamie Lin　　Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Items	Equity attributable to Shareholders of the Company						Total equity
	Share capital		Retained earnings			Other equity	
	Common stock capital	Capital reserve	Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	
Code	3100	3200	3310	3320	3350	3420	3XXX
Balance as at January 1, 2022	$3,313,694	$359,443	$52,945	$111,110	$1,373,218	$118,228	$5,328,638
Dividend allocation and distribution for 2021:							
Legal reserve appropriated	-	-	122,501	-	(122,501)	-	-
Appropriation of special reserve	-	-	-	245,003	(245,003)	-	-
Cash dividend released	-	-	-	-	(596,465)	-	(596,465)
Common stock dividends	198,822	-	-	-	(198,822)	-	-
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(3,215)	-	-	-	-	(3,215)
2022 net income	-	-	-	-	(220,184)	-	(220,184)
Other comprehensive net income in 2022	-	-	-	-	35,033	(9,731)	25,302
Total comprehensive net income in 2022	-	-	-	-	(185,151)	(9,731)	(194,882)
Balance as at December 31, 2022	3,512,516	356,228	175,446	356,113	25,276	108,497	4,534,076
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(760)	-	-	-	-	(760)
2023 net income	-	-	-	-	179,799	-	179,799
Other comprehensive net income in 2023	-	-	-	-	(3,571)	27,259	23,688
Total comprehensive net income in 2023	-	-	-	-	176,228	27,259	203,487
Balance as at December 31, 2023	$3,512,516	$355,468	$175,446	$356,113	$201,504	$135,756	$4,736,803

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flow
2023 and 2022

Unit: NTD thousand

Code	Items	2023	2022
	Cash flow from operating activities:		
A10000	Net income (loss) before tax for this period	$206,584	$(187,488)
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	109,944	101,216
A20200	Amortization expenses	19,870	16,839
A20300	Expected credit impairment loss and reversal benefit	620	43
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	(128,765)	166,719
A20900	Interest expenses	35,258	4,936
A21200	Interest income (including financial income)	(110,672)	(59,797)
A21300	Dividend income	(26,290)	(19,830)
A22500	Loss on disposal or scrapping of property, plant and equipment	1	-
A23100	Net gain (loss) on disposal of investments	(2,525)	441
A23300	Loss on non-operating financial products at fair value	7,073	3,607
A24200	Gain on redemption of corporate bonds payable	(3,127)	(14,172)
A29900	Other items	(1,811)	(2,139)
A60000	Changes in operating activities related assets/liabilities		
A61000	Net changes in operating activities related assets:		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	(1,631,551)	1,547,709
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	(2,303,133)	798,783
A61180	Increase in securities borrowings receivable	(144,581)	(171,777)
A61190	Decrease (Increase) in customers' margin accounts	95,454	(57,535)
A61230	Decrease (increase) in notes receivable	207	(177)
A61250	Decrease (increase) in accounts receivable	(1,431,387)	2,344,979
A61270	(Increase) decrease in prepayments	2,050	(6,289)
A61280	Increase in net interest on the net defined benefit asset	(1,404)	-
A61290	Decrease (increase) in other receivables	954	(370)
A61365	Increase in financial assets at fair value through other comprehensive profit or loss	(13,588)	(136)
A61370	Decrease in other current assets	19,407	1,195,569
A62000	Net changes in operating activities related liabilities:		
A62110	Increase (decrease) in bond liabilities under repurchase agreement	3,360,797	(1,704,946)
A62130	Increase (decrease) in financial liabilities at fair value through profit and loss	(7,454)	12,817
A62200	Increase (decrease) in futures traders' equity	(94,932)	56,852
A62230	Increase (decrease) in accounts payable	1,464,988	(2,274,939)
A62250	Increase (decrease) in advance receipts	3,193	(7,490)
A62270	Increase (decrease) in other payables	56,882	(256,198)
A62290	Decrease in net determined benefit liability	-	(1,174)
A62300	Decrease in liability reserve	(5,776)	(138)
A62320	Increase (decrease) in other current liabilities	21,808	(1,098,113)
A33000	Cash (outflow) inflow generated from operations	(501,906)	387,802
A33100	Interest received	99,218	57,824
A33200	Dividends received	26,340	19,537
A33300	Interest payment	(3,215)	(1,294)
A33500	Income tax expense, net	(37,025)	(144,975)
AAAA	Net cash inflow (outflow) from operating activities	(416,588)	318,894
	Cash flow from investing activities:		
B02700	Acquisition of property, plant, and equipment	(12,852)	(62,761)
B03300	Increase in business guarantee	-	(10,000)
B03500	Increase in settlement/clearance fund	(1,691)	(71,853)
B03600	Decrease in settlement/clearance fund	2,713	91,568
B03700	Increase in refundable deposits	(701)	(1,456)
B03800	Decrease in Refundable deposits	12,320	1,831
B04500	Acquisition of Intangible assets	(17,847)	(20,853)
B07100	Increase in prepayments for equipment	(2,220)	(240)
BBBB	Net cash outflow from investing activities	(20,278)	(73,764)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase of short-term loans	43,712,309	66,031,596
C00200	Decrease in short-term loans	(43,662,309)	(66,031,596)
C00700	Increase in commercial papers payable	1,747,705	29,979
C00800	Decrease in commercial papers payable	(1,550,000)	(180,000)
C01300	Corporate bonds repaid	(17,101)	(62,236)
C04020	Repayments of principal portion of the lease	(78,622)	(66,311)
C04500	Cash dividend released	-	(596,465)
C05600	Interest payment	(42,433)	(20,170)
CCCC	Net cash inflow (outflow) from financing activities	109,549	(895,203)
EEEE	Current cash and cash equivalents decrease	(327,317)	(650,073)
E00100	Balance of cash and cash equivalents, beginning of period	2,455,920	3,105,993
E00200	Balance of cash and cash equivalent, end of period	$2,128,603	$2,455,920

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Notes to financial statements
January 1 to December 31, 2023
and January 1 to December 31, 2022
(In thousand New Taiwan dollars, unless otherwise specified)

1. Company History

Horizon Securities Co., Ltd. (hereinafter referred to as the "Company") was established in December 1961. It was originally a brokerage firm. Later in 1990, with business expansion, it was approved to function as a comprehensive securities firm, to trade securities as an agent, trade securities on its own, and underwrite securities. It launched the securities lending and borrowing business in November 1992. Since July 25, 1996, it has been listed for trading in the Taipei Exchange. On June 8, 1998, it was approved to conduct the business within the scope of H408011 Futures Trading Assistance. Since December 2000, it has been changed to operate the securities lending and borrowing business as an agent. On September 26, 2008, it was approved to operate the business under H401011 Futures Commission Merchants; later, on April 29, 2013, it was approved to operate the futures brokerage business, and on August 6, 2015, it was approved to run the business under H405011 Futures Advisory Enterprises. The Board of Directors resolved a decision on September 30, 2021, to establish branches at Taipei 101 and the National Trade Center, and add the wealth management business, which was approved as per Jin-Guan-Quan-Zi No. 1100370421 dated November 5, 2021 As of December 31, 2023, the Company has 11 branches.

The Company adopted the resolution of the shareholders' meeting on June 10, 2009 to absorb and merge Forwin Securities Investment Consulting Co., Ltd., and the record date of the merger was February 1, 2010, with the Company as the surviving company that generally accepted all rights and obligations of the assets and liabilities of Forwin Securities Investment Consulting Co. The merger was approved with reference Jin-Guan-Zheng-Quan No. 0980056518 dated October 21, 2009.

The Company passed the proposal for takeover of the management rights and assets from Kunglon Securities through the resolution by the shareholders' meeting on June 24, 2020. The record date of the transfer was February 17, 2021. The takeover was approved with reference Jin-Guan-Zheng-Quan No. 1090365848 dated December 2, 2020.

The Company's registered place and principal place of business are located on the 3F to 5F and 7F, No. 236, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City.

2. Financial reporting date and procedures

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for 2023 and 2022 were approved by the board of directors on February 22, 2024 before release.

3. Application of new and revised standards and interpretation

1. Changes in accounting policies resulting from the first-time application of International Financial Reporting Standards

   The Group has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC

Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and applied to the fiscal year beginning on or after January 1, 2023. The first-time adoption of the new standards and amendments does not have a material impact on the Group.

2. As of the date of the financial report published, the Group has not yet adopted the following new publication, revision, and amendment or interpretation of the standards announced by the International Accounting Standards Board and endorsed by the FSC.

Item No.	New releases/amendments/revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	Liabilities are classified as current or non-current (amendments to IAS 1)	January 1, 2024
2	Lease Liability in a Sale and Leaseback (amendments to IFRS 16)	January 1, 2024
3	Non-current Liabilities with Covenants (amendments to IAS 1)	January 1, 2024
4	Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)	January 1, 2024

(1) Liabilities are classified as current or non-current (amendments to IAS 1)

This is an amendment made to the classification of liabilities as current or noncurrent in paragraphs 69 to 76 of IAS 1 “Presentation of Financial Statements.”

(2) Lease Liability in a Sale and Leaseback (amendments to IFRS 16)

It is to be consistent with the additional accounting by the seller-lessee for sale and leaseback transactions under IFRS 16 “Leases,” to improve the consistent application of the standard.

(3) Non-current Liabilities with Covenants (amendments to IAS 1)

The amendments are to enable enterprises to provide information on long-term liability contracts. The contractual agreements that should be complied with during 12 months after the end of a reporting period do not affect the classification of such liabilities as current or non-current at the end of the reporting period.

(4) Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

In addition to adding a description of supplier finance arrangements, the amendments also create disclosure requirements related to supplier finance arrangements.

The above are the new publication, revision, and amendment or interpretation of the standards that have been issued by the International, have been approved by the FSC and

are applicable to fiscal years beginning on or after January 1, 2024. The new publication, revision, and amendment or interpretation of the standards caused no material impact on the Group based on its assessment.

3. As of the date of the financial report published, the Group has not adopted the following new publication, revision, and amendment or interpretation of the standards announced by the International Accounting Standards Board but not yet approved by the FSC.

Item No.	New releases/amendments/revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" – Assets sold or invested in by investors and their associates or joint ventures.	To be determined by the International Accounting Standards Board (IASB).
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	Lack of Exchangeability (amendments to IAS 21)	January 1, 2025

(1) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" – Assets sold or invested in by investors and their associates or joint ventures.

This plan is to handle the inconsistency on the loss of control due to the investment in associates or joint ventures by subsidiaries according to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures." When investing in non-monetary assets to exchange for the equity of the associates or joint ventures according to IAS 28, the resulting profits or losses should be eliminated in accordance with the treatment of downstream transactions. According to IFRS 10, the profit or loss should be recognized fully when losing control over the subsidiaries. This amendment limits the foregoing provisions of IAS 28. When it is constituted as the sale or investment of business assets as stipulated in IFRS 3, the resulting profit or loss should be fully recognized.

This amendment also modifies IFRS 10 to enable investors and their associates or joint ventures to recognize the profit or loss to the extent of the portion that is not distributed to the investors when selling or investing in subsidiaries that do not meet the definition as stipulated in IFRS 3.

(2) IFRS 17 "Insurance Contracts"

This standard provides a comprehensive model of insurance contract, including all accounting related parts (recognition, measurement, expression, and disclosure principles). The core of the standard is a general model. Regarding this model, the original recognition is based on the total amount of the contractual cash flow and contractual services margin to measure the insurance contracts. The book value at the end of each reporting period is the sum of the liabilities for remaining coverage and the liabilities for incurred claims.

In addition to the general model, it provides a specific applicable method (variable fee approach) for the contracts with a direct participation characteristic and simplifies short-term contracts (premium allocation approach).

This standard was promulgated in May 2017, and an amendment was issued in 2020 and 2021. The amendment, except for the postponement of the effective date by 2 years in a transitional clause (that is, from January 1, 2021 to January 1, 2023) provides additional exemptions, and reduces the cost of adopting this standard by simplifying some of the regulations, while amending some regulations to make some situations easier to explain. This standard taking effect will replace the transitional standard (i.e. IFRS 4 "Insurance Contracts").

(3) Lack of Exchangeability (amendments to IAS 21)

The amendments specify when a currency is exchangeable into another currency and when it is not and how to determine the exchange rate to apply when a currency is not exchangeable and how to determine a spot exchange rate if it is not, and require the disclosure of additional information when a currency is not exchangeable. An entity applies the amendments for annual reporting periods beginning on or after January 1, 2025.

The above are standards or interpretations that have been issued by the IASB but have not yet been endorsed by the FSC. The date of actual application is subject to the FSC's regulations. The Group has assessed that the new or amended standards or interpretations, they did not cause a material impact on the Group.

4. Summary of significant accounting policies

1. Compliance Statement

The Group's consolidated financial statements for the years ended December 31, 2023 and 2022 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter collectively referred to as the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

2. Basis of preparation

The consolidated financial statements are based on historical cost, except for financial instruments measured at fair value. Unless otherwise stated, the consolidated financial statements are prepared in the currency of New Taiwan dollars (NT$ thousand).

3. Consolidation

The basis of preparation for consolidated financial statements

Control is achieved when the Company is exposed to variable returns due to the participation in the invested company or from the right in such variable returns, and through its ability over the invested company to influence such variable returns. In particular, the Company only controls the invested company when the Company has had the following three control elements:

(1) The power over the invested company (i.e. having the vested rights to lead the relevant activities)
(2) The risk exposure or right of the variable returns from participating in the invested company, and
(3) The ability to influence the amount of returns of the invested company by exercising power over the invested company

When the Company directly or indirectly holds less than a majority of the voting rights or similar rights of the invested company, the Company considers all relevant facts and circumstances to assess whether it has power over the invested company, including:

(1) Contractual agreements with other voting rights holders of the invested company;
(2) Rights arising from other contractual agreements;
(3) Voting rights and potential voting rights

When facts and circumstances indicate that one or more of the three control elements have changed, the Company reassesses whether it still has control over the invested company.

Subsidiaries are all compiled into the consolidated statements from the date of acquisition (i.e. the date on which the Company obtains control) until the date of losing control over the subsidiaries. The accounting period and accounting policies for the financial statements of the subsidiaries are consistent with that of the parent company. The Company's internal account balances, transactions, unrealized internal gains and losses, and dividends arising from intra-group transactions are fully written-off.

Changes in the shareholding of a subsidiary, if the control over the subsidiary is not lost, the change in the equity is treated as an equity transaction.

The total comprehensive income of the subsidiaries is attributable to the shareholders and non-controlling equity of the Company, even if the non-controlling equity results in a loss.

If the Company loses control over the subsidiary, then

(1) The assets (including goodwill) and liabilities of the subsidiaries are derecognized.
(2) The book value of any non-controlling equity is derecognized.
(3) Recognize the fair value of the considerations obtained.
(4) Recognize the fair value of any investment retained.
(5) The amount of items recognized in other comprehensive income previously by the parent company is reclassified to profit or loss or transferred to retained earnings.
(6) The difference arising from the recognition is recognized as profit or loss for the period.

The main business entity of the consolidated financial statements is as follows:

Investor Name	Subsidiary name	Main business	Equity ratio held	
			2023.12.31	2022.12.31
The Company	Horizon SICE Co., Ltd.	Securities Investment Advisor	100%	100%
The Company	Horizon Venture Capital Co., Ltd.	Investment	100%	100%
The Company	Horizon Venture Management Co., Ltd.	Investment and Management Consulting	100%	100%

4. Foreign currency transactions

The consolidated financial statements of the Group are expressed in the Company's functional currency (New Taiwan Dollars). Each subsidiary of the Group determines its own functional currency and measures its financial statements in that functional currency.

The foreign currency transactions of each subsidiary of the Group are converted to its functional currency according to the exchange rate on the transaction date. At the end of each reporting period, foreign currency monetary items are translated at the closing exchange rate of the day. The foreign currency non-monetary items measured at fair value are translated at the exchange rate on the date of fair value applied. The foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the original trading day.

Except for the following, the exchange differences arising from the clearing or translation of monetary items are recognized as profit or loss in the period in which they are incurred:

(1) For the foreign currency borrowings arising from acquiring assets that meet the requirements, the resulting exchange differences are treated as an adjustment to the interest cost and are capitalized as part of the borrowing cost.
(2) The foreign currency items as in IFRS 9 "Financial Instruments" are handled in accordance with the accounting policies of financial instruments.
(3) For the monetary items of the reporting entity that are an integral part of the net investment in the foreign operating institution, the resulting exchange differences were originally recognized in other comprehensive income and are reclassified from equity to profit or loss when the net investment is disposed.

When the profit or loss of a non-monetary item is recognized as other comprehensive income, any exchange profit or loss is recognized in other comprehensive income. When the profit or loss of a non-monetary item is recognized in profit or loss, any exchange profit or loss is recognized in profit or loss.

5. Classification of current and non-current assets and liabilities

In the case of any of the following circumstances, it is classified as current assets, and the assets other than the current ones are classified as non-current assets:

(1) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(2) Assets held mainly for trading purpose:

(3) The asset is expected to be realized within twelve months after the reporting period.
(4) Cash or cash equivalents, except where the asset is exchanged or used to settle liabilities at least twelve months after the reporting period.

In the case of any of the following circumstances, it is classified as current liabilities, and the liabilities other than the current ones are classified as non-current liabilities:

(1) It expects to settle the liability in its normal operating cycle.
(2) Liabilities held for trading purposes;
(3) The liabilities are expected to be settled within twelve months after the reporting period.
(4) Liabilities that are not possible to unconditionally defer the settlement date to at least twelve months after the reporting period. 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.

6. Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits, and short-term and highly liquid time deposits, futures trade margin or investments (including time deposits with a contract period within 12 months) that are readily convertible into fixed cash amount and have a very low risk of changes in value.

7. Financial instruments

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

Financial assets and financial liabilities subject to the provisions of IFRS 9 “Financial Instruments,” at the time of original recognition, were measured at fair value. The acquisition or issuance transaction costs that are directly attributable to the financial assets and financial liabilities (except for financial assets and financial liabilities that are classified as measured at fair value through profit or loss) are added or subtracted from the fair value of the financial assets and financial liabilities.

(1) Recognition and measurement of financial assets

The recognition and derecognition of all the financial assets of the Group are handled with the trade date accounting.

The Group uses the following two items to have financial assets classified as subsequently measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss:

A. Operating model of financial assets management
B. Contractual cash flow characteristics of financial assets

<u>Financial assets based on cost after amortization</u>

Financial assets that meet the following two conditions at the same time are measured at amortized cost, and are recognized in notes receivable, accounts receivable, financial assets at amortized cost, securities borrowings receivable, loan receivable-non-restricted purposes, and other receivables on the balance sheet:

A. Operating model of financial assets management: hold financial assets to collect contractual cash flow
B. Contractual cash flow characteristics of financial assets: cash flow is entirely for the payment of principal and interest on the amount of outstanding principal.

These financial assets (excluding those involved in hedging) are subsequently measured at the amortized cost [(the amount measured at the time of original recognition, less the principal paid, plus or minus the cumulative amortization amount (with the effective interest method) between the original amount and the amount due), and adjusting the allowance for loss]. For derecognition, the benefits or losses are recognized in profit or loss through amortization procedures or recognition of impairment profit or loss.

Interest that is calculated with the effective interest method (having the effective interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:

A. For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.
B. Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of the financial assets.

Financial assets at fair value through other comprehensive profit or loss

Financial assets that meet the following two conditions are measured at fair value through other comprehensive income and are expressed on the balance sheet as financial assets measured at fair value through other comprehensive income:

A. Operating model of financial assets management: Collect contractual cash flows and sell financial assets.
B. Contractual cash flow characteristics of financial assets: cash flow is entirely for the payment of principal and interest on the amount of outstanding principal.

The recognition of the profit or loss related to such financial assets is as follows:

A. Before derecognition or reclassification, except for the impairment profit or loss and foreign currency exchange gains and losses recognized in profit or loss, the profit or loss is recognized in other comprehensive income.
B. At the time of derecognition, the cumulative profit or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustment.
C. Interest that is calculated with the effective interest method (having the effective

interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:

(a) For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.
(b) Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of financial assets.

In addition, for an equity instrument that is subject to IFRS 9 and the equity instrument is neither held for trading nor is subject to the contingent considerations recognized by the acquirer as stipulated in IFRS 3 "Business Combinations," in the original recognition, the subsequent changes in fair value are booked in other comprehensive income (irrevocably). The amount included in other comprehensive income cannot be subsequently transferred to profit or loss (when the equity instruments are disposed of, the accumulated amounts included in other equity items are transferred directly to retained earnings). Also, it is booked as a financial asset measured at fair value through other comprehensive income on the balance sheet. Investment dividends are recognized in profit or loss unless such dividend clearly represents a recovery of the investment cost.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss and are booked in the balance sheet as financial assets measured at fair value through profit or loss, except for the financial assets in the preceding paragraph that meet certain conditions and are measured at amortized cost or measured at fair value through other comprehensive income.

Such financial assets are measured at fair value, and the benefits or losses arising from the remeasurement are recognized as profit or loss. The benefits or losses recognized as profit or loss include any dividend or interest received on the financial asset.

(2) Impairment of Financial Assets

For financial assets measured at amortized cost, the Group recognizes and measures allowance losses based on expected credit losses.

The Group measures expected credit losses to reflect the following:

A. An amount that is unbiased and weighted by probability through evaluating each possible outcome
B. Time value of money
C. Reasonable and corroborative information (that can be obtained on the balance sheet date without excessive costs or inputs) relating to past events, current conditions, and future economic forecasts

The methods used for measuring allowance for loss are as follows:

A. It is measured by the 12-month expected credit loss amount: Including the credit risk that has not increased significantly since the original recognition of the financial assets, or it is determined as low credit risk on the balance sheet date. In addition, it also includes the allowance for loss measured by the expected credit loss of the duration in the previous reporting period, but which no longer meets the condition that the credit risk has increased significantly since the original recognition on the balance sheet date.
B. The expected credit loss amount for the duration: Includes the significant increase in credit risk of the financial assets since the original recognition, or the financial assets with credit impairment purchased or originated.
C. For accounts receivable or contractual assets arising from transactions within the scope of IFRS 15, the Group measured the allowance for loss with the expected credit loss amount of the duration.

On each balance sheet date, the Group assesses whether the credit risk of financial instruments after the original recognition has increased significantly by comparing the changes in the default risk of the financial instruments on the balance sheet date and the original recognition date. In addition, please refer to Note 12 for information related to credit risk.

(3) Derecognized financial assets

Financial assets held by the Group are derecognized when one of the following conditions is met:

A. The contractual right from the cash flow of financial assets is terminated.
B. The financial asset has been transferred and almost all of the risks and rewards of asset ownership have been transferred to others.
C. Almost all risks and rewards of asset ownerships have not been transferred or retained, but the control of assets has been transferred.

When a financial asset is derecognized entirely, the difference between the book value and the collected or collectible considerations plus any cumulative gain or loss recognized in other comprehensive gain or loss is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities or equity

The liability and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments

An equity instrument refers to any contract that recognizes the residual equity of the Group after the asset deducts the liabilities. The equity instruments issued by the Group are recognized at the amount obtained after deducting the direct issuance costs.

Hybrid instruments

The Group recognizes the components of financial liabilities and equity for the convertible corporate bonds issued in accordance with the contractual terms. In addition, it evaluates whether the economic characteristics and risks of the embedded call and put of the convertible corporate bonds issued are closely related to the primary debts before distinguishing the equity elements.

For the liability without derivatives involved, the fair value of which is measured using market interest rates of bonds with similar nature and no conversion characteristics; before conversion or redemption, the amount is classified as financial liabilities measured at amortized cost. Other embedded derivatives that are not closely related to the risks of the economic characteristics of the master contract (such as the embedded redemption right whose strike price is confirmed to be unable to be nearly equal to the amortized cost of the bond products on each exercise date) belong to an equity component and are classified as a liability component and measured at fair value through profit or loss after the balance sheet date. The amount of the equity component is determined with the fair value of the converted corporate bond less the liability component, and its book value will not be re-measured after the balance sheet date. If the convertible corporate bonds issued do not contain an equity element, they are treated in accordance with the hybrid instrument approach under IFRS 9.

Transaction costs are apportioned between the liability and equity components as per the proportion of the initially recognized convertible corporate bonds.

When the holder of the convertible corporate bond requests to exercise the conversion right before the maturity of the convertible corporate bond, the book value of the liability components shall be adjusted to that at the time of conversion as the accounting basis for the issuance of ordinary shares.

Financial liabilities

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

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profits or losses include held-for-trade financial liabilities and financial liabilities designated to be measured at fair value through profit or loss.

Classified as held-for-trade when one of the following conditions is met:

A. It is obtained mainly for the purpose of being sold in the short-term.
B. It became part of the identified financial instrument portfolio managed comprehensively at initial recognition and there is evidence of the short-term profit-generating operation of the portfolio recently; or

C. It is a derivative (except for a financial guarantee contract or a designated and effective hedging derivative instrument).

For a contract that includes one or more embedded derivatives, an overall hybrid (combined) contract can be designated as a financial liability measured at fair value through profit or loss. When the relevant information is provided upon complying with one of the following factors, the original recognition is designated as measured at fair value through profit or loss:

A. The designation can eliminate or significantly reduce the inconsistency of measurement or recognition; or
B. The financial assets, financial liabilities or both, according to a written risk management or investment strategy, are managed at fair value with the performance evaluated and the investment portfolio information provided to management within the consolidated company is also based on the fair value.

The benefits or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss. The gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Financial liabilities measured at the amortized cost

Financial liabilities measured at the amortized cost, including payables, borrowings, and corporate bonds payable are subsequently measured using the effective interest method after the original recognition. When a financial liability is derecognized and amortized through the effective interest method, its related profit or loss and amortization are recognized in profit or loss.

The calculation of the amortized cost takes into account the discount or premium and transaction costs at the time of acquisition.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, canceled, or invalidated, the financial liability is derecognized.

When the Group and the creditors exchange opinions on a debt instrument with significant differences, or make major changes to all or part of the existing financial liabilities clauses (whether due to financial difficulties or not), it is handled by having the original liabilities derecognized and new liabilities recognized. When financial liabilities are derecognized, the difference between the book value and the total amount (including the transferred non-cash assets or liabilities assumed) of the considerations paid or payable is recognized in profit or loss.

(5) Financial assets and liabilities written-off against each other

Financial assets and financial liabilities can only be offset and presented with the net amount on the balance sheet only when the recognized amounts can be offset currently by law and are intended to be cleared on a net amount or having assets sold for cash

and liability liquidated simultaneously.

8. Derivatives

Derivatives held or issued by the Group are used to hedge exchange rate risk and interest rate risk, of which, the designated and effective hedging items are reported as hedging derivative assets or liabilities on the balance sheet. For those not designated but effective hedging, they are presented on the balance sheet as financial assets or financial liabilities measured at fair value through profit or loss.

The original recognition of a derivative is measured at the fair value on the derivative contract date and it is also measured at fair value subsequently. When the fair value of a derivative is positive, it is a financial asset. When the fair value of a derivative is negative, it is a financial liability. Changes in the fair value of derivatives are recognized directly in profit or loss, except for hedging and the part of effective hedging that is directly recognized in equity.

Where a master contract is a non-financial asset or financial liability, when the derivatives embedded in the master contract have economic characteristics and risks that are not closely related to the master contract, and the master contract is not measured at fair value through profit or loss, the embedded derivatives shall be treated as independent derivatives.

9. Fair value measurement

Fair value is the price that would be collected for the assets sold or the price paid for the liabilities transferred in an orderly transaction between market participants on the measurement date. Fair value measurement is with an assumption that the sale of the asset or the transfer of the liability occurs in one of the following markets:

(1) The main market for the asset or liability, or
(2) If there is no major market, the most favorable market for the asset or liability;

The primary or most favorable market must be available for the Group to conduct trades.

The fair value measurement of an asset or liability is based on the assumption that the market participants used in pricing the assets or liabilities, assuming that such market participants will use the assumption the most economically practical way.

The fair value measurement of a non-financial asset takes into account the market participant’s use of the asset for its highest and best utilization or sale of the asset to another market participant who will use the asset for its highest and best utilization in order to generate economic benefits.

The Group uses valuation techniques that are appropriate with sufficient data available in the relevant circumstances to measure fair value and maximize the use of observable inputs and minimize the use of unobservable inputs.

10. Repo bond trade

(1) Repo bond trade is recognized based on cost. If the trading nature is a financing activity, when a transaction under the reverse repurchase agreement occurs, it shall be recognized in "bond investment under reverse repurchase agreement" under current assets; when a transaction under the repurchase agreement occurs, it shall be recognized in "bond liabilities investment under repurchase agreement" under the current liabilities. The differences from the agreed reverse repurchase (repurchase) price shall be accounted for in interest income or financial cost.
(2) If an outright sale is performed for bonds traded under the reverse repurchase agreement, the credit item upon outright sale will be "bond investment under reverse repurchase agreement – short sale," and the item is under liabilities, and the total amount will be measured at fair value at the balance sheet date. The profit or loss on covering of the outright sale of bonds under the reverse repurchase agreement shall be recognized upon covering as the "covering of net profit (loss) on securities lending and bonds short sale under the reverse repurchase agreement."

11. Securities business lending and securities lending

The Group's accounts receivable from securities investors for securities business lending are recognized in securities borrowings receivable and loan receivable at the end of the period, the recovery probability of the receivables is recognized in expected credit losses and the allowance loss is measured. The collateral obtained from the securities business lending shall be recognized in a memo account.

When the Group is engaged in securities lending, the source of the securities lent can be its own securities and securities borrowed from the securities borrowing system of the Taiwan Stock Exchange. In the case of lending proprietary securities, the Company converts the original account to "securities lent," which is measured at fair value on the valuation date. In the case of lending securities borrowed from the securities borrowing system of the Taiwan Stock Exchange, it will only be recognized in a memo account, and the source of lending and transfer of bonds is presented in the business report and not listed in the financial statements.

The collateral obtained by the Group for securities lending business, if it is a securities collateral, it will only be listed in a memo account rather than formally recognized in an account, but it must be a separate memo account for each customer, and the collateral-related transactions shall be entered one by one. If it is cash collateral, it shall be recognized in "guarantee deposits received for securities lending under current liabilities." The income from securities lending and service fees collected are recognized in "income from securities lending."

12. Customers' margin accounts and futures traders' equity

Customers' margin accounts

The margin and royalties collected from futures traders in accordance with regulations, and the differences settled based on daily market prices, etc., belong to the category of current assets in the balance sheet.

Futures trader's equity

The margin and royalties collected from futures traders, and the differences settled based on daily market prices are futures trader's equity and belong to the category of current liabilities in the balance sheet. Except for the accounts of the same type of the same customer, they shall not offset each other. Where a debit balance occurs to a futures trader's equity, it shall be accounted for in futures trading margin receivable.

13. Futures trade

It is the trading margin and the positions of the futures and option contracts paid in cash or securities for the futures and option trading business. The amount of increase or decrease in the margin generated after daily valuation is accounted for in "futures trading margin – proprietary capital/securities." The royalties paid for options purchased for trading purposes are accounted for under "call option," and the royalties received for selling options is accounted for under "put option liabilities."

For futures and option trading, the differences upon settlement are recognized in current profit or loss. The differences between the settlement price and the average price of the positions unsettled at the balance sheet date are also recognized in "net gains (losses) on the derivative financial instruments – futures" under the current profit or loss.

The excess margin from futures trading margin exceeding the original margin belongs to the amount of unconditional withdrawable equity, and is recognized in "cash and cash equivalents."

14. Property and equipment

Real estate and equipment are recognized at the acquisition net cost of accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removing, and restoring the location of the real estate and equipment and the necessary interest expense arising from the construction in progress. Depreciation is provided separately for the significant parts of the real estate and equipment. When major parts of real estate and equipment are subject to periodic replacement, the Group treats the parts as an individual asset and recognizes it separately with specific periods of durability and depreciation method. The book value of these replaced parts is derecognized in accordance with the provision of IAS 16 "Property, Plant, and Equipment." If the major repair and maintenance costs are in compliance with the recognition conditions, they are recognized as replacement costs and are recognized as part of the equipment book value. Other repair and maintenance expenses are recognized in profit or loss.

Depreciation is computed in accordance with the straight-line method over the estimated useful lives of the following assets:

Type	Useful life
Office equipment	2–10 years
Leasehold improvement	The lease period or the useful live, whichever is shorter

After the original recognition of the real estate and equipment or any significant parts, if it is disposed or no economic effect arising from the use or disposal is expected, it will be derecognized and recognized in profit or loss.

The residual value, years of useful life, and depreciation method of the real estate and equipment are assessed at the end of each financial year. If the expected value is different from the previous estimate, the change is considered as a change in accounting estimates.

15. Leases

The Group assesses whether or not the arrangement is (or includes) a lease arrangement on the agreement date If an agreement transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is (or includes) a lease arrangement. In order to assess whether the agreement transfers control over the use of the identified asset for a period of time, the Group assesses whether it meets both of the following conditions during the entire period of use:

(1) Obtaining the right to almost all economic benefits from the use of the identified asset; and
(2) The right to direct the use of the identified asset.

For the agreement that belongs to (or includes) a lease arrangement, the Group treats each lease component in the agreement as a separate lease and treats it separately from the non-lease component in the agreement. For the agreement that includes one lease component and one or more additional lease or non-lease components, the Group adopts the relative standalone price of each lease component and the aggregate standalone prices of the non-lease components as the basis to distribute the consideration in the agreement to the lease component. The relative standalone prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar suppliers) for the components (or similar components). If an observable standalone price is not readily available, the Group maximizes the use of observable information to estimate the standalone price.

The Group is the lessee

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, when the Group is the lessee of a lease contract, all leases are recognized in right-of-use assets and lease liabilities.

The Group measures the lease liabilities on the inception date based on the present value of the lease payments not yet paid on that date. If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used. On the inception date, the lease payments included in the lease liabilities include the following payments related to the right to use the underlying assets during the lease period and not yet paid on that date:

(1) Fixed payment (including substantive fixed payment) less any lease incentives that can be collected;

(2) Lease payment that depends on changes in an index or rate (using the index or rate on the inception date for initial measurement);
(3) The amount expected to be paid by the lessee under the residual value guarantee;
(4) If the Group can reasonably determine the exercise price of call option, it will exercise the option; and
(5) The penalty payable for the termination of a lease, if there is sign that the lessee, in the lease period, will exercise the option of terminating the lease.

After the commencement date, the Group measures the lease liabilities at amortized cost, and increases the book value of the lease liabilities using the effective interest method to reflect the interest on the lease liabilities; the lease payments reduce the book value of the lease liabilities.

On the commencement date, the Group measures the right-of-use assets at cost. The cost of the right-of-use assets includes:

(1) the amount equal to the lease liability at its initial assessment
(2) Any lease payments made on or before the commencement date less any lease incentives received;
(3) any initial direct costs incurred by the lessee; and
(4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Subsequent measurement of the right-of-use assets is presented after the cost less the accumulated depreciation and accumulated impairment loss, i.e. the cost model is applied to measure the right-of-use assets.

If the ownership of the underlying asset is transferred to the Group when the lease period expires, or if the cost of the right-of-use assets reflects that the Group will exercise the call option, the right-of-use assets will be depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use assets from the commencement date to the end of the useful life of the right-of-use assets or to the expiration of the lease period, whichever is earlier.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to deal with any identified impairment losses.

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, the Group presents right-of-use assets and lease liabilities in the balance sheet, and presents lease-related depreciation expenses and interest expenses separately in the statement of comprehensive income.

For short-term leases and leases of low-value underlying assets, the Group chooses to adopt the straight-line basis or another systematic basis to recognize the lease payments related to said leases in expenses during the lease period.

<u>The Group is the lessor</u>

The Group classifies each of its leases as operating leases or financial leases on the contract establishment date. If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; if it does not transfer said matters, it is classified as an operating lease. On the commencement date, the Group recognizes the assets held under the finance leases in the balance sheet and presents them as financial lease receivables based on the net lease investment.

For agreements that include lease components and non-lease components, the Group applies IFRS 15 to distribute the consideration in the agreements.

The Group recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases, lease payments that are not dependent on change in some index or rate are recognized as rental income when they occur.

16. Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. The cost of intangible assets acquired through a business combination is the fair value at the acquisition date. After initial recognition of intangible assets, the book value is the amount of the cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition conditions shall not be capitalized, but shall be recognized in profit or loss when they occur.

The useful life of intangible assets is divided into limited and indefinite useful life.

Intangible assets with a limited useful life are amortized over their useful life, and an impairment test is performed when there are signs of impairment. The amortization period and method of intangible assets with limited useful life are reviewed at least at the end of each fiscal year. If the estimated useful life of an asset is different from the previous estimate, or the expected pattern of future economic benefit consumption has changed, the amortization method or period will be adjusted and considered as a change in accounting estimates.

Intangible assets with indefinite useful life are not amortized, but impairment tests are conducted to each asset or based on the level of cash-generating units each year. Intangible assets with indefinite useful life are assessed in each period whether there are events and circumstances that continue to support that the asset's useful life is still indefinite. If the useful life is changed from indefinite to limited, the application will be applied prospectively.

The profit or loss arising from the derecognition of an intangible asset is recognized as profit or loss.

The Group's accounting policy for intangible assets is summarized as follows:

Type	Useful life	Amortization method
Goodwill	Indefinite	Not amortized

Business right	Indefinite	Not amortized
Computer software	2–5 years	Amortized by the straight-line method according to the limited useful life

17. Impairment of non-financial assets

The Group at the end of each reporting period assesses whether all assets subject to IAS 36 "Impairment of Assets" are showing signs of impairment. If there is any indication of impairment or an impairment test is required for an asset on a regular basis each year, the Group tests the individual asset or the cash-generating unit to which the asset belongs. If the book value of an asset or the cash-generating unit to which the asset belongs is greater than the recoverable amount in an impairment test, the impairment loss is recognized. The recoverable amount is the higher of net fair value or value in use.

At the end of each reporting period, the Group assesses assets other than goodwill to see whether there are indications that the previously recognized impairment losses may no longer exist or may be decreased. In the event of such an indication, the Group estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount is increased due to the change in the estimated service potential of the asset, the impairment amount is reversed. However, the reversed book value shall not exceed the book value before recognizing impairment loss and after deducting depreciation or amortization.

The cash-generating unit or group to which the goodwill belongs, regardless of whether there are signs of impairment, is subject to impairment tests on an annual basis. If the result of an impairment test needs to be recognized as an impairment loss, the goodwill will be deducted first, and the amount after deduction will be allocated to other assets other than goodwill based on the relative proportion of the book value. Once the impairment of goodwill is recognized, it shall not be reversed for any reason thereafter.

The impairment loss and reversal amount of the continuing business unit are recognized in profit or loss.

18. Liability reserve

The condition of recognizing the liability reserve is that the current obligation (statutory obligation or constructive obligation) arising from past events; when the obligation is settled, it is very likely that resources with economic benefits will need to flow out, and the amount of the obligation can be reliably estimated. When the Group expects that some or all of the liability reserve can be reimbursed, only when the reimbursement is almost completely certain, it will be recognized as a separate asset. If the time value of money has a material impact, the liability reserve discounted at the current pre-tax interest rate can appropriately reflect the specific risks of the liability. When liability is discounted, the increase in the amount of liability due to the passage of time is recognized as borrowing cost.

Liability reserve for decommissioning, restoration, and rehabilitation costs

The amount of decommissioning liability reserve incurred from the decommissioning and

removal of property and equipment and restoration of its location is measured by the estimated discounted value of the expected cash flow of the obligation settlement, and the decommissioning cost is recognized as part of the asset cost. The cash flow is discounted at the current pre-tax interest rate that reflects the specific risks of the decommissioning liability. The discounted amortization of liability reserve is recognized as borrowing costs when incurred. The estimated future decommissioning costs are appropriately assessed and adjusted on the end of each reporting period. Changes in the estimated future decommissioning costs or changes in the discount rate will relatively increase or decrease the cost of relevant assets.

19. Recognition of revenue

The revenue from labor services provided by the Group is recognized when most of the labor services is completed and the revenue has been realized or can be realized. The main labor service revenue includes brokerage fee revenue, commissions income from loans, underwriting processing fee revenue, and stock affairs agency revenue.

20. Retirement benefits plan

The retirement method for employees of the Group is applicable to all full-time employees. The employee retirement fund is fully appropriated to the Labor Pension Reserves Committee and deposited in the pension fund account. The aforementioned pension is deposited in the name of the Labor Pension Reserves Committee, which is completely separated from the Group, so it is not included in the consolidated financial statements in the preceding paragraph.

For the defined contribution pension plan, the monthly pension payable rate of the Group shall not be less than 6% of the employees' monthly salary, and the amount of the provision shall be recognized in the profit or loss of the current period.

The retirement benefits plan in the defined benefit plan are recognized based on the actuarial reports at the end of the annual reporting period using the projected unit credit method. The remeasurement of the net defined benefit liabilities (assets) includes any changes in the return on plan asset and the effects of asset cap less the amount of net interest included in the net defined benefit liabilities (assets) and actuarial gains and losses. The net defined benefit liability (asset) remeasurement is included in other comprehensive income when incurred and immediately recognized in the retained earnings. The prior-period service cost is the change in the present value of the defined benefit obligation arising from the revision or reduction of the pension plan and is recognized as an expense on the earlier of the following two dates:

(1) When the plan revision or reduction occurs; and
(2) When the Group recognizes the relevant restructuring costs or resignation benefits.

The net interest of the net defined benefit liability (asset) is determined by having the net defined benefit liability (assets) multiplied by the discount rate, both of which are determined at the beginning of the annual reporting period, and then considering the changes which have occurred in the net defined benefit liabilities (assets) for the period arising from the appropriation amount and benefit payment.

21. Income tax

Income tax profit (expense) refers to the aggregated amount of current income tax and deferred income tax that is included in the current profit or loss.

Income tax expenses in the current period

The current income tax liabilities (assets) related to the current and prior periods are measured at the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The current income tax related to the items recognized in other comprehensive income or directly recognized in the equity is recognized in other comprehensive income or equity instead of being recognized in the profit or loss

The additional business income tax levied on the undistributed earnings is recognized as income tax expense on the date when the distribution of earnings is resolved in the shareholders' meeting.

Deferred tax

The deferred income tax is calculated according to the temporary difference between the taxable amount of assets and liabilities and the book value on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred income tax liabilities except for the following two items:

(1) The original recognition of goodwill, or original recognition of an asset or liability that does not arise from a business consolidated transaction and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted, and no equal amounts of taxable and deductible temporary differences arose at the time of the transaction;
(2) The taxable temporary difference arising from the investment in subsidiaries, associates, and joint equity. Also, the timing of reversal is controllable, and it is not likely to be reversed in the foreseeable future.

Except for the following two items, deductible temporary difference and deferred income tax assets arising from the taxable losses and income tax credit are recognized within the range of probable future taxable income:

(1) Related to deductible temporary differences arising from the original recognition of an asset or liability that does not arise from a business consolidated transaction and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted, and no equal amounts of taxable and deductible temporary differences arose at the time of the transaction.
(2) It is related to the deductible temporary differences arising from the investment in subsidiaries, associates, and the joint equity. It is recognized within the range of probable reversal in the foreseeable future and there is sufficient taxable income at the time the temporary difference occurred.

Deferred income tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be recovered or the book value of the liability is settled at the end of the reporting period. If the deferred income tax is related to items that are not included in the profit or loss, it will not be recognized in profit or loss, but recognized in other comprehensive income according to the relevant transactions or directly recognized in equity. Deferred income tax assets are reexamined and recognized at the end of each reporting period.

Deferred income tax assets and liabilities can be offset against each other legally only in the current period, and the deferred income tax is related to the same taxation entity and is related to the income tax levied by the same taxation authority.

22. Business combination and goodwill

Business combination is accounted for by the acquisition method. The consideration of transfer, the identifiable assets acquired, and the liabilities assumed in the business combination are measured at fair value on the acquisition date. For each business combination, the acquirer measures non-controlling interests based on the fair value or the relative proportion of the acquiree's identifiable net assets. The acquisition-related costs incurred are expensed in the current period and included in administrative expenses.

When the Group acquires business, it evaluates whether the classification and designation of assets and liabilities are appropriate based on the contractual conditions, economic conditions, and other relevant conditions existing on the acquisition date, including the consideration for separation of derivative financial instruments embedded in the master contract held by the acquiree.

If business combination is completed in stages, the acquirer's equity of the acquiree previously held is remeasured at fair value on the acquisition date, and the resulting profits or losses are recognized in the current profit or loss.

The acquirer expects that the contingent consideration transferred will be recognized at its fair value on the acquisition date. The contingent consideration that is considered an asset or liability, and subsequent changes in fair value will be recognized as changes in current profit or loss or other comprehensive income in accordance with IFRS 9. However, if the contingent consideration is classified as equity, it will not be remeasured until it is finally settled under equity.

The original measurement of goodwill is the total amount of the transferred consideration plus non-controlling interests, which exceeds the fair value of the identifiable assets and liabilities obtained by the Group; if the consideration is lower than the fair value of the net assets obtained, the difference is recognized in current profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment. Goodwill arising from a business combination is distributed to each cash-generating unit in the group that is expected to benefit from the combination from the date of acquisition,

regardless of whether other assets or liabilities of the acquiree are attributable to these cash-generating units. Each representative unit or group to which the goodwill is distributed is the lowest level of goodwill to be monitored for internal management purposes, and not higher than the operating department before aggregation of the goodwill.

When a part disposed of includes a cash-generating unit of goodwill, the book value of this part includes the goodwill related to the operation disposed of. The goodwill disposed of is measured based on the relative recoverable amount of the operation disposed of and the part retained.

5. Main source of significant accounting judgment, estimates and assumptions uncertainty

When the consolidated financial statements are prepared by the Group, the management must make judgments, estimates, and assumptions at the end of the reporting period, which will affect the disclosure of income, expenses, assets and liabilities, and contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in a significant adjustment to the book value of an asset or liability in the future period.

Estimation and assumption

The main source of information on the estimation and assumption with uncertainty at the end of the reporting period has significant risks that result in significant adjustments to the book value of assets and liabilities in the next financial year. The explanations are given as follows:

The fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be obtained from the active market, the fair value will be determined using evaluation techniques, including the income approach (such as, cash flow discount model) or market approach. The changes in the assumptions of the said approaches will affect the fair value of the financial instruments reported.

6. Summary of significant accounting titles

1. Cash and cash equivalents

	2023.12.31	2022.12.31
Petty cash	$490	$490
Check deposits	8,729	4,828
Current deposits	437,400	269,406
Time deposits	443,646	779,888
Cash equivalents – short-term notes and bills	1,079,828	1,298,040
Cash equivalents – futures excess margin	158,510	103,268
Total	$2,128,603	$2,455,920

The above-mentioned time deposits include time deposits that mature within 12 months and can be converted into a fixed amount of cash at any time, and the risk of value changes

is very small. The interest rate range of the interest rate as of December 31, 2023 and 2022 was 0.550%–3.950% and 0.230%–3.750%, respectively.

The cash and cash equivalents above are not secured.

2. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss by the Group are listed below:

	2023.12.31	2022.12.31
Current items		
Measured at fair value through income under compulsion		
Open-end funds and money market instruments	$61,716	$41,846
Securities – proprietary	3,845,587	2,130,789
Securities – underwriting	85,654	41,889
Others	82,816	75,867
Derivatives		
Futures trading margin – proprietary capital	20,036	65,843
Call option - non-hedging	-	144
Total	$4,095,809	$2,356,378
Non-current items		
Measured at fair value through income under compulsion		
Open-end funds and money market instruments	$78,337	$82,579
Securities – proprietary	14,191	3,496
Others	379,945	370,061
Total	$472,473	$456,136

(1) Open-end funds and money market instruments

	2023.12.31	2022.12.31
Current items		
Open-type fund	$61,047	$46,196
Add (less): Valuation adjustment	669	(4,350)
Net value	$61,716	$41,846
Non-current items		
Open-type fund	$129,250	$121,400
Add (less): Valuation adjustment	(50,913)	(38,821)
Net value	$78,337	$82,579

(2) Securities – proprietary

	2023.12.31	2022.12.31
Current items		
Government bonds	$301,863	$313,792
Corporate bonds	2,408,180	1,407,640
Convertible corporate bonds	106,727	40,000
TWSE-listing companies stock	372,422	111,238
Funds traded in TWSE	22,585	-
GTSM-listing companies stock	161,891	25,645
Companies stock in emerging stock market	370,841	247,606
Non-TWSE/GTSM-listing companies stock	5,700	5,300
Overseas stocks	67,285	39,236
Subtotal	3,817,494	2,190,457
Add (less): Valuation adjustment	28,093	(59,668)
Net value	$3,845,587	$2,130,789
Non-current items		
Government bonds	$10,580	$-
Non-TWSE/GTSM-listing companies stock	2,666	2,666
Subtotal	13,246	2,666
Add (less): Valuation adjustment	945	830
Net value	$14,191	$3,496

(3) Securities – underwriting

	2023.12.31	2022.12.31
Convertible corporate bonds	$77,142	$39,885
TWSE-listing companies stock	8,466	4,130
GTSM-listing companies stock	413	-
Subtotal	86,021	44,015
Add (less): Valuation adjustment	(367)	(2,126)
Net value	$85,654	$41,889

(4) Others

	2023.12.31	2022.12.31
Current items		
TWSE-listing companies stock	$5,653	$4,020
GTSM-listing companies stock	-	3,524
Companies stock in emerging stock market	45,453	79,283
Subtotal	51,106	86,827
Add (less): Valuation adjustment	31,710	(10,960)
Net value	$82,816	$75,867

	2023.12.31	2022.12.31
Non-current items		
Non-TWSE/GTSM-listing companies stock	$440,950	$427,723
Add (less): Valuation adjustment	(61,005)	(57,662)
Net value	$379,945	$370,061

(5) Futures trading margin – proprietary capital

	2023.12.31	2022.12.31
Futures trading margin – proprietary capital	$20,036	$65,843

For the details of the Group's futures trading margin – proprietary capital, please refer to Note 12.17.

(6) Call option - non-hedging

	2023.12.31	2022.12.31
Index options	$-	$198
Loss on unsettled positions	-	(54)
Net value	$-	$144

For the details of financial assets measured at fair value through profit and loss used as security for bond transactions under repurchase agreement, please refer to Note 8.

For the details of the net income (loss) from the Group's financial assets measured at fair value through profit and loss, please refer to Notes 6.24, 6.29, and 12.17.

3. Financial assets at fair value through other comprehensive profit or loss

	2023.12.31	2022.12.31
Current items		
Investment of equity instruments at fair value through other comprehensive income		
TWSE-listing companies stock	$62,010	$50,040
Non-current items		
Investment of equity instruments at fair value through other comprehensive income		
Non-TWSE/GTSM-listing companies stock	$132,082	$103,205

For the details of financial assets measured at fair value through profit and loss used as security against settlement advance, please refer to Note 8.

4. Financial assets based on cost after amortization

	2023.12.31	2022.12.31
Non-current items		
Corporate bonds	$200,000	$200,000
Less: Allowance for losses	(1)	(1)
Total	$199,999	$199,999

The Group classifies certain financial assets as financial assets measured at amortized cost. Please refer to Note 6.24 for information on allowance for losses and Note 12 for information on credit risk.

The Group's financial assets based on cost after amortization are not provided as security.

5. Bond investment under reverse repurchase agreement

	2023.12.31	2022.12.31
Government bonds	$2,454,526	$301,700
Corporate bonds	200,404	50,097
Total	$2,654,930	$351,797

The bond investments under reverse repurchase agreement conducted by the Group as of December 31, 2023 and 2022 all mature within one year, and they are all agreed to be sold back at the agreed price, including interest accrued, on a specific date after the transactions, and the total amount of the reverse repurchase was NT$2,657,167 thousand and NT$352,033 thousand, respectively, with the annual interest rates of 1.1475%–1.2510% and 1.0755%–1.1295%, respectively.

6. Securities borrowings receivable

	2023.12.31	2022.12.31
Securities borrowings receivable - securities or other products bought by clients as collateral	$10,046	$59,993
Less: Allowance for losses	-	(1)
Total	$10,046	$59,992

The Group assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.24, and for information related to credit risk, please refer to Note 12.

7. Loan receivable – non-restricted purpose

	2023.12.31	2022.12.31
Loan receivable – non-restricted purpose	$786,345	$591,818
Less: Allowance for losses	(3)	(3)
Total	$786,342	$591,815

The aforementioned loans receivable are handled in accordance with the "Operating Rules

for Securities Firms Handling Non-Restricted Purpose Loan" with a period of six months, and are secured by securities or other commodities provided by customers.

The Group assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.24, and for information related to credit risk, please refer to Note 12.

8. Customers' margin accounts

	2023.12.31	2022.12.31
Bank deposits	$291,274	$436,953
Settlement institution settlement balance	190,424	140,199
Total	$481,698	$577,152

9. Note receivable and account receivable – net

	2023.12.31	2022.12.31
Notes receivable		
Stock affairs agency fee receivable	$70	$277
Consultation fees receivable	50	50
Less: Allowance for losses	-	-
Subtotal	120	327
Accounts receivable		
Accounts receivable – related parties	939	606
Accounts receivable – non-related parties		
Settlement receivable – brokerage	2,699,451	1,628,782
Settlement receivable – non-brokerage	12,234	2,242
Settlement price	445,321	106,520
Interests receivable	31,700	20,329
Others	23,482	11,941
Less: Allowance for losses	(19)	(116)
Subtotal	3,213,108	1,770,304
Total	$3,213,228	$1,770,631

The Group did not provide any security for notes receivable and accounts receivable.

The Group assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.24, and for information related to credit risk, please refer to Note 12.

10. Other receivables

	2023.12.31	2022.12.31
Other receivables – related parties	$2,761	$2,386
Less: Allowance for losses	-	-
Subtotal	2,761	2,386
Other receivables – non-related parties		
Stock affairs agency fee receivable	10,224	9,061
Interests receivable	999	911
Others	2,147	5,422
Less: Allowance for losses	(148)	(208)
Subtotal	13,222	15,186
Total	$15,983	$17,572

The Group assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.24, and for information related to credit risk, please refer to Note 12.

11. Property and equipment

	Office equipment	Leasehold improvement	Total
Cost:			
2023.1.1	$187,722	$89,790	$277,512
Additions	9,517	3,335	12,852
Disposition	(21,617)	(248)	(21,865)
Other changes	-	(1,811)	(1,811)
Reclassification	-	720	720
2023.12.31	$175,622	$91,786	$267,408
2022.1.1	$161,430	$60,546	$221,976
Additions	29,330	33,431	62,761
Disposition	(3,038)	(3,462)	(6,500)
Other changes	-	(725)	(725)
2022.12.31	$187,722	$89,790	$277,512
Accumulated depreciation and impairment:			
2023.1.1	$129,028	$58,251	$187,279
Depreciation	18,253	7,735	25,988
Disposition	(21,616)	(248)	(21,864)
Other changes	-	(1,811)	(1,811)
2023.12.31	$125,665	$63,927	$189,592

	Office equipment	Leasehold improvement	Total
2022.1.1	$116,905	$55,194	$172,099
Depreciation	15,161	7,244	22,405
Disposition	(3,038)	(3,462)	(6,500)
Other changes	-	(725)	(725)
2022.12.31	$129,028	$58,251	$187,279
Net book value:			
2023.12.31	$49,957	$27,859	$77,816
2022.12.31	$58,694	$31,539	$90,233

The Group did not provide real estate and equipment as collateral.

12. Intangible assets

	Goodwill	Business right	Computer software	Total
Cost:				
2023.1.1	$52	$64,321	$165,421	$229,794
Additions – separate acquisition	-	-	17,847	17,847
Disposition	-	-	(23,498)	(23,498)
Transfer (Note)	-	-	1,330	1,330
2023.12.31	$52	$64,321	$161,100	$225,473
2022.1.1	$52	$64,321	$138,046	$202,419
Additions – separate acquisition	-	-	20,853	20,853
Disposition	-	-	(158)	(158)
Transfer (Note)	-	-	6,808	6,808
Other changes	-	-	(128)	(128)
2022.12.31	$52	$64,321	$165,421	$229,794
Cumulative amortization and impairment:				
2023.1.1	$52	$32,488	$112,250	$144,790
Amortization	-	-	19,870	19,870
Disposition	-	-	(23,498)	(23,498)
2023.12.31	$52	$32,488	$108,622	$141,162
2022.1.1	$52	$32,488	$95,656	$128,196
Amortization	-	-	16,839	16,839
Disposition	-	-	(158)	(158)
Other changes	-	-	(87)	(87)
2022.12.31	$52	$32,488	$112,250	$144,790

	Goodwill	Business right	Computer software	Total
Net book value:				
2023.12.31	$-	$31,833	$52,478	$84,311
2022.12.31	$-	$31,833	$53,171	$85,004

Note: It is reclassified from other prepayments.

13. Business guarantee

The business guarantee is deposited in the designated banks after the establishment of the Company in accordance with the Securities and Exchange Act, the Regulations Governing Securities Firms, the Regulations Governing Futures Commission Merchants, the Regulations Governing Futures Advisory Enterprises, and the Regulations Governing Securities Investment Consulting Enterprises. The Group deposits guarantees in financial institutions designated by the Securities and Futures Bureau, FSC, with certificates of deposit. The details are as follows:

	2023.12.31	2022.12.31
Brokerage business guarantee	$105,000	$105,000
Underwriting business guarantee	40,000	40,000
Proprietary trading business guarantee	10,000	10,000
Proprietary futures trading guarantee	10,000	10,000
Futures brokerage guarantee	70,000	70,000
Futures advisory guarantee	10,000	10,000
Securities investment advice guarantee	35,000	35,000
Total	$280,000	$280,000

14. Settlement / clearance fund

The settlement/clearance fund is the amount deposited in the Taiwan Stock Exchange, the Taipei Exchange, and the Taiwan Futures Exchange in accordance with the Securities and Exchange Act, the Regulations Governing Securities Firms, and the Taiwan Futures Exchange Corporation Criteria for Clearing Membership. Statement:

	2023.12.31	2022.12.31
Clearance fund in Taiwan Stock Exchange	$31,590	$30,682
Clearance fund in Taipei Exchange	35,643	37,545
Clearance fund in Taiwan Futures Exchange	22,045	22,073
Total	$89,278	$90,300

15. Short-term borrowings

	2023.12.31	2022.12.31
Bank credit facilities	$50,000	$-
Bank guaranteed loans	50,000	50,000
Total	$100,000	$50,000
Interest rate collars	1.642%~2.125%	1.990%

As of December 31, 2023 and 2022, the unused loan facilities where the Group has signed agreements with financial institutions were NT$2,675,000 thousand and NT$2,805,000 thousand, respectively.

Regarding the provision of security, please refer to Note 8 for details.

16. Commercial papers payable

	2023.12.31	2022.12.31
Commercial papers payable	$200,000	$-
Less: Discounted commercial paper payable	(238)	-
Net value	$199,762	$-
Interest rate collars	1.50%~1.75%	-

As of December 31, 2023 and 2022, the unused commercial paper facilities where the Group has signed agreements with financial institutions were NT$2,030,000 thousand and NT$1,600,000 thousand, respectively.

Regarding the provision of security, please refer to Note 8 for details.

17. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss by the Group are listed below:

	2023.12.31	2022.12.31
Derivatives		
Put option - others	$4,347	$12,034

The Group's put options are embedded derivatives identified from the issuance of convertible corporate bonds. Please refer to Note 6.20 for relevant information.

18. Call loans to banks

	2023.12.31	2022.12.31
Government bonds	$2,779,230	$622,818
Corporate bonds	2,605,927	1,456,493
Convertible corporate bonds	75,086	20,135
Total	$5,460,243	$2,099,446

The bond liabilities investments under repurchase agreement conducted by the Group as of December 31, 2023 and 2022 all mature within one year, and they are all agreed to be bought back at the agreed price, including interest accrued, on a specific date after the transactions, and the total amount of the repurchase was NT$5,465,144 thousand and NT$2,100,819 thousand, respectively, with the annual interest rates of 0.8550%–1.2600% and 0.6750%–1.1520%, respectively.

Regarding the provision of security, please refer to Note 8 for details.

19. Accounts payable

	2023.12.31	2022.12.31
Accounts payable – related parties	$118	$106
Accounts payable – non-related parties		
Settlement price	166,762	161,606
Settlement payable – brokerage	2,973,821	1,556,916
Settlement payable – non-brokerage	22,885	1,637
Processing fee payable discounts	50,582	38,007
Interest payable	3,144	683
Others	22,500	13,407
Total	$3,239,812	$1,772,362

20. Corporate bonds payable

	2023.12.31	2022.12.31
Domestic convertible corporate bonds payable	$639,950	$674,201
Less: Current portion	(639,950)	-
Net value	$-	$674,201

Domestic convertible corporate bonds payable

	2023.12.31	2022.12.31
Liability elements:		
Face value of domestic convertible corporate bonds payable	$605,000	$622,900
Premium payable on domestic convertible corporate bonds	34,950	51,301
Subtotal	639,950	674,201
Less: Current portion	(639,950)	-
Net value	$-	$674,201
Embedded derivative financial instruments- Liabilities	$4,347	$12,034
Equity elements	$35,254	$36,297

The Company issued domestic unsecured convertible corporate bonds with a coupon rate of 0% on June 11, 2021. The convertible corporate bonds were analyzed as per the terms of

the contracts. The components include primary debts, embedded derivative financial instruments (the issuer’s redemption option and the holder's option to request the issuer to redeem) and equity elements (the holder's option to request conversion into the issuer's ordinary shares). The main terms of the issuance are as follows:

Total issue amount: NT$700,000 thousand, with a par value of 100 thousand per bond, at 117.80% of the face value.

Issue period: June 11, 2021 to June 11, 2026.

Important call and put provisions:

(1) The next day after three months of issuance to 40 days before the maturity date

A. In the event that the closing price of the Company's ordinary shares on Taipei Exchange is more than 130% of the conversion price on average for 30 consecutive business days, the Company may issue a notice that it will redeem the full amount of the bond balance in advance at the par value.

B. When the balance of the outstanding corporate bonds is lower than 10% of the total issue amount, the Company may issue a notice that it will redeem the full amount of the bond balance in advance at the par value.

(2) The bondholders may request the Company to redeem the corporate bonds they hold in cash at the par value when it has been three years since the bonds were issued.

Conversion regulations:

(1) The subject in conversion: The Company’s ordinary shares.

(2) Conversion period: The bondholders may request the Company to convert the bonds into the Company’s ordinary shares from September 12, 2021 to June 11, 2026, except during the conversion suspension period as per the issuance and conversion regulations.

(3) Conversion price and adjustment thereto: The conversion price was set at NT$19.60 per share at the time of issuance. In the event of an adjustment to the conversion price of the Company’s ordinary shares in alignment with the terms of issuance, the conversion price will be adjusted according to the formula specified in the terms of issuance. The conversion price on December 31, 2023 was NT$15.54 per share.

(4) Principal repayment on the maturity date: When the corporate bonds are due and have not been settled, they will be repaid in cash at the par value.

As of December 31, 2023, the Company redeemed and canceled domestic unsecured convertible bonds in the amount of NT$84,400 thousand, and the remaining balance of the outstanding bonds was NT$605,000 thousand, and the amount of those converted was NT$10,600 thousand.

21. Retirement benefits plan

Defined contribution pension plan

The Group has the employee retirement plan stipulated in accordance with the "Labor Pension Act," which is a defined contribution plan. According to the "Labor Pension Act," the Company's and domestic subsidiaries' monthly labor pension contribution rate shall not be less than 6% of the monthly salary of employees.

The Group has an amount equivalent to 6% of the employees' monthly salary appropriated every month to the personal pension account with the Bureau of Labor Insurance.

The amount of expenses of the defined contribution pension plan recognized by the Group for 2023 and 2022 was NT$26,806 thousand and NT$26,144 thousand, respectively.

Defined benefit plan

The employee pension plan stipulated by the Group according to the "Labor Standards Act" is a defined benefit plan. The employees' pension payment is based on the service points and the average monthly salary at the time of retirement. Two service points for each service year within the first 15 service years (inclusive) and one service point for each service year after the 15th service year with a maximum of 45 service points for each employee. In accordance with the provisions of the Labor Standards Act, the Group makes a contribution equal to 2% of the total salaries to the pension fund on a monthly basis, and the fund is deposited in a special account of the Bank of Taiwan in the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve. In addition, the Group estimates the aforementioned labor retirement reserve account balance before the end of each year. If the balance is insufficient to pay the pension amount calculated in accordance with the aforementioned retirement conditions for the employees qualified for retirement in the next year, the amount of difference will be appropriated in a lump sum before the end of March in the next year.

The Ministry of Labor conducts asset allocation in accordance with the "Regulations for Revenues, Expenditures, Safeguarding, and Utilization of the Labor Retirement Fund." Fund investment is arranged with a self-operated and entrusted management method, which adopts a mid-term and long-term investment strategy with an active and passive management. Considering the risks of the market, credit, liquidity, etc., the Ministry of Labor sets the fund risk limit and control plan so that it can be flexible enough to achieve the target remuneration without bearing excessive risk. For the use of the fund, the minimum income of its annual settlement shall not be lower than the income calculated according to the local bank's two-year time deposit. If there is any deficiency, it shall be replenished by the state treasury upon approval by the competent authority. Since the Group is not entitled to participating in the operation and management of the Fund, the classification of the fair value of plant asset cannot be disclosed in accordance with IAS 19, Paragraph 142. As of December 31, 2023, the Group's defined benefit plan is expected to appropriate NT$1,337 thousand in the next year.

The expiration of the defined benefit obligations under the Company's defined benefit plan is as follows:

	2023.12.31	2022.12.31
Weighted average duration of defined benefit obligations	11 years	12 years

The cost of the defined benefit plan recognized in profit or loss is summarized as follows:

	2023	2022
Current service cost	$-	$-
Net interest on net defined benefit liabilities (assets)	(67)	233
Total	$(67)	$233

The adjustments made to the present value of the defined benefit obligation and the fair value of the plan assets are as follows:

	2023.12.31	2022.12.31	2022.1.1
Present value of the defined benefit obligations	$63,682	$59,508	$93,914
The fair value of plan assets	(66,608)	(64,601)	(62,799)
Net determined benefit liability (asset) – non-current	$(2,926)	$(5,093)	$31,115

Adjustments to the net defined benefit liabilities (assets):

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liabilities (assets)
2022.1.1	$93,914	$(62,799)	$31,115
Current service cost	-	-	-
Interest expenses (revenues)	704	(471)	233
Defined benefit liabilities/assets remeasurement amount			
Actuarial gains and losses resulting from changes in demographic assumption	344	-	344
Actuarial gains and losses resulting from changes in financial assumption	(13,422)	-	(13,422)
Experience adjustments	(17,332)	-	(17,332)
Defined benefit assets remeasurement amount	-	(4,623)	(4,623)
Subtotal	(30,410)	(4,623)	(35,033)
Payment of benefits	(4,700)	4,700	-
Contributions of employer	-	(1,408)	(1,408)
2022.12.31	59,508	(64,601)	(5,093)
Current service cost	-	-	-
Interest expenses (revenues)	786	(853)	(67)

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liabilities (assets)
Defined benefit liabilities/assets remeasurement amount			
Actuarial gains and losses resulting from changes in demographic assumption	-	-	-
Actuarial gains and losses resulting from changes in financial assumption	669	-	669
Experience adjustments	3,174	-	3,174
Defined benefit assets remeasurement amount	-	(272)	(272)
Subtotal	3,843	(272)	3,571
Payment of benefits	(455)	455	-
Contributions of employer	-	(1,337)	(1,337)
2023.12.31	$63,682	$(66,608)	$(2,926)

The following key assumptions are used to determine the Group's defined benefit plan:

	2023.12.31	2022.12.31
Discount rate	1.23%	1.32%
Expected salary increase rate	2.00%	2.00%

Sensitivity analysis of each major actuarial hypothesis:

	2023		2022	
	Increase of defined benefit obligations	Decrease of defined benefit obligations	Increase of defined benefit obligations	Decrease of defined benefit obligations
Discount rate increased by 0.5%	$-	$3,255	$-	$3,216
Discount rate decreased by 0.5%	3,879	-	4,027	-
Expected salary increase by 0.5%	3,829	-	3,979	-
Expected salary decrease by 0.5%	-	3,252	-	3,212

The foregoing sensitivity analysis is conducted to analyze the possible impact on the defined benefit obligations when single actuarial assumption (e.g. discount rate or expected salary) has a reasonable and possible change occurring, assuming other assumptions remain unchanged. Since some of the actuarial assumptions are correlated, the occurrence of changes in one single actuarial assumption is seldom in practice, so the analysis has its limitations.

The methods and assumptions used in the sensitivity analysis for this period are no different from those adopted in the previous period.

22. Liability reserve

	Employee benefits liability	Decommissioning liability	Others	Total
2023.1.1	$313	$11,531	$5,788	$17,632
Increase	325	190	156	671
Reversed	(313)	-	(5,944)	(6,257)
2023.12.31	$325	$11,721	$-	$12,046
2022.1.1	$661	$9,357	$5,578	$15,596
Increase	313	2,463	210	2,986
Reversed	(661)	(289)	-	(950)
2022.12.31	$313	$11,531	$5,788	$17,632
Current	$325	$-	$-	$325
Non-current	-	11,721	-	11,721
2023.12.31	$325	$11,721	$-	$12,046
Current	$313	$-	$5,788	$6,101
Non-current	-	11,531	-	11,531
2022.12.31	$313	$11,531	$5,788	$17,632

23. Equity

(1) Common stock

As of December 31, 2023 and 2022, the Company's registered capital was NT$6,000,000 thousand outstanding share capital was NT$3,512,516 thousand, with par value of NT$10 per share, i.e. 351,252 thousand shares, respectively. Each share is entitled to one voting right and the right to receive dividends. The stock is listed for trading at Taipei Exchange.

(2) Capital reserve

	2023.12.31	2022.12.31
Issuance premium	$14,750	$14,750
Treasury stock trade	305,464	305,181
Stock options	35,254	36,297
Total	$355,468	$356,228

According to the law, additional paid-in capital shall not be used for any purpose except for making up for the loss of the Company. When the Company has no loss, a

certain percentage of the additional paid-in capital from the stock premium and the gift can be applied to replenish capital every year. The aforementioned additional paid-in capital can be allocated in cash to shareholders proportionally to their original shareholding ratio.

(3) Retained earnings

Statutory surplus reserves

According to the Company Act, the legal reserve should be appropriated until the paid-in capital is equivalent to the total capital. The legal reserve can be used to make up for the loss. When the Company has no loss, the portion of the legal reserve that exceeds 25% of the paid-in capital should be applied to have stock shares or cash distributed to shareholders proportionally to their original shareholding ratio.

Special surplus reserves

According to the Regulations Governing Securities Firms, the Company shall set aside 20% of the annual surplus after tax as a special surplus reserve, unless the amount has reached the paid-in capital amount. In accordance with the Letter Jin-Guan-Zheng-Quan-Zi No. 1100365484 issued by the FSC dated January 21, 2022, for the net debit to other shareholders' equity that occurred in the year, a special reserve shall be provided in the amount of the net income after tax of the current period, plus the items other than the net income after tax of the current period and the undistributed earnings from the prior period. A special reserve shall be provided in the amount of debits to other shareholders' equity accumulated in the prior period and shall not be distributed. However, if the Company has provided a special reserve in accordance with the preceding paragraph, it shall additionally provide a special reserve in the amount of the difference between the amount already provided and the net amount of debits to other shareholders' equity. If there is a subsequent reversal of the amount of debits to other shareholders' equity, the portion reversed may be distributed.

Earnings allocation and dividend policy

When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings. The allocation shall not be subject to the above if the amount of accumulated legal capital reserve has reached the amount of the paid-in capital of the Company. The Company shall also set aside a certain amount of profit as special reserve in accordance with the laws and regulations. Besides the amount retained for business needs, the distribution shall be determined by the Board with reference to the operational status of the Company. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution.

As stipulated by Paragraph 5 of Article 240 of the Company Act, the Company may distribute the distributable dividends in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors.

Taking into consideration the future growth of operation scale and diversified development of businesses, the Company shall appropriate no less than 50% of the total distributable profit as dividends. However, the Company may be exempt from distribution of dividends in cases where accumulated distributable profit is less than 10% of paid-in capital. Stock dividends shall be no more than 50%, and cash dividends shall be no less than 50% of the total distributable dividends. However, the Company may adjust the percentage thereof and the percentage of distributable earning depending on the Company's business development and capital requirement.

The earnings appropriation and distribution plan and dividends per share for 2023 and 2022 proposed by the Company's board of directors on February 22, 2024 and resolved by the shareholders' meeting on May 31, 2023 are listed as follows:

	Earnings appropriation and distribution plan		Dividend Per Share (NTD)	
	2023	2022	2023	2022
Legal reserve appropriated	$17,623	$-		
Appropriation of special reserve	35,246	-		
Common stock cash dividends	87,813	-	$0.25	$-

Please refer to Note 6.28 for the relevant information about employee remuneration and directors' remuneration assessment basis and recognized amount.

24. Operating income

(1) Brokerage fee revenue

	2023	2022
Brokerage for centralized securities exchange market	$491,090	$467,025
Over-the-counter brokerage	151,283	136,707
Futures brokerage fee revenue	30,930	40,546
Other service fee revenue	104,617	51,680
Total	$777,920	$695,958

(2) Underwriting business revenue

	2023	2022
Firm commitment underwriting revenue	$14,425	$15,519
Underwriting revenue	4,591	8,899
Underwriting consulting revenue	14,990	16,900
Others	29,662	35,489
Total	$63,668	$76,807

(3) Operating gain (loss) on sale of securities

	2023	2022
Gain (loss) on sales of securities - proprietary	$205,540	$(119,961)
Gain on sale of securities – underwriting	16,143	14,935
Total	$221,683	$(105,026)

(4) Interest revenue

	2023	2022
Bonds interest revenue	$48,920	$20,846
Interest revenue – non-restricted purpose loans	18,018	13,555
Others	2,655	316
Total	$69,593	$34,717

(5) Net profit of securities trade measured at the fair value through profit or loss

	2023	2022
Securities – proprietary	$127,006	$(160,903)
Securities – underwriting	1,759	(5,816)
Total	$128,765	$(166,719)

(6) Net gains (losses) on the derivative financial instruments – Futures

	2023	2022
Futures contract gain (loss) – net	$(160,978)	$47,249
Net loss from options trade	(928)	(3,399)
Total	$(161,906)	$43,850

(7) Expected credit impairment loss and reversal benefit

	2023	2022
Note receivable and account receivable	$97	$10
Other receivables	(718)	(49)
Others	1	(4)
Total	$(620)	$(43)

Please refer to Note 12 for credit risk related information.

The Group's accounts receivable (including securities borrowings receivable, loan receivables – non-restricted purpose, notes receivable, accounts receivable, and other receivables) and financial assets measured at amortized cost are all based on the amount of expected credit loss for twelve months or the duration period to measure the allowance for losses. The relevant description of the amount of the allowance for

losses assessed as of December 31, 2023 and 2022 are as follows:

Accounts receivable and financial assets at amortized cost

For accounts receivable and financial assets at amortized cost, counterparties' credit rating, region, industry, and other factors are considered for classification, and a reserve matrix is adopted to measure the allowance for losses; the relevant information is as follows

December 31, 2023

	Not overdue	Number of days overdue			
	(Note)	Within 30 days	31–60 days	Over 61 days	Total
Total book value	$4,224,913	$81	$309	$466	$4,225,769
Loss rate	0.0004%	3.3296%	6.6425%	20.0000%~ 100.0000%	
Anticipated credit loss within the perpetuity of the financial assets	(19)	(3)	(21)	(128)	(171)
Subtotal	$4,224,894	$78	$288	$338	$4,225,598

December 31, 2022

	Not overdue	Number of days overdue			
	(Note)	Within 30 days	31–60 days	Over 61 days	Total
Total book value	$2,638,607	$233	$269	$1,229	$2,640,338
Loss rate	0.0013%	8.3621%	10.6836%	20.0000%~ 100.0000%	
Anticipated credit loss within the perpetuity of the financial assets	(34)	(20)	(29)	(246)	(329)
Subtotal	$2,638,573	$213	$240	$983	$2,640,009

Note: The Group's notes receivable, securities borrowings receivable, loan receivables – non-restricted purpose and financial assets measured at amortized cost are not past due.

The changes in the Group's and notes receivable, accounts receivable, other receivables, and other allowances for losses for the years 2023 and 2022 are as follows:

	Note receivable and account receivable	Others: Other receivables	Others	Total
2023.1.1	$116	$208	$5	$329
Increase (reversed)	(97)	718	(1)	620
Write-off due to the	-	(778)	-	(778)

inability to recover				
2023.12.31	$19	$148	$4	$171
2022.1.1	$126	$366	$1	$493
Increase (reversed)	(10)	49	4	43
Write-off due to the inability to recover	-	(207)	-	(207)
2022.12.31	$116	$208	$5	$329

25. Other operating revenue

	2023	2022
Management fee income	$3,765	$3,362
Consultancy fee income	2,655	817
Net loss on out-trades	(344)	(450)
Commission revenue	791	718
Account maintenance fee income	4,344	5,071
Foreign exchange gain (loss) – net	(410)	11,419
Others	65	68
Total	$10,866	$21,005

26. Financial costs

	2023	2022
Repo bond interest	$43,913	$20,295
Funding interest	405	52
Interest from commercial paper	2,057	26
Interest on lease liabilities	2,811	1,341
Interest on convertible corporate bonds issued	(15,015)	(16,914)
Others	1,087	136
Total	$35,258	$4,936

27. Leases

(1) The Group is the lessee

The Group has signed commercial lease contracts for offices, parking spaces, warehouses, etc., with an average period of one to five years. The impact of leasing on the Group's financial position, financial performance, and cash flow is described as follows:

A. Amount recognized in the balance sheet

(a) Right-of-use assets.

Carrying amount of right-of-use assets

	2023.12.31	2022.12.31
Buildings and structures	$280,618	$119,181
Transportation equipment	6,565	5,300
Total	$287,183	$124,481

The Group increased the right-of-use assets in the amount of NT$246,566 thousand and NT$122,972 thousand in 2023 and 2022, respectively.

(b) Lease liabilities

	2023.12.31	2022.12.31
Lease liabilities		
Current	$78,301	$35,703
Non-current	202,193	78,650
Total	$280,494	$114,353

Please refer to Note 6.26 for the interest expenses of the Group's lease liabilities in 2023 and 2022; please refer to Note 12.4—liquidity risk management—for the maturity analysis of lease liabilities as of December 31, 2023 and 2022.

B. Amount recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2023	2022
Buildings and structures	$79,604	$74,809
Transportation equipment	4,352	4,002
Total	$83,956	$78,811

C. Lessee's income and expenses related to leasing activities

	2023	2022
Short-term lease expense	$271	$191
Lease of low-value assets (excluding the expenses of short-term lease of low-value assets)	$538	$488

D. Lessee's cash outflow from leasing activities

The Group's total cash outflow from the leases in 2023 and 2022 was NT$82,348 thousand and NT$68,231 thousand, respectively.

28. The employee benefits, depreciation, and amortization expenses are summarized by function as follows:

	2023	2022
Employee benefits expenses		
Payroll expenses	$628,244	$532,894
Labor insurance and national health insurance	49,229	51,805
Pension expenses	26,739	26,377
Remuneration to Directors	15,314	11,334
Other employee benefits expenses	21,249	19,612
Total	$740,775	$642,022
Depreciation and amortization expenses		
Depreciation expenses	$109,944	$101,216
Amortization expenses	19,870	16,839
Total	$129,814	$118,055

Because of the characteristics of the industry, the employment, depreciation, and amortization expenses incurred by the Group all belong to operating expenses.

If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. independent directors), and both shall sum up to no more than 5% in accordance with the Articles of Incorporation. However, profits must first be taken to offset against cumulative losses if any. When the aforementioned employee remuneration is distributed in stock, it shall be submitted to the shareholders' meeting for a resolution. When it is distributed in cash, it can be resolved by the board of directors and shall only be adopted with the consent of a majority of the directors at a board meeting attended by more than two-thirds of the directors before being reported to the shareholders' meeting. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on employee compensation and remuneration to directors resolved by the board of directors.

For the year ended December 31, 2023, based on its profit status, the Company estimated employee compensation and remuneration to directors and supervisors at NT$5,000 thousand and NT$5,000 thousand, respectively, and recognized them under were recognized under payroll expenses. The Company suffered a loss in 2022, so it did not estimate or distribute employee compensation and remuneration to directors and supervisors.

29. Other profits and losses

	2023	2022
Financial income	$41,079	$25,080
Loss on disposal of property, plant and equipment, net	(1)	-
Net gain (loss) on disposal of investments	2,525	(441)
Net loss on open-end funds and money market instruments at fair value through profit or loss	(7,073)	(3,607)
Dividend income	3,314	3,077
Rent revenue	36,593	31,519
Agency fee income	110,077	108,169

	2023	2022
Gain on redemption of corporate bonds	3,127	14,172
Others	6,113	2,069
Total	$195,754	$180,038

30. Other comprehensive income

2023

	Accrued in current year	Current reclassification adjustment	Other comprehensive income	Income tax expenses	After-tax amount
The items that are not reclassified as profit or loss					
Reevaluation of determined benefit plan	$(3,571)	$-	$(3,571)	$-	$(3,571)
Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	27,259	-	27,259	-	27,259
Total current period other comprehensive income	$23,688	$-	$23,688	$-	$23,688

2022

	Accrued in current year	Current reclassification adjustment	Other comprehensive income	Income tax expenses	After-tax amount
The items that are not reclassified as profit or loss					
Reevaluation of determined benefit plan	$35,033	$-	$35,033	$-	$35,033
Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	(9,731)	-	(9,731)	-	(9,731)
Total current period other comprehensive income	$25,302	$-	$25,302	$-	$25,302

31. Income tax

The main composition of income tax expenses is as follows:

Income tax recognized in profit or loss

	2023	2022
Current income tax expenses:		
Payable income tax for the current period	$27,795	$36,175
Previous income taxes adjusted into the current year	(236)	(3,621)
Deferred tax (benefit) expense:		
Deferred tax (benefit) expense related to the original	(774)	142

	2023	2022
generation of the temporary difference and its reversal		
Income tax expenses	$26,785	$32,696

The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	2023	2022
Net income (loss) before tax of the continuing business units	$206,584	$(187,488)
Income tax calculated at the Company's statutory income tax rate	$41,317	$(37,498)
Income tax effect of the tax-free income	(19,377)	71,494
Income tax effect of non-deductible expenses on tax returns	(2,214)	(2,447)
Income tax effect of deferred income tax assets/liabilities	7,697	2,699
Surtax of profit-seeking enterprise income tax on undistributed earnings	-	2,656
Minimum tax payable	14	-
Previous income taxes adjusted into the current year	(236)	(3,621)
Other Income tax effects adjusted according to tax laws	(416)	(587)
Total income tax expense recognized in profit and loss	$26,785	$32,696

Deferred income tax assets (liabilities) balances related to the following items:

2023

	Opening balance	Recognized in the profit or loss	Balance, ending
Temporary difference			
Unrealized allowance for bad debts (subsidiaries)	$19	$(19)	$-
Unrealized decommissioning cost liability	1,697	98	1,795
Unrealized short-term employee benefits	63	2	65
Unrealized net defined benefit liability	2,982	(13)	2,969
Unrealized foreign exchange loss or gain (parent company)	(357)	463	106
Unrealized foreign exchange loss or gain (subsidiaries)	(498)	(59)	(557)
Unrealized valuation gains or losses on financial assets (parent company)	393	1,045	1,438
Unrealized valuation gains or losses on financial assets (subsidiaries)	3,026	354	3,380

	Opening balance	Recognized in the profit or loss	Balance, ending
Unrealized valuation gains or losses on financial assets (subsidiaries)	(60)	60	-
Unrealized estimated litigation indemnity	1,157	(1,157)	-
Deferred income tax expenses		$774	
Deferred income tax assets (liabilities), net	$8,422		$9,196
The information expressed on the balance sheet is as follows:			
Deferred income tax assets	$9,337		$9,753
Deferred tax liabilities	$(915)		$(557)

2022

	Opening balance	Recognized in the profit or loss	Balance, ending
Temporary difference			
Unrealized allowance for bad debts (parent company)	$(1,118)	$1,118	$-
Unrealized allowance for bad debts (subsidiaries)	8	11	19
Unrealized decommissioning cost liability	1,003	694	1,697
Unrealized short-term employee benefits	132	(69)	63
Unrealized net defined benefit liability	2,935	47	2,982
Unrealized foreign exchange loss or gain (parent company)	1,111	(1,468)	(357)
Unrealized foreign exchange loss or gain (subsidiaries)	52	(550)	(498)
Unrealized valuation gains or losses on financial assets (parent company)	-	393	393
Unrealized valuation gains or losses on financial assets (subsidiaries)	3,325	(299)	3,026
Unrealized valuation gains or losses on financial assets (subsidiaries)	-	(60)	(60)
Unrealized estimated litigation indemnity	1,116	41	1,157
of the temporary difference and its reversal		$(142)	
Deferred income tax assets (liabilities), net	$8,564		$8,422
The information expressed on the balance sheet is as follows:			

	Opening balance	Recognized in the profit or loss	Balance, ending
Deferred income tax assets	$9,682		$9,337
Deferred tax liabilities	$(1,118)		$(915)

The unused tax loss carryforwards of the entities of the Group are summarized as follows:

		Unused balance		
Year of occurrence	Amount of loss	2023.12.31	2022.12.31	Final credit year
Subsidiary – Horizon SICE:				
2021-approved	$18,293	$13,982	$17,908	2031
Subsidiary – Horizon Venture Capital:				
2014-approved	1,628	1,628	1,628	2024
2015-approved	1,368	1,368	1,368	2025
2017-approved	5,013	5,013	5,013	2027
2018-approved	5,259	5,259	5,259	2028
2019-approved	20,954	20,954	20,954	2029
2020-approved	11,734	11,734	11,734	2030
2021-approved	10,499	10,499	10,499	2031
2022-filed	18,616	18,616	18,960	2032
2023-estimated	38,115	38,115	-	2033
Total		$127,168	$93,323	

Unrecognized deferred income tax asset

As of December 31, 2023 and 2022, the total amount of the Group's unrecognized deferred income tax assets was NT$51,259 thousand and NT$43,980 thousand, respectively.

Income tax declaration and audit

As of December 31, 2023, the filings of the Company's and its subsidiaries' profit-seeking enterprise income tax were as follows:

	Income tax declaration and audit
The Company	Audited up to the year of 2021
Subsidiary – Horizon SICE Co., Ltd.	Audited up to the year of 2021
Subsidiary – Horizon Venture Capital Co., Ltd.	Audited up to the year of 2021
Subsidiary – Horizon Venture Management Co., Ltd.	Audited up to the year of 2021

32. Earnings per share

The basic earnings per share is calculated by having the net profit attributable to the holder of the common stock shares of the parent company divided by the weighted average

number of common stock shares outstanding in the current period.

The diluted earnings per share is calculated by having the net profit attributable to the holder of the common stock shares of the parent company divided by the weighted average number of common stock shares outstanding in the current period plus the weighted average number of common stock shares to be issued when all dilutive potential common stock shares were converted into common stock shares.

	2023	2022
(1) Basic earnings per share		
Net income (loss) attributable to the holders of common stock of the parent company	$179,799	$(220,184)
Weighted average number of common stock shares (thousand shares) of the earnings per share	351,252	351,252
Base earnings per share (NT$)	$0.51	$(0.63)

	2023	2022
(2) Diluted earnings per share		
Net income (loss) attributable to the holders of common stock of the parent company	$179,799	$(220,184)
Interest on convertible corporate bonds	(15,015)	-
Net income (loss) attributable to the holders of common stock of the parent company after adjustment to the dilution effect	$164,784	$(220,184)
Weighted average number of common stock shares (thousand shares) of the earnings per share	351,252	351,252
Dilution effect:		
Employee remuneration – stock (thousand shares)	448	-
Convertible corporate bonds (thousand shares)	38,932	-
Weighted average number of common stock shares (thousand shares) after adjusting the dilution effect	390,632	351,252
Diluted earnings per share (NT$)	$0.42	$(0.63)

The convertible corporate bonds issued by the Company during 2022 were not included in the diluted earnings per share for 2022 due to their anti-dilution effect.

There was no other transaction performed to cause significant changes to the outstanding common stock shares or the potential common stock shares after the reporting period and before the release of the financial statements.

33. Statement of Reconciliation for customers' margin accounts and futures traders' equity

	2023.12.31	2022.12.31
Margin accounts – bank deposits	$291,274	$436,953
Margin accounts – settlement institution settlement balance	190,424	140,199
Customer margin account balance	481,698	577,152
Less: Processing fee income pending reclassification	(50)	(103)
Futures transaction tax to be transferred out	(33)	(68)
Temporary receipts	(262)	(696)
Futures traders' equity	$481,353	$576,285

7. Related party transactions

The related party transactions with the Group during the financial reporting period are as follows:

Name and relationship of related parties

Name	Relationship with the Group
Mercuries & Associates Holding, LTD.	Entities with joint control or significant influence on the Group
Mercuries Life Insurance Co. Ltd.	Entities with joint control or significant influence on the Group
Mercuries Data Systems Ltd.	Other related parties
Mercuries & Associates Holding, Ltd.	Other related parties
Simple Mart Retail Co., Ltd.	Other related parties
Mercury Fu Bao Co., Ltd.	Other related parties
Mercury Fu Bao Co. Ltd.	Other related parties
SCI Pharmtech, Inc.	Other related parties
Cheng-Da Investment Consulting Co., Ltd.	Other related parties
Simple Mart Plus Co., Ltd.	Other related parties
Foundation for Taiwan Masters Golf Tournament	Other related parties

Major transactions with related parties

1. Brokerage fee revenue

The status of the brokerage fee income generated when the Group and above related parties engaged in the securities brokerage business is as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Others	$11,933	$5,677
Other related parties		
Others	241	236
Total	$12,174	$5,913

The details of the claims and liabilities incurred when the Group and the above-mentioned related parties engaged in the securities brokerage business are as follows:

	2023.12.31	2022.12.31
Accounts payable		
Entities with joint control or significant influence on the Group		
Others	$2	$-
Other related parties		
Others	-	1
Total	$2	$1

There is no significant difference between the above-mentioned stock brokerage trading conditions and those with non-related parties.

2. Underwriting business revenue

The underwriting business revenue generated when the Group conducts the underwriting advisory business for the related parties. The transaction situation is as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Others	$1,800	$1,200
Other related parties		
Others	988	-
Total	$2,788	$1,200

The details of the claims and liabilities incurred when the Company and the above-mentioned related parties engaged in the underwriting advisory business are as follows:

	2023.12.31	2022.12.31
Accounts receivable		
Other related parties		
Others	$380	$-

There is no significant difference between the above-mentioned underwriting business

conditions and those with non-related parties.

3. Stock affairs agency revenue

The revenue generated when the Group serves as a stock affairs agency entrusted by the related parties to handle general stock affairs and special stock affairs is as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Others	$5,300	$4,342
Other related parties		
Others	2,506	2,359
Total	$7,806	$6,701

The details of the claims and liabilities incurred when the Group and the above-mentioned related parties engaged in the stock affairs agency business are as follows:

	2023.12.31	2022.12.31
Other receivables		
Entities with joint control or significant influence on the Group		
Others	$85	$84
Other related parties		
Others	638	259
Total	$723	$343

There is no significant difference between the above-mentioned stock affairs agency business conditions and those with non-related parties.

4. Other operating revenue

The income generated from the Group's discretionary investment business is as follows:

	2023	2022
Discretionary investment management fee income		
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$2,320	$2,290

The details of the claims and liabilities incurred when the Group and the above-mentioned related parties engaged in the discretionary investment business are as follows:

	2023.12.31	2022.12.31
Accounts receivable		
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$248	$206

There is no significant difference between the above-mentioned discretionary investment business conditions and those with non-related parties.

The revenue generated when the Group is entrusted to maintain the accounts of the Taiwan Depository and Clearing Corporation (TDCC) is as follows:

	2023	2022
Account maintenance fee income		
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$4,344	$5,071

The details of the claims and liabilities incurred when the Group and the above-mentioned related parties engaged in the TDCC account maintenance business are as follows:

	2023.12.31	2022.12.31
Accounts receivable		
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$311	$400

There is no significant difference between the above-mentioned TDCC account maintenance business conditions and those with non-related parties.

5. Asset trade

2023

Counterparties	Transaction object	Trade value
Stock purchase		
Entities with joint control or significant influence on the Group		
Mercuries & Associates Holding, LTD.	TDCC stocks	$81,332
Mercuries Life Insurance Co. Ltd.	TDCC stocks	113,731
Other related parties		
Others		51,774
Total		$246,837
Stock sale		
Entities with joint control or significant influence on the Group		
Mercuries & Associates Holding, LTD.	TDCC stocks	$24,328
Mercuries Life Insurance Co. Ltd.	TDCC stocks	22,401
Other related parties		
Others	TDCC stocks	9,989
Total		$56,718

Bond purchase	
Other related parties	
Others	$33,864

2022

Counterparties	Transaction object	Trade value
Stock purchase		
Entities with joint control or significant influence on the Group		
Mercuries & Associates Holding, LTD.	TDCC stocks	$27,548
Mercuries Life Insurance Co. Ltd.	TDCC stocks	269,036
Total		$296,584
Stock sale		
Entities with joint control or significant influence on the Group		
Mercuries & Associates Holding, LTD.	TDCC stocks	$56,249
Mercuries Life Insurance Co. Ltd.	TDCC stocks	276,862
Other related parties		
Others	TDCC stocks	24,767
Total		$357,878
Equipment		
Other related parties		
Others	Office equipment	$2,800

There is no significant difference between the above-mentioned asset transaction conditions and those with non-related parties.

The details of the profit or loss arising from the Group's disposal of the stocks held from the above-mentioned related parties are as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Mercuries & Associates Holding, LTD.	$(240)	$449
Mercuries Life Insurance Co. Ltd.	897	7,826
Other related parties		
Others	1,345	(15,174)
Total	$2,002	$(6,899)

6. The details of other operating expenses paid by the Group to related parties and the

relationship between claims and debts are as follows:

	2023	2022
Other operating expenses - commission expense		
Entities with joint control or significant influence on the Group		
Others	$450	$420
Other operating expenses – advertising expense		
Other related parties		
Others	$900	$900
Other operating expenses – miscellaneous expenses		
Other related parties		
Others	$-	$57

	2023.12.31	2022.12.31
Accounts payable		
Entities with joint control or significant influence on the Group		
Others	$116	$104

There is no significant difference between the above-mentioned transaction conditions and those with non-related parties.

7. The details of related parties' stocks held by the Group are as follows:

	2023.12.31		2022.12.31	
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount
Entities with joint control or significant influence on the Company				
Others	19,200	$105,477	70	$1,061
Other related parties				
Others	512	$45,860	-	$-

The details of the profit or loss arising from the above-mentioned related parties' stocks held by the Group are as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Others	$-	$300

8. The details of related parties' bonds held by the Group are as follows:

	2023.12.31		2022.12.31	
	Face value	Market price	Face value	Market price
Entities with joint control or significant influence on the Company				
Mercuries Life Insurance Co. Ltd.	$200,000	$199,999	$200,000	$199,999
Other related parties				
Mercuries Data Systems Ltd.	33,200	33,532	-	-
Total	$233,200	$233,531	$200,000	$199,999

The details of interest income from the Group's bonds held by the above-mentioned related parties are as follows:

	2023	2022
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$6,594	$6,600

The details of the claims and liabilities incurred from the above-mentioned related parties' bonds held by the Group are as follows:

	2023.12.31	2022.12.31
Other receivables		
Entities with joint control or significant influence on the Group		
Mercuries Life Insurance Co. Ltd.	$2,038	$2,043

9. Remuneration of key management personnel of the Group

	2023	2022
Short-term employee benefits	$147,406	$125,448
Retirement benefits	5,992	6,513
Total	$153,398	$131,961

8. Pledged assets

The Group has the following assets provided as collateral:

Items	Secured debt or restricted content	2023.12.31	2022.12.31
Financial assets at fair value through profit and loss			
Securities – proprietary (government bonds)	Call loans to banks	$291,507	$301,161
Securities – proprietary (government bonds)	Government bond bid bond	10,063	-
Securities – proprietary (corporate bonds)	Call loans to banks	2,400,684	1,390,803
Securities – proprietary (convertible bonds)	Call loans to banks	80,875	19,750
Unlisted/OTC	Settlement advance	116,531	-
Other current assets			
Restricted assets (certificate of deposit)	Short-term borrowings and commercial paper	80,000	87,000
Restricted assets (certificate of deposit)	Settlement advance	183,500	215,000
Restricted assets (certificate of deposit)	Deposit for the head office building	11,328	-
Restricted assets (Current deposits)	Short-term borrowings (compensating balance)	15,000	16,000

9. Significant contingent liabilities and unrecognized contractual commitments

No such event

10. Significant disaster loss

No such event

11. Significant subsequent events

1. The Company’s board of directors resolved to issue the second domestic unsecured convertible corporate bonds on September 21, 2023, with the upper limit of total par value of NT$600,000 thousand and a face value of NT$ 100 thousand per bond, which had been registered effectively as per Letter No. Jin Guan-Zheng-Quan-Zi No. 1120357771 issued by the. Financial Supervisory Commission on October 23, 2023. The issuance date was set on January 5, 2024, and it was traded at securities dealers' business premises from that date, and the bonds were traded at the places of business of securities firms from that date.

2. In response to the company’s business development and diversification, Horizon SICE Co., Ltd., a subsidiary of the Company, merged with UBP Asset Management Taiwan Ltd. with the approval of the board of directors on October 11, 2023. After the merger,

Horizon SICE Co., Ltd. is the surviving company. After the date of record of the merger is approved by the competent authority, the chairman of the board of directors is authorized to set the date of record of the merger, and on the date of record of the merger, an initial payment of NT$76,000,000 was made to acquire 7,100,000 ordinary shares held by shareholders of UBP Asset Management Taiwan Ltd. Within 45 days after the date of record of the merger, both parties will confirm the final transaction amount in accordance with the terms and conditions in the merger agreement, and make up the difference with the tentative price mentioned above.

12. Others

1. Purpose and policy of financial risk management

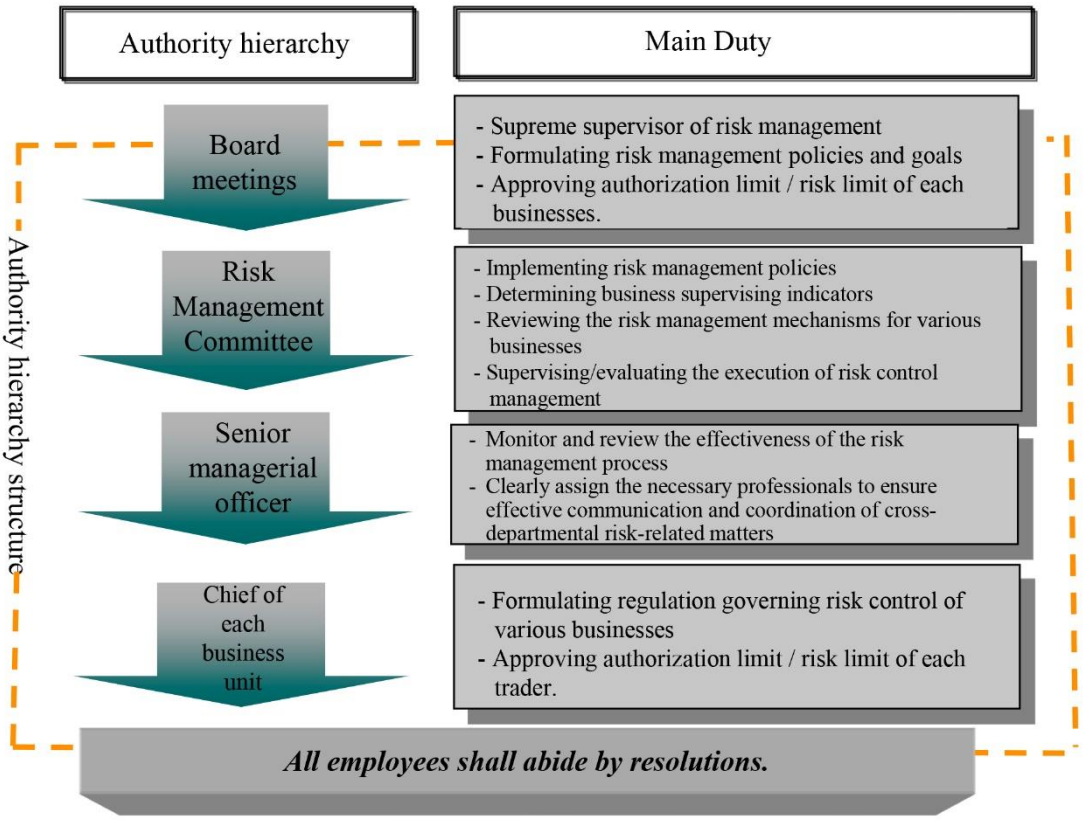
(1) Risk management objectives and policies

The Group's risk management policy is based on the current capital scale and the risk appetite determined by the board of directors to create the greatest return for shareholders, and to achieve the following goals:

A. Providing effective identification, measurement and monitoring of risks when engaging in various businesses.
B. Establishing timely, accurate and effective risk management indicators for the Company's operating activities in response to the fluctuations in the market.
C. Controlling the overall risk within the risk limit of shareholders, and providing the basis of capital allocation for operating activities.

(2) Risk management system

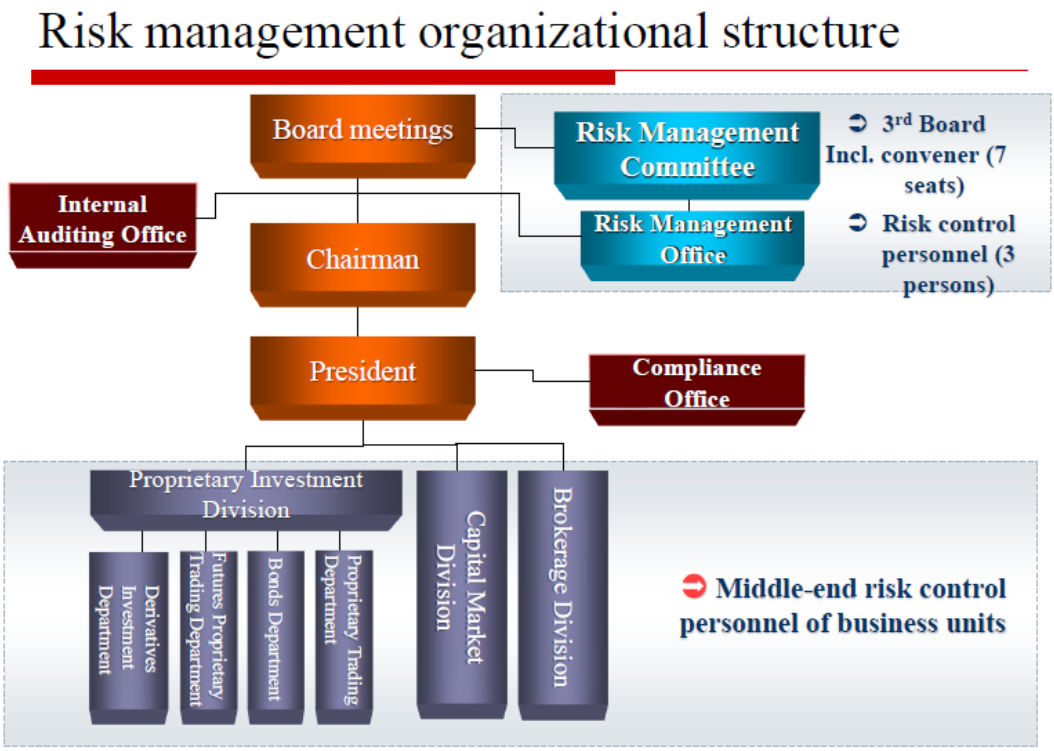
The Group adopts the authorization hierarchy system for risk management. Procedures of formulations and Approval of relevant policies are as follows:



The Group adopts both top-down and bottom-up approaches. First, the Company determines the overall economic capital and risk appetite with the top-down approach. After the overall economic capital is determined, the economic capital of each unit is then determined based on the bottom-up approach to ensure the consistency of total capital requirement.

(3) Risk management organizations

A. The Group's risk management organization includes board of directors, "Risk Management Committee," top management, Internal Auditing Office, Risk Management Office, Compliance Office, and other business units. The organizational chart is as follows:



The "Risk Management Committee" is the Group's highest authority unit in the matter of risk management. It reports directly to the "board of directors." The organization, functions and work rules of the "Risk Management Committee" are handled according to the "Charter of Risk Management Committee."

(4) Risk management procedure

The Group's risk management procedure includes risk identification, evaluation, monitoring, reporting, and response measures. The impacts of various risks and responses are described as follows:

A. Market Risk:

Uncertain changes in the values of financial assets over a period of time due to changes in market prices, such as changes in interest rates, exchange rates, equity securities, and commodity prices, may lead to the risk of losses on - and off-balance sheet items.

B. Liquidity risk:

The risk of being unable to realize assets or obtain sufficient funds to fulfill obligations when they are due (referred to as "liquidity risk"); and the risk of insufficient market depth, market disorder, or significant changes in market prices when positions held are disposed of or offset (known as "market liquidity risk").

C. Credit Risk:

The amount of risk arising from the failure of the counterparty (including the issuer

of securities, counterparty to a contractual transaction, or debtor) to fulfill its obligation or risk of loss incurred by its financial position.

D. Operational Risk:

The risks caused by poor operating systems and operational negligence, such as poor and contradictory operating process designs, negligence in operations, failure to implement internal controls, or front-end transactions exceeding the authorized permissions or execution of unauthorized transactions, improper management of back-end transaction books and records and improper internal accounting control, inexperienced personnel, improper security control of information systems, and improper operational backup.

E. Legal Risk:

The failure to comply with the relevant government regulations; contracts invalidated due to no legal binding effect, ultra vires, omissions in clauses, or incomplete regulations, resulting in the risk of loss.

F. Model Risk:

The non-precise appraised value due to the use of inappropriate models, parameters, or assumptions.
In order to maintain the operation and management of models and enhance the risk control of financial products, the Group has formulated the “Rules of the Management Operation of the Use of Models” to regulate the development, verification, safekeeping and changes of the models, in order to reduce model risks from the inappropriate use of models, parameters or hypotheses.

G. Climate Change and Environmental Sustainability Risks:

The Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board, United Nations, to identify the potential risks arising from various climate change based on the interaction between the Company's daily operating activities, its services, and the environment, to identify physical and transition risks caused by climate change.

H. Other emerging risks:

Due to new businesses or modified operations (e.g. FinTech), there might be adverse impact on the future business operation because of the lack of risk identification and assessment.

(5) Strategies and procedures for hedging and mitigating risks

The Group carries out analysis based on the severity of loss, and assess the pros and cons of each countermeasures. Potential hedging and mitigation policies include:

A. Risk avoidance: Take avoidance measures, to avoid activities that may have underlying risks.
B. Risk transfer/mitigation: Transfer part or all of the risk to a third party.
C. Risk control: Reduce the possibility and impacts of risks through appropriate approaches.
D. Risk-taking: Not taking any measures to change the possibilities and impact of risks.

The Group's monitoring, hedging and mitigation tools are mainly derivatives. The Company maintains the risk of market price fluctuations of hedging positions within an acceptable limit, determines the authorization limit based on the risk tolerance, and establishes a monitoring warning mechanism to grasp the change in the hedging positions.

The Company's Derivatives Investment Department adopts hedging methods for the issuance and subscription (sale) of warrants based on the Black-Scholes' model to estimate the Delta, Gamma, and Vega values of the relevant positions, which serve as the parameters reported in accordance with the Company's "Management Rules of Use of Models" for the capital adequacy ratio.

The Group's Futures Proprietary Trading Department is responsible for future trading and options trading. The risk control items include limits to value-at-risk, risk exposures, guarantee deposits, stock concentration, company scale, liquidity, stop-loss/take-profit. All investment strategies are approved after analysis on the fundamentals and strategic aspects and assessment of the general market trend at the investment decision meetings convened by the Proprietary Investment Division.

The Group has developed its own asset risk management system, and built systematic parameter settings based on different risk characteristics to make the risk control system modules more flexible and more conducive to the implementation of intraday and post-market monitoring. In addition to being linked with position performance, it can keep abreast of the actual operating results of the business at any time, to effectively improve the efficiency of risk information communication and management.

2. Market risk management

The Group has specified the market risk control methods in risk control regulations of each business. Market risk control items include total limit (by department, product, trader, trading strategy), shareholdings ratio, concentration (including the total shareholdings of any company's shares, total cost of holding any company's securities, total quantity of any foreign company's shares held, and total cost of holding any foreign company's securities), stop-loss and take-profit mechanism, trader account suspension mechanism, stop-loss mechanism, margin limit, overrun response, VaR calculation, and control of VaR limits. The Risk Management Office is responsible for monitoring the limits every day. The Group estimates the Value at risk (VaR) on a daily basis, and adjusted the model and parameters retrospectively to more accurately predict the largest possible loss due to market price fluctuation.

(1) The Group's Risk Management Office is responsible for monitoring the Company's daily risk exposure as a whole and at each business unit. In addition to understanding the risk response measures of each unit, it discloses the daily position gains and losses and the VaR of the next day in the asset risk control system. The Group's capital adequacy ratio, interest rate, and exchange rate sensitivity analysis, and VaR over the past two years are as follows:

A. Capital adequacy ratio

Items / Date	Current value	Mean	Max. value	Min. value
2023.12.31	339%	393%	455%	319%
2022.12.31	463%	442%	481%	361%

B. Sensitivity analysis

(a) Interest rate sensitivity analysis

The Group adopts DV01 in a sensitivity analysis for bond positions. DV01 refers to the impact on the amount of profit or loss on the bond positions when the bond interest rate rises or falls by 1 basis point (bp).

Unit: NTD thousand

Items / Date	Average duration	Fluctuation by 1bp Amount of profit or loss affected (DV01)
2023.12.31	4.30	$1,161
2022.12.31	2.50	426

Note: Perpetual debentures are not included.

Perpetual debentures

Unit: NTD thousand

Items / Date	Average duration	Fluctuation by 1bp Amount of profit or loss affected (DV01)
2023.12.31	31.3	$626
2022.12.31	31.3	626

(b) Exchange rate sensitivity analysis

The Group assesses the impact of exchange rate change by 1% on the profit and loss on foreign currency positions.

Unit: NTD thousand

Items / Date	Change by 1% in exchange rate: Amount of profit or loss affected
2023.12.31	$485
2022.12.31	348

C. The Group's quantized market risk model is measured based on VaR, and the quantized calculation is based on parametric methods (variance-covariance method), historical simulation method. The VaR of the next day is calculated at 99% confidence level.

Unit: NTD thousand

Date	Current value	Mean	Max. value	Min. value
2023.12.31	$54,243	$25,599	$58,855	$5,485
2022.12.31	35,491	20,458	86,250	3,100

(2) Back test

According to the Group's Back Test Operational Rules and the Risk Management Best-practice Principles for Securities Firms, the Group conducts model validity evaluation and back test based on the VaR by business and the Group's overall position on an annual basis to ensure the correctness and credibility of predictions of a risk evaluation model on a statistical basis.

(3) Stress test

A. Stress tests are carried out on a regular basis in accordance with the Group's Risk Management Policy Guidelines, the Stress Test Operation Rules, and the Risk Management Best-practice Principles for Securities Firms.

B. Two goals of stress test

(a) Evaluating the securities firms' capital's ability to bear the greatest potential loss.
(b) Identifying measures that securities firms can adopt to reduce risks and protect capital.

C. Available countermeasures

(a) Readjust positions held, close positions, or hedge transactions.
(b) Purchase credit guarantee schemes or insurance, or lower risk limits.
(c) Increase the sources of funding available to ensure that there are sufficient funds to respond during the crisis to enhance the liquidity of securities firms' funds.
(d) Plan countermeasures for specific stress test scenarios.

D. The Group's stress test system is based on historical scenarios and a hypothetical scenario. The method of implementation is described as follows:

(a) The historical scenarios mainly focus on specific extreme events in the past financial market that caused the market to plunge, such as the 921 earthquake, the dot-com bubble in 2000, the U.S. 911 terrorist attack, the March 19 shooting incident in Taiwan, the Eurozone debt storm, the 311 Eastern Japan Earthquake, Standard & Poor's downgrading of U.S. debt credit ratings, and

other events, to simulate extreme stress to estimate the losses. The Group's historical scenarios are based on two incidents. One is the US Dow Jones Industrial Average index that crashed due to concerns about the accelerated speed of increase in interest rates on February 2, 2018. The Group set the loss ratios of the market values of both equity investments and non-government bonds investments at 12%, the loss ratio of money market funds at 2%, the sharp fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. The second one is based on the global stock market crash caused by the global pandemic of COVID-19 in the first quarter of 2020. The Group set the loss ratios of the market values of equity investments and non-governmental bond investments at 30% and 10%, respectively, the loss ratio of money market funds at 2%, fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. The third one is based on the scenario of Typhoon Morakot striking Taiwan in 2009. The Group set the loss ratios of the market values of equity investments and non-government bond investments at 6% and 3%, respectively, the loss ratio of money funds at 2%; reduced the average daily trading volume of the Taiwan stock market to NT$50 billion; and set the amount for the climate risk stress test. The loss estimated in the aforementioned historical scenarios in the stress test had a limited impact on the Group's financial position in each period, and the regulatory adequacy ratio was at the level stipulated in the regulations of the competent authority.

(b) The loss rates in the hypothetical scenario are based on the assumptions of credit rating companies to evaluate the value of the investment portfolio and the impact of changes on the amount of business operations. The fundamental assumptions include a 50% reduction in the market value of equity investments, a credit loss rate of non-government bond investments of 10%, a loss rate of money market funds of 2%, a fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. Under the hypothetical scenario, the loss estimated had a limited impact on the Group's financial position in each period, and the adequacy ratio of its own capital was at the level stipulated in the regulations of the competent authority.

3. Management over credit risks

The Group defines the credit risk control methods for each financial product as well as the authorization structure, reporting process, and operations at each level in the risk control regulations. It measures credit risk exposure daily according to the credit rating and conducts credit evaluation before each transaction and conducts credit risk control, including TCRI credit ratings, bond issue rating control, reverse repurchase agreement counterparty's limits, counterparty's credit assessment, credit rating requirements for certain securities, while regularly updating and monitoring the credit status of the counterparties and controlling the nominal principle of the positions held. For counterparties with increased risks, the Group reduces credit risk limits or increases collateral. For positions that have been downgraded, it draws up disposal plan and restricts new positions to reduce credit exposure. The credit rating systems adopted for

different financial products are described as follows:

(1) Convertible (exchangeable) corporate bonds

The Proprietary Investment Division's convertible (exchangeable) corporate bonds are based on the TEJ TCRI's credit ratings of levels 1–7, except for securities lending (borrowing) transactions. For TCRI level 8 or above, it must be combined with securities lending and shorting.

(2) Securities lending (borrowing)

It is limited to juridical persons, and the credit rating of counterparties in securities lending (borrowing) bargaining transactions must reach a certain level, or shall be a publicly listed securities firm.

(3) Bonds under reverse repurchase agreement

The counterparties are limited to domestic juridical persons, and for customers whose transaction balance reaches a certain amount of NTD or more, their counterparties' credit ratings must reach the required level. If the credit rating of a counterparty fails to meet the requirement, it shall be submitted to the President for approval before processing the transaction.

(4) Bonds (excluding convertible (exchangeable) corporate bonds)

According to the Bond Transaction Risk Management Regulations of the Bond Department, all types of bonds obtained by the Group must meet certain credit rating standards.

(5) Swaption of convertible corporate bond asset

The counterparties' credit ratings are limited to twBBB- and above, and the limit of transaction amount is set based on the counterparties credit ratings.

(6) Loans and non-restricted purpose loans

According to the Brokerage Division's Guidelines for Operations of Securities Borrowing and Lending; Guidelines for Handling Non-Restricted Purpose Loans; Loan and Non-Restricted Purpose Loan Risk Management Guidelines; the Regulations on Credit Investigation and Credit Line Evaluation of Customers in Securities Borrowings and Non-Restricted Purpose Loan Business, the Company evaluates each customer's credit line and controls the credit risk of securities borrowings and non-restricted purpose loans through regular review of collateral.

4. Liquidity risk management

(1) Market liquidity risk of positions held

The Group has formulated the liquidity risk control methods in the risk control

regulations based on the nature of each business and set the cap of individual positions as per the concentration of the positions, the trading volume, while monitoring them on a daily basis.

(2) Capital liquidity risk

The Group has formulated the Regulations Governing Capital Liquidity Risk Control. In the asset risk control system, the Company has established the capital liquidity indicators for simulation analysis for capital liquidity risk, and measures its risk tolerance for capital liquidity risk based on the high-standard stress test on monetary losses, with the aim of enhancing liquidity risk control.

The Group maintains financial flexibility through contracts, including cash and cash equivalents, highly liquid securities, bank borrowings, commercial papers payable, call loans to banks, and convertible corporate bonds. The table below summarizes the maturity of the payments contained in the contracts of the Group's financial liabilities. It is compiled based on the earliest possible date for repayment and its undiscounted cash flow. The amounts listed also include the agreed interest. For the interest cash flow paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2023.12.31					
Short-term borrowings	$100,088	$-	$-	$-	$100,088
Commercial papers payable	200,000	-	-		200,000
Payables	3,419,202	-	-	-	3,419,202
Call loans to banks	5,465,144	-	-	-	5,465,144
Corporate bonds payable	-	605,000	-	-	605,000
Lease liabilities (Note)	84,947	154,004	59,147	-	298,098

	Less than 1 y	2–3 ye	4–5 ye	Over 5 ye	Total
2022.12.31					
Short-term borrowings	$50,019	$-	$-	$-	$50,019
Payables	1,893,347	-	-	-	1,893,347
Call loans to banks	2,100,819	-	-	-	2,100,819
Corporate bonds payable	-	-	622,900	-	622,900
Lease liabilities (Note)	39,800	57,724	25,915	-	123,439

Note: Including short-term leases and cash flows of lease contracts for low-value underlying assets.

Derivative financial liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2023.12.31					
Inflow	$1,133,285	$-	$-	$-	$1,133,285
Outflow	(1,148,722)	-	-	-	(1,148,722)
Net value	$(15,437)	$-	$-	$-	$(15,437)
2022.12.31					
Inflow	$2,074,397	$-	$-	$-	$2,074,397
Outflow	(666,918)	-	-	-	(666,918)
Net value	$1,407,479	$-	$-	$-	$1,407,479

The disclosure of derivative financial liabilities in the table above is presented using undiscounted net cash flows.

5. Operational risk management

The Group has formulated the Internal Control System Policy and Rules of the Implementation of Rules of the Implementation of Internal Audit in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" released by the FSC and "Standard Directions for Internal Control Systems in Securities Firms" released by Taiwan Securities Exchange Corporation. All business transactions have been handled in accordance with the relevant regulations of the competent authorities and the Group's relevant operational risk control regulations in various business risk management regulations. In addition to effectively controlling operational risks as per the standards of the internal control system, the Group compiles the critical operational risks that are easier for quantification and qualification in the securities business, such as default cases and loss amount, number of incorrect entries into the account and the loss amount, and customer complaint cases, into a risk management executive report and reports to the board of directors on a regular basis.

6. Legal risk management

The Group has established the Compliance Office, serving as the supervising unit, and providing legal consultation for each business units. The Group has also signed the "Regulations Governing the Signing of Contracts." All contracts must be reviewed by the Compliance Office before signing to reinforce legal risk control.

7. Model risk management

In order to maintain the operation and management of models and enhance the risk control of financial products, the Group has formulated the "Rules of the Management Operation of the Use of Models" to regulate the development, verification, safekeeping and changes of the models, in order to reduce model risks from the inappropriate use of models, parameters or hypotheses.

8. Climate Change and Environmental Sustainability Risks Management

In view of the increasingly severe climate change and environmental impact, which will have a financial impact on the company's operations, the Group adopts the TCFD framework to identify its climate change and environmental sustainability risks and opportunities and countermeasures, gradually examines energy efficiency, greenhouse gas emissions, and extreme weather events, and performs stress tests on the impact of such natural disasters, to enhance its resilience and sensitivity to climate change risks. It implements climate change-related disclosures and adaptation strategies as the consensus of all management levels of the Company, while disclosing climate-related information as per the four categories of governance, strategy, risk management, indicators, and goals to continuously improve climate-related strategies and management to cope with changes in the general environment.

9. Other emerging risks management

In order to cope with risk arising from the adverse impact on the future business operations due to the emergence of new business categories or changes in the way of operation (such as digital financial technology), the Group has formulated the "Information Security Management Regulations", the "Personal Data File Security Maintenance Plan and Personal Data Disposal Method after Business Termination", and "Information Business Continuity Management Regulations" for the critical risk areas of information security, personal data protection, and continuing operations, respectively, as a reference for security level assessment in response to the execution of various information security tasks, so as to protect operational activities from major disasters and man-made sabotage and are able to continue without interruption.

10. Reconciliation of liabilities from financing activities

Information on reconciliation of liabilities for the year 2023:

	Short-term borrowings	Commercial papers payable	Corporate bonds payable	Lease liabilities	Total liabilities from financing activities
2023.1.1	$50,000	$-	$674,201	$114,353	$838,554
Cash flows					
- Inflow	43,712,309	1,747,705	-	-	45,460,014
- Outflow	(43,662,309)	(1,550,000)	(17,101)	(78,622)	(45,308,032)
Non-cash changes	-	2,057	(17,150)	244,763	229,670
2023.12.31	$100,000	$199,762	$639,950	$280,494	$1,220,206

Information on reconciliation of liabilities for the year 2022:

	Short-term borrowings	Commercial papers payable	Corporate bonds payable	Lease liabilities	Total liabilities from financing activities
2022.1.1	$50,000	$149,995	$763,524	$68,086	$1,031,605
Cash flows					
- Inflow	66,031,596	29,979	-	-	66,061,575
- Outflow	(66,031,596)	(180,000)	(62,236)	(66,311)	(66,340,143)
Non-cash changes	-	26	(27,087)	112,578	85,517
2022.12.31	$50,000	$-	$674,201	$114,353	$838,554

11. Categories of financial instruments

Financial assets

	2023.12.31	2022.12.31
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$4,568,282	$2,812,514
Financial assets at fair value through other comprehensive profit or loss	194,092	153,245
Financial assets based on cost after amortization (Note)	10,164,221	6,739,083
Total	$14,926,595	$9,704,842

Financial liabilities

	2023.12.31	2022.12.31
Financial liabilities at fair value through profit and loss:		
Held for trading	$4,347	$12,034
Financial liabilities based on cost after amortization:		
Short-term borrowings	$100,000	$50,000
Commercial papers payable	199,762	-
Call loans to banks	5,460,243	2,099,446
Futures traders' equity	481,353	576,285
Corporate bonds payable	639,950	674,201
Payables	3,415,043	1,890,711
Lease liabilities	280,494	114,353
Subtotal	10,576,845	5,404,996
Total	$10,581,192	$5,417,030

Note: Including cash and cash equivalents (excluding cash on hand and petty cash), bond investment under reverse repurchase agreement, securities borrowings receivable, loan receivable – non-restricted purpose, customer margin account, notes receivable, accounts receivable, other receivables, restricted assets, financial assets at amortized

cost - non-current, business guarantee, settlement and clearance funds, and guarantee deposits paid.

12. The fair value of financial instruments

The know-how and hypotheses adopted to measure the fair values

(1) The Book Value of short-term financial instruments stated in the balance sheet shall be the fair value of such instruments. The reason is that the maturity date of these instruments is close and it would be reasonable to use the Book Value in the valuation of fair value. This method is applied to cash and cash equivalents, bond investments under reverse repurchase agreement, securities borrowings receivable, loan receivables – non-restricted purpose, customer margin account, accounts receivable, restricted assets, business guarantee, settlement and clearance funds, guarantee deposits paid, short-term borrowings, commercial paper payable, bond liabilities under repurchase agreement, futures traders' equity, corporate bonds payable, accounts payable, and guarantee deposits received.

(2) If a financial instrument measured at fair value through profit and loss is quoted in an active market, the market price is adopted as the fair value. If there are no market prices for reference, then fair values shall be estimated using the valuation approach. Estimates and assumptions used in the valuation approach are consistent with the estimates and assumptions adopted by market participants when pricing the underlying financial instruments.

The methods for determining the fair values of various financial instruments are as follows:

A. Equity securities: Except for those that are measured at cost in accordance with relevant laws and regulations, those listed on the market shall adopt the closing price of the listed market as the market price; if there is no active trading market (such as emerging stocks and unlisted stocks), the valuation method is adopted for estimation.
B. Bonds: government bonds and corporate bonds are valued based on current market prices published on OTC, which are calculated using the bonds' average yields. Bond derivatives require special valuation models, using the above-mentioned yields and market prices as parameters. For bonds without an active market, the yield curve published by OTC will be used as parameters for the valuation model.
C. Futures instruments: The closing price of each futures trading market is adopted.
D. Options instruments: The closing price of each options trading market is adopted.
E. Other derivatives: For those listed in markets, their listed market quotes are adopted as the basis for market prices. For those not listed in markets, the average buying price or average selling price of the quotation platform, or other definite quotes as the basis for market prices.
F. Lease liabilities: The fair value is measured at the discounted expected cash flow, and the discount rate is based on the interest rates with similar conditions (similar maturity dates) that can be accessed.

13. Transfer of financial assets

Transferred financial assets not being removed in all

In the daily trading activities of the Group, the transferred financial assets that do not meet the conditions for being removed in all are mostly debt securities as collateral under a repurchase agreement held by trading counterparties or equity securities lent under a securities lending agreement. Such transactions are essentially secured borrowings and reflect the Group's liabilities from repurchasing the obligation of the transferred financial assets at a fixed price in the future. For such transactions, the Group is unable to use, sell, or pledge the transferred financial assets during the effective period of the transaction, but the Group still bears the interest rate risk and credit risk. Therefore, it has not been derecognized entirely.

The table below shows the financial assets not qualified under all conditions and related financial liabilities:

December 31, 2023					
Category of financial assets	Book value of transferred financial assets	Book value of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Net fair value position
Financial assets at fair value through profit and loss					
R/P agreement	$5,427,996	$5,460,243	$5,427,996	$5,460,243	$(32,247)

December 31, 2022					
Category of financial assets	Book value of transferred financial assets	Book value of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Net fair value position
Financial assets at fair value through profit and loss					
R/P agreement	$2,063,512	$2,099,446	$2,063,512	$2,099,446	$(35,934)

14. Financial assets and liabilities written-off against each other

The Group's engaging in transactions of bonds under repurchase agreements does not meet the offsetting condition stipulated in the Communiqué, but it has signed a master netting arrangement or similar agreements with trading counterparties. With the above-mentioned master netting arrangement or similar agreements, when both parties of a transaction choose to settle in a net amount, the financial assets and financial liabilities will be offset and settled in a net amount. If not, the total amount will be adopted for settlement. However, if either party violates the agreement, the other party may choose to settle in a net amount.

The table below lists the relevant information about the offsetting of the financial assets and financial liabilities above:

December 31, 2023

Financial assets subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial assets (a)	Total recognized financial liabilities offset in the balance sheet (b)	Net financial assets listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral received	Net value (e)= (c)- (d)
Reverse repurchase agreement	$2,654,930	$-	$2,654,930	$2,654,930	$-	$-

Financial liabilities subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial liabilities (a)	Total recognized financial assets offset in the balance sheet (b)	Net financial liabilities listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral pledged	Net value (e)= (c)- (d)
Repurchase agreement	$5,460,243	$-	$5,460,243	$5,460,243	$-	$-

Note: Including the master netting arrangement and non-cash financial collateral.

December 31, 2022

Financial assets subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial assets (a)	Total recognized financial liabilities offset in the balance sheet (b)	Net financial assets listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral received	Net value (e)= (c)- (d)
Reverse repurchase agreement	$351,797	$-	$351,797	$351,797	$-	$-

Financial liabilities subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial liabilities (a)	Total recognized financial assets offset in the balance sheet (b)	Net financial liabilities listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral pledged	Net value (e)= (c)- (d)
Repurchase agreement	$2,099,446	$-	$2,099,446	$2,099,446	$-	$-

Note: Including the master netting arrangement and non-cash financial collateral.

15. Fair value hierarchy

(1) Fair value hierarchy

All assets and liabilities measured or disclosed at fair value is the lowest level input that is important to the overall fair value measurement, classified to the fair value level to which it belongs. The input at each level is as follows:

Level 1: The quotation (unadjusted) of the same assets or liabilities that can be

acquired by the company in an active market on the measurement date.

Level 2: It refers to the directly or indirectly observable input value of asset or liability, except for those quotations included in Level 1.

Level 3: The unobservable input value of an asset or liability.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, the classification is reevaluated at the end of each reporting period to determine whether there is a transfer between the fair value levels.

(2) Information on hierarchy of fair value measurement

The Group does not have non-repetitive assets measured at fair value. The information on the fair value level of repetitive assets and liabilities is shown below:

December 31, 2023

	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Financial assets at fair value through profit and loss				
Stock investment	$1,108,110	$-	$384,072	$1,492,182
Bond investment	1,486,414	1,403,893	-	2,890,307
Fund investment	87,420	78,337	-	165,757
Unrealized valuation gains or losses of equity instruments investments				
Equity measured at fair value through other comprehensive income	62,010	-	132,082	194,092
Derivatives				
Assets				
Financial assets at fair value through profit and loss				
Futures trading margin – proprietary capital	20,036	-	-	20,036
Liabilities				
Financial liabilities at fair value through profit and loss				
Put option - others	-	4,347	-	4,347

December 31, 2022

	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Financial assets at fair value through profit and loss				
Stock investment	$480,462	$-	$373,557	$854,019

Bond investment	1,173,876	594,207	-	1,768,083
Fund investment	41,846	82,579	-	124,425
Unrealized valuation gains or losses of equity instruments investments				
Equity measured at fair value through other comprehensive income	50,040	-	103,205	153,245
Derivatives				
Assets				
Financial assets at fair value through profit and loss				
Futures trading margin – proprietary capital	65,843	-	-	65,843
Call option - non-hedging	144	-	-	144
Liabilities				
Financial liabilities at fair value through profit and loss				
Put option - others	-	12,034	-	12,034

(3) Transfer between Level 1 and Level 2 fair value

For the years 2023 and 2022, the Group's assets and liabilities measured at fair value on a recurring basis did not experience transfer between Level 1 and Level 2 fair value.

(4) Changes in Repetitive Fair Value Level 3 Statement

If the assets measured with the Group's repetitive fair value that are classified as Level 3 fair value, the adjustment of the beginning balance and the ending balance is as follows:

	Assets	
	Measured at fair values through profit and/or loss	Unrealized valuation gains or losses of equity instruments investments
	Stock	Stock
2023.1.1	$373,557	$103,205
Total profit or loss recognized for 2023		
Recognized in the profit or loss	(16,140)	-
Recognized in the other comprehensive income	-	15,289
Acquisition	84,635	13,588
Disposition	(57,980)	-
2023.12.31	$384,072	$132,082

	Assets	
	Measured at fair values through profit and/or loss	Unrealized valuation gains or losses of equity instruments investments
	Stock	Stock
2022.1.1	$240,006	$92,460
Total profit or loss recognized for 2022		
Recognized in the profit or loss	9,965	-
Recognized in the other comprehensive income	-	10,608
Acquisition	134,962	137
Disposition	(5,866)	-
Conversion into Level 3	4,690	-
Conversion from Level 3	(10,200)	-
2022.12.31	$373,557	$103,205

(5) Significant unobservable input value information of Level 3 fair value

For the Group's assets measured at Level 3 repetitive fair value, the significant unobservable input values for fair value measurement are as follows:

December 31, 2023

	Valuation technique	**Significant unobservable input value**	**Quantitative information**	**Relationship between input value and fair value**
Financial assets				
Financial assets at fair value through profit and loss				
Stock	Market approach	Discount for lack of marketability	20.00%~60.00%	The higher the discount for marketability, the lower the estimated fair value.
Financial assets at fair value through other comprehensive profit or loss				
Stock	Income approach	Dividend Growth Rate	2.00%~3.70%	The higher the dividend growth rate, the higher the estimated fair value.
	Income approach	Return on investment	5.00%~6.50%	The higher the return on investment, the lower the estimated fair value.

December 31, 2022

	Valuation technique	Significant unobservable input value	Quantitative information	Relationship between input value and fair value
Financial assets				
Financial assets at fair value through profit and loss				
Stock	Market approach	Discount for lack of marketability	20.00%~60.00%	The higher the discount for marketability, the lower the estimated fair value.
Financial assets at fair value through other comprehensive profit or loss				
Stock	Income approach	Dividend Growth Rate	3.15%~3.40%	The higher the dividend growth rate, the higher the estimated fair value.
	Income approach	Return on investment	7.00%	The higher the return on investment, the lower the estimated fair value.

(6) Evaluation process for Level 3 fair value

The Group's financial department is responsible for fair value verification, using data from independent sources to bring the evaluation results closer to the market, confirming that the sources of the data are independent, reliable, consistent with other resources and represent executable prices, while analyzing the changes in the value of assets and liabilities that must be remeasured or reevaluated in accordance with the Group's accounting policies at each balance date, to ensure that the evaluation results are reasonable.

(7) Hierarchy information not measured at fair value but required to disclose

December 31, 2023

	Level 1	Level 2	Level 3	Total
Assets with only fair value required to be disclosed:				
Financial assets based on cost after amortization	$-	$199,999	$-	$199,999
Liabilities with only fair value required to be disclosed:				
Corporate bonds payable	-	580,195	-	580,195

December 31, 2022

	Level 1	Level 2	Level 3	Total
Assets with only fair value required to be disclosed:				
Financial assets based on cost after amortization	$-	$199,999	$-	$199,999
Liabilities with only fair value required to be disclosed:				
Corporate bonds payable	-	584,093	-	584,093

16. Information on foreign currency positions held

The Group's foreign currency financial assets and liabilities with significant impact are as follows:

	2023.12.31		
	Foreign currency (NT$)	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$4,893,856	30.7350	$150,413
HKD	420,417	3.9339	1,654
CNY	3,360	4.3338	15
GBP	3,466	39.1779	136
EUR	395,619	34.0114	13,456
JPY	6,573,320	0.2173	1,428
AUD	27,795	21.0012	584
Non-Currency			
USD	4,139,079	30.7350	127,215
HKD	14,750,280	3.9339	58,026
Financial liabilities			
Monetary items			
USD	1,577,852	30.7350	48,495
HKD	4,863	3.9339	19

	2022.12.31		
	Foreign currency (NT$)	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$4,563,626	30.7080	$140,140
HKD	954,122	3.9384	3,758
CNY	622	4.4175	3
GBP	4,508	37.0553	167
EUR	286,220	32.7086	9,362

	2022.12.31		
	Foreign currency (NT$)	Exchange rate	NTD
JPY	14,283,720	0.2324	3,320
AUD	15,950	20.8262	332
Non-Currency			
USD	3,571,020	30.7080	109,659
HKD	10,032,000	3.9384	39,510
Financial liabilities			
Monetary items			
USD	591,793	30.7080	18,173
HKD	245,693	3.9384	968

Due to the wide variety of foreign currencies of the Group, it is impossible to disclose the exchange gains and losses information of monetary financial assets and financial liabilities by each foreign currency with significant impact. The Group's net gains (losses) on foreign currency exchange in 2023 and 2022 were NT$410 thousand and NT$11,419 thousand, respectively.

17. Presentation of derivative instruments in the financial statements

Derivatives

(1) The presentation method of the Group's futures trading on the financial statements:

The details of the Group's futures trading margin – proprietary capital are as follows:

	2023.12.31	2022.12.31
Account balance	$30,401	$62,448
Profit (loss) on open positions	(10,365)	3,395
Net value of account	$20,036	$65,843

B. The details of futures contract gain or loss recognized from futures proprietary trading business are as follows:

	2023	2022
Futures contract gain (loss) – net	$(160,978)	$47,249

C. The details of gain or loss on options trading recognized from futures proprietary trading business are as follows:

	2023	2022
Net loss from options trade	$(928)	$(3,399)

(2) The details of the Group's open positions of futures contracts and options and open contract values are as follows:

		2023.12.31				
		Unsettled position				
Items	type of trade	Buyer and sellers	number of contracts	Contract amount or premium paid (collected)	Fair value	Remarks
Futures contracts	Mini Taiwan Stock Exchange Weighted Index Futures (MTX)	Buyer	2	$1,787	$1,787	
Futures contracts	Electronics futures (TE)	Buyer	14	49,018	49,944	
Futures contracts	Financial futures (TF)	Seller	15	25,607	25,791	
Futures contracts	TAIEX Futures	Seller	194	679,145	692,968	
Futures contracts	TAIEX Futures	Buyer	171	610,507	611,154	
Futures contracts	Mini	Seller	1	2,872	2,872	
Futures contracts	FTSE China A50 Index	Seller	23	8,113	8,118	
Futures contracts	U.S. Dollar Index	Buyer	2	6,221	6,204	
Futures contracts	New York gold	Buyer	3	19,056	19,084	
Futures contracts	Copper	Buyer	2	6,042	5,973	
Futures contracts	JPY	Seller	4	10,946	11,017	
Futures contracts	Micro NQ	Buyer	1	1,046	1,045	
Futures contracts	Natural gas	Seller	4	3,024	3,088	
Futures contracts	Crude oil mini	Seller	5	5,505	5,500	
Futures contracts	10-year bonds	Buyer	5	17,314	17,331	
Futures contracts	Euro 10-year bonds	Buyer	9	41,958	41,965	
Futures contracts	Hang Seng Index	Buyer	5	16,662	16,828	
Futures contracts	SGX Nikkei 225 Index	Buyer	7	25,480	25,402	
Futures contracts	AUD	Buyer	3	6,199	6,292	
Futures contracts	CAD	Buyer	2	4,568	4,644	
Futures contracts	Light crude oil	Seller	1	2,213	2,200	
Futures contracts	EUR	Seller	8	33,498	34,006	
Futures contracts	U.S. 5-year bonds	Buyer	38	124,042	126,916	
Futures contracts	Gold	Buyer	4	25,484	25,446	
Futures contracts	Copper	Seller	2	6,005	5,973	
Futures contracts	Mini Nasdaq	Buyer	6	6,308	6,272	
Futures contracts	Natural gas	Seller	4	2,917	3,088	
Futures contracts	JP-NKY Nikkei Stock Average 225 Index - USD	Buyer	1	5,069	5,114	
Futures contracts	FTSE Xinhua China A50 Index	Buyer	29	10,107	10,236	
Futures contracts	Silver	Buyer	3	11,218	11,093	

		2023.12.31				
		Unsettled position		Contract amount or premium paid (collected)	Fair value	Remarks
Items	type of trade	Buyer and sellers	number of contracts			
Futures contracts	Three-Month SOFR	Seller	47	342,014	342,799	
Futures contracts	SGX FTSE Taiwan Index Futures	Buyer	5	9,525	9,522	
Futures contracts	U.S. 2-year bonds	Buyer	15	94,475	94,839	
Futures contracts	U.S. 10-year bonds	Buyer	8	27,693	27,730	
Futures contracts	U.S. 30-year bonds	Seller	3	11,426	11,509	
Futures contracts	Micro E-mini Dow Jones Industrial Average Index Futures	Buyer	5	28,943	29,179	

		2022.12.31				
		Unsettled position		Contract amount or premium paid (collected)	Fair value	Remarks
Items	type of trade	Buyer and sellers	number of contracts			
Futures contracts	Electronics futures (TE)	Seller	10	$25,799	$25,750	
Futures contracts	Financial futures (TF)	Buyer	17	25,189	25,405	
Futures contracts	TAIEX Futures	Buyer	8	22,644	22,616	
Futures contracts	TAIEX Futures	Seller	220	625,664	620,268	
Futures contracts	Mini-DAX	Seller	4	9,151	9,154	
Futures contracts	Euro 10-year bonds	Buyer	1	4,369	4,348	
Futures contracts	FTSE 100 Index	Buyer	3	8,291	8,307	
Futures contracts	UK long-term bonds	Buyer	1	3,913	3,705	
Futures contracts	Hang Seng Index	Buyer	2	7,900	7,843	
Futures contracts	Mini Hang Seng Index	Seller	3	2,369	2,353	
Futures contracts	SGX Nikkei 225 Index	Seller	8	25,249	24,165	
Futures contracts	Light crude oil	Buyer	10	24,642	24,648	
Futures contracts	U.S. Dollar Index	Buyer	25	79,568	79,285	
Futures contracts	EUR	Buyer	6	24,491	24,769	
Futures contracts	3-month Eurodollar	Seller	130	946,506	947,423	
Futures contracts	Mini S&P500	Seller	3	17,826	17,786	
Futures contracts	U.S. 5-year bonds	Buyer	66	220,395	218,758	
Futures contracts	Gold	Buyer	13	72,600	72,907	
Futures contracts	Copper	Seller	6	17,735	17,553	
Futures contracts	Miniature gold coin	Seller	20	11,070	11,217	
Futures contracts	Mini Nasdaq	Seller	2	1,326	1,354	
Futures	Natural gas	Seller	3	4,284	4,123	

		2022.12.31				
		Unsettled position		Contract amount or premium paid (collected)		
Items	type of trade	Buyer and sellers	number of contracts		Fair value	Remarks
Futures contracts	JP-NKY Nikkei Stock Average 225 Index - USD	Buyer	2	8,486	7,914	
Futures contracts	Mini Nasdaq	Seller	1	7,040	6,770	
Futures contracts	Platinum	Buyer	7	11,072	11,640	
Futures contracts	Mini light crude oil	Seller	1	1,143	1,232	
Futures contracts	FTSE Xinhua China A50 Index	Seller	23	9,126	9,242	
Futures contracts	Silver	Buyer	1	3,694	3,691	
Futures contracts	BSE SENSEX	Buyer	10	11,270	11,240	
Futures contracts	U.S. 2-year bonds	Seller	58	366,163	365,281	
Futures contracts	U.S. 10-year bonds	Buyer	38	133,097	131,048	
Futures contracts	U.S. 30-year bonds	Seller	1	3,946	3,849	
Futures contracts	Micro E-mini Dow Jones Industrial Average Index Futures	Buyer	1	5,099	5,111	
Options contracts	P013400	Buyer	20	92	64	
Options contracts	P013500	Buyer	20	106	80	

(3) Compliance to financial ratio covenants mandated by the Futures Trading Act

Legal basis: Regulations governing futures Commission Merchants

Article number	Calculation formula	Current period		Previous period		Standards	Status
		Calculation	Percentage	Calculation	Percentage		
17	Shareholders' equity / Total liabilities – futures merchant's equity	$827,588 / $1,427	579.95 times	$683,788 / $2,276	300.43 times	≧1	Complied
17	Current assets / Current liabilities	$1,201,864 / $482,780	2.49 times	$1,154,963 / $578,561	2.00 times	≧1	Complied
22	Shareholders' equity / Minimum paid up capital	$827,588 / $1,000,000	82.76%	$683,788 / $700,000	97.68%	(1) ≧60% (2) ≧40%	Complied
22	Adjusted net capital (ANC) / Total margins required for futures traders' outstanding positions	$803,020 / $106,651	752.94%	$644,627 / $156,811	411.09%	(1) ≧20% (2) ≧15%	Complied

Embedded derivative instruments

The embedded derivatives identified by the Group as a result of the issuance of convertible corporate bonds have been separated from the master contract and measured at fair value through profit or loss. Please refer to Note 6.20 for the information on this transaction contract.

18. Capital management

(1) Capital adequacy ratio calculation

In order to effectively absorb various risks and ensure the long-term and stable development of the Company's various businesses, the Company maintains adequate capital continuously and proactively. Therefore, the Company conducts capital management in accordance with business development plans, relevant laws and regulations, and the financial market environment to achieve optimal capital allocation. At present, the Company calculates and reports its capital adequacy ratio in accordance with the Regulations Governing Securities Firms.

The Company's capital adequacy ratio is as follows:

	2023.12.31	2022.12.31
Regulatory capital adequacy ratio	339%	463%

- Capital adequacy ratio= $\frac{\text{Net eligible regulatory capital}}{\text{Overall risk equivalent}}$

- Net eligible regulatory capital = Tier 1 capital + Tier 2 capital + Tier 3 capital – Deductions from capital

- Overall risk equivalent = Market risk equivalent + Credit risk equivalent + Operational risk equivalent

(2) Capital adequacy ratio calculation

In order to maintain the quality of assets and improve risk management, the Company refers to Basel II, complies with the policy of the competent authority and the management regulations on regulatory capital as in Chapter VI of the Regulations Governing Securities Firms, and will adopt an advanced calculation formula from June 2012 to measure three types of risks, namely credit risk, market risk, and operational risk.

In addition to maintaining the minimum statutory capital requirement, to have an effective pre-warning mechanism for the quality of monthly capital adequacy, the Company has established and introduced various risk quantification methods and information systems, and regularly evaluates the risk amount of each position through simulation trial calculation, and will submit the simulation results to the Risk Management Committee to achieve the performance management and capital allocation goals after risk adjustments.

13. Supplementary disclosure matters

1. Information about important transactions:

(1) Loans to others: None.

(2) Endorsements/guarantees for others: None.

(3) The acquisition of real estate for an amount exceeding NT$300 million or 20% of

paid-in capital: None.

(4) The disposal of real estate for an amount exceeding NT$300 million or 20% of paid-in capital: None.

(5) Total discount of service charges in transaction with stakeholder reaching more than NTD 5 million: None.

(6) Amounts receivable from related parties totaling more than NTD100 million or 20% of paid-up capital: None.

(7) Others- The business relationship between the parent company and its subsidiaries and among subsidiaries, and important intercompany transactions and amounts: Attached table 3.

2. Information regarding investees:

Name of investees, locations, and other relevant information (excluding the investees in mainland China): See Attached table 4.

3. Information of the overseas branches and the representative offices: None.

4. Information regarding investment in the territory of mainland China: None

5. Information on major shareholders: See Attached table 5.

14. Segment information

Types of products as the source of income and labor services of the segments to be reported

For management purposes, the Group classifies operating units based on different business and services and is divided into the following five reporting and operations departments:

1. Proprietary segment: The segment is mainly responsible for proprietary trading of securities.

2. Brokerage segment: The segment is mainly responsible for brokerage and proprietary trading of securities.

3. Underwriting segment: The segment is mainly responsible for underwriting of securities.

4. Bond segment: The segment is mainly responsible for proprietary trading of bonds, bond repo trading, and trading of interest rate-related financial products.

5. Derivatives segment: The segment is mainly responsible for proprietary of futures options, operation of asset exchange options, securities lending transactions, and issuance of warrant products.

The aforementioned segments to be reported are aggregated in one or more segments.

The executive management supervises the operating results of individual segments, and allocates resources based on performance. Segment performance is assessed based on operating profits and losses, which are consistent with the operating profits and losses presented in the consolidated financial statements. However, the amount of financial cost, financial income, and income tax presented in the consolidated financial statements are managed at group level, and are not allocated to individual segments. Inter-segment transactions are priced based on arms length transactions with outside parties.

2023

	Proprietary Trading Department	Brokerage Department	Investment Banking Department	Bonds Department	Derivative Instruments Department	Others	Write-off	Total
Income:								
Income from external customers	$313,704	$783,696	$160,684	$7,412	$(162,475)	$48,590	$(17)	$1,151,594
Inter-segment income	-	-	-	-	-	56,913	(56,913)	-
Interest revenue	-	20,673	-	48,920	-	-	-	69,593
Total revenue	313,704	804,369	160,684	56,332	(162,475)	105,503	(56,930)	1,221,187
Expenses:								
Interest expenses	-	(3,822)	-	(43,913)	-	12,477	-	(35,258)
Depreciation expenses	(351)	(52,013)	(2,057)	(136)	(538)	(54,849)	-	(109,944)
Amortization expenses	(666)	(11,356)	(252)	(72)	(740)	(6,784)	-	(19,870)
Other expenses/expenditure	(45,072)	(607,379)	(108,014)	(2,979)	(15,388)	(323,395)	56,942	(1,045,285)
Total expenses	(46,089)	(674,570)	(110,323)	(47,100)	(16,666)	(372,551)	56,942	(1,210,357)
Operating profit (loss)	267,615	129,799	50,361	9,232	(179,141)	(267,048)	12	10,830
Other profits and losses	-	161,123	88	-	2,119	60,228	(27,804)	195,754
Profit or loss before tax by department	$267,615	$290,922	$50,449	$9,232	$(177,022)	$(206,820)	$(27,792)	$206,584

2022

	Proprietary Trading Department	Brokerage Department	Investment Banking Department	Bonds Department	Derivative Instruments Department	Others	Write-off	Total
Income:								
Income from external customers	$(183,169)	$701,669	$168,506	$(83,563)	$48,525	$(4,718)	$(1)	$647,249
Inter-segment income	-	-	-	-	-	48,929	(48,929)	-
Interest revenue	-	13,870	-	20,847	-	-	-	34,717
Total revenue	(183,169)	715,539	168,506	(62,716)	48,525	44,211	(48,930)	681,966
Expenses:								
Interest expenses	-	(1,474)	-	(20,294)	-	16,832	-	(4,936)
Depreciation expenses	(322)	(46,418)	(2,046)	(127)	(450)	(51,853)	-	(101,216)
Amortization expenses	(669)	(9,319)	(256)	(79)	(705)	(5,811)	-	(16,839)
Other expenses/expenditure	(38,682)	(531,465)	(104,049)	(3,918)	(12,571)	(284,747)	48,931	(926,501)
Total expenses	(39,673)	(588,676)	(106,351)	(24,418)	(13,726)	(325,579)	48,931	(1,049,492)
Operating profit	(222,842)	126,863	62,155	(87,134)	34,799	(281,368)	1	(367,526)
Other profits and losses	-	144,644	273	-	253	26,777	8,091	180,038
Profit or loss before tax by department	$(222,842)	$271,507	$62,428	$(87,134)	$35,052	$(254,591)	$8,092	$(187,488)

The table below lists the information related to the assets and liabilities of the Group's departments as of December 31, 2023 and 2022:

	Proprietary Trading Department	Brokerage Department	Investment Banking Department	Bonds Department	Derivative Instruments Department	Others	Write-off	Total
2023.12.31 Segment assets	$1,182,991	$5,040,876	$153,978	$5,663,480	$315,427	$3,788,680	$(678,575)	$15,466,857
2022.12.31 Segment assets	$478,375	$3,562,445	$101,896	$2,311,668	$197,088	$4,090,397	$(650,499)	$10,091,370

	Proprietary Trading Department	Brokerage Department	Investment Banking Department	Bonds Department	Derivative Instruments Department	Others	Write-off	Total
2023.12.31 Segment liabilities	$20,007	$3,923,597	$62,116	$5,463,909	$242	$1,263,667	$(3,484)	$10,730,054
2022.12.31 Segment liabilities	$36	$2,566,267	$53,223	$2,100,331	$12,277	$825,160	$-	$5,557,294

Horizon Securities Co., Ltd. — Futures Department
Balance Sheet
December 31, 2023 and 2022

Attached table 1
Unit: NTD thousand

Assets		December 31, 2023		December 31, 2022	
Code	Accounting titles	Amount	%	Amount	%
	Current assets				
111100	Cash and cash equivalents	$699,069	53	$510,695	40
112000	Financial assets at fair value through profit or loss-current	20,036	2	65,987	5
114070	Customers' margin accounts	481,698	37	577,152	46
114150	Prepayments	458	-	792	-
114170	Other receivables	603	-	337	-
110000	Total current assets	1,201,864	92	1,154,963	91
	Non-Current assets				
125000	Property, plant, and equipment – net	1,012	-	970	-
127000	Intangible assets	3,055	-	2,448	-
129010	Business guarantee	80,000	6	80,000	7
129020	Settlement / clearance fund	22,045	2	22,073	2
129030	Refundable deposits	360	-	660	-
129110	Inter-department debits	2,032	-	1,235	-
120000	Total of Non-Current Assets	108,504	8	107,386	9
906001	Total assets	$1,310,368	100	$1,262,349	100

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Meng-Wei Lu

Horizon Securities Co., Ltd. — Futures Department
Balance Sheet (Continued)
December 31, 2023 and 2022

Attached table 1
Unit: NTD thousand

Liabilities and Equity		December 31, 2023		December 31, 2022	
Code	Accounting titles	Amount	%	Amount	%
	Current liabilities				
214080	Futures traders' equity	$481,353	37	$576,285	46
214130	Accounts payable	39	-	109	-
214160	Payment collection	99	-	79	-
214170	Other payables	1,027	-	1,391	-
219000	Other current liabilities	262	-	697	-
210000	Total current liabilities	482,780	37	578,561	46
906003	Total liabilities	482,780	37	578,561	46
	Equity				
301000	Share capital				
301110	Appropriation working fund	1,000,000	76	700,000	55
304000	Retained earnings				
304040	Losses to be covered	(172,412)	(13)	(16,212)	(1)
906004	Total equity	827,588	63	683,788	54
906002	Total Liabilities and Equity	$1,310,368	100	$1,262,349	100

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Meng-Wei Lu

Horizon Securities Co., Ltd. — Futures Department
Statement of Comprehensive Income
2023 and 2022

Attached table 2
Unit: NTD thousand

Code	Items	2023		2022	
		Amount	%	Amount	%
	Income				
401000	Brokerage fee revenue	$30,929	(24)	$40,546	48
424400	Net gains (losses) on the derivative financial instruments	(161,906)	124	43,850	52
400000	Total revenues	(130,977)	100	84,396	100
	Expense				
501000	Brokerage fee expenses	(6,665)	5	(8,185)	(10)
502000	Proprietary trade service commission expenses	(1,543)	1	(828)	(1)
521200	Financial costs	(980)	1	(136)	-
524300	Clearance and settlement service expenses	(7,837)	6	(9,155)	(11)
531000	Employee benefits expenses	(6,764)	5	(5,836)	(7)
532000	Depreciation and amortization expenses	(1,668)	1	(1,903)	(2)
533000	Other operating expenses	(13,093)	10	(8,681)	(10)
500000	Total Expense	(38,550)	29	(34,724)	(41)
	Operating profit (loss)	(169,527)	129	49,672	59
602000	Other profits and losses	13,327	(10)	10,186	12
902001	Net income before tax (net loss)	(156,200)	119	59,858	71
902005	Net income (net loss) for the current period	(156,200)	119	59,858	71
902006	Total comprehensive income in current period	$(156,200)	119	$59,858	71

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Meng-Wei Lu

Attached table 3: Business relationship and significant transactions between the parent company and subsidiaries:

Unit: NTD thousand

No. (Note 1)	Trader's name	Counterparty	Relations with counterparty (Note 2)	Transaction			
				Items	Amount	Terms and conditions	The ratio of consolidated total income or assets (Note 3)
0	Horizon Securities	Horizon SICE	1	Brokerage fee revenue - over the counter	$8	Note 4	0.00%
0	Horizon Securities	Horizon SICE	1	Professional service expenses	42,000	"	3.44%
0	Horizon Securities	Horizon Venture Capital	1	Brokerage fee revenue - over the counter	22	"	0.00%
0	Horizon Securities	Horizon Venture Capital	1	Brokerage fee discount - over the counter	12	"	0.00%
1	Horizon SICE	Horizon Securities	2	Consultancy fee income	42,000	"	3.44%
1	Horizon SICE	Horizon Securities	2	Other operating expenses	8	"	0.00%
2	Horizon Venture Capital	Horizon Securities	2	Other operating expenses	22	"	0.00%
2	Horizon Venture Capital	Horizon Securities	2	Other gains and losses - brokerage fee discount	12	"	0.00%
2	Horizon Venture Capital	Horizon Venture Management Co., Ltd.	3	Payables	3,484	"	0.02%
2	Horizon Venture Capital	Horizon Venture Management Co., Ltd.	3	Professional service expenses	14,913	"	1.22%
3	Horizon Venture Management Co., Ltd.	Horizon Venture Capital	3	Accounts receivable	3,484	"	0.02%
3	Horizon Venture Management Co., Ltd.	Horizon Venture Capital	3	Consultancy fee income	14,913	"	1.22%

Note 1: The information about transactions between parent company and subsidiaries shall be numbered and noted in the following manner in the box of numbers:
1. 0 is for the Parent Company.
2. Subsidiaries are numbered from number 1.

Note 2: The relationship with the trade party is classified into three categories as follows:
1. Parent Company to subsidiaries.
2. Subsidiaries to Parent Company.
3. Subsidiaries to subsidiaries.

Note 3: As for the calculation of the proportion of the transaction amount to the combined total operating income or total assets, where it is an asset-liability item, the ending balance shall be calculated as a percentage of the total combined assets.
Where it is a profit-loss item, the cumulative amount in the interim period shall be calculated as a percentage of the total combined operating income.

Note 4: The revenue from the aforementioned services for related parties and consulting service fees provided by related parties are treated at regular prices.

Attached table 4: Relevant information on the investees over which the Company has significant influence or control directly or indirectly:

Unit: Shares; NT$ thousand

Investor	Name of investee	Location	Date of Incorporation	FSC approval date and Case No.	Principal business	Sum of initial investment		Ending shareholding			Operating income from investees in the current period	Gains (losses) on investees in the current period	Investment gains (losses) recognized in the current period	Current cash dividend	Remarks
						Current period-end	The end of last year	Number of shares	Percentage	Book value					
Horizon Securities Co., Ltd.	Horizon SICE Co., Ltd.	Taiwan	1993/7/2	-	Securities investment advice	$114,282	$114,282	12,000,000	100.00%	$127,504	$49,072	$4,243	$4,243	$-	Subsidiaries
Horizon Securities Co., Ltd.	Horizon Venture Capital Co., Ltd.	Taiwan	2014/4/8	2014/2/20 Jin-Guan-Cheng-Quan-Zi No.: 1030004881	Venture Investment	579,420	579,420	60,000,000	100.00%	521,786	34,216	18,646	18,646	-	Subsidiaries
Horizon Securities Co., Ltd.	Horizon Venture Management Co., Ltd.	Taiwan	2019/3/13	2018/12/3 Jin-Guan-Cheng-Quan-Zi No.: 1070340601	Management Consulting Services	20,000	20,000	2,000,000	100.00%	25,801	14,913	4,903	4,903	3,200	Subsidiaries

Attached table 5: Information on major shareholders

Unit: shares

Shareholding / Names of major shareholders	No. of shares held	Percentage of shareholding
Cheng-Da Investment Consulting Co., Ltd.	35,160,200	10.00%
Mercury Fu Bao Co., Ltd.	21,503,160	6.12%

Auditor’s Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying individual balance sheet of Horizon Securities Co, Ltd. (hereinafter referred to as “the Company”) as of December 31, 2023 and 2022, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Notes of the individual financial statements (including major accounting policy) for the years then ended.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022 and for the years then ended, and its individual financial performance and its individual cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Certified Public Accountants Engaged to Audit and Attest Financial Statements and the Standards on Auditing. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The “key audit matters” means that the independent auditor has based its evaluations on the professional judgment to audit the most important matters on the 2023 individual financial statements of Horizon Securities Co., Ltd. These matters were addressed in the content of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Evaluation of financial instruments—no active market

The Company invests in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, the Company adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions used in the evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by the Company, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the individual financial statements.

Responsibilities of Management and Those in Charge of Governance of the Individual Financial Statements

The responsibility of the management is to have the individual financial statements presented fairly, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants"; also, to maintain the necessary internal controls related to the individual financial statements in order to ensure that the individual financial statements are free of any material misstatement arising from fraud or errors.

While preparing the individual financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd., the disclosure of the relevant matters, and the adoption of the accounting base for continuing operations, unless the management intends to liquidate Horizon Securities Co., Ltd. or cease business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Independent auditor's responsibility for individual financial statements.

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that the individual financial statements conducted in accordance with

the accounting principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design, and perform audit procedures responsive risks, and obtain evidence that is sufficient and appropriate to provide a basis of 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 necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Horizon Securities Co., Ltd.

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

4. Use the audit evidence obtained to draw conclusions on the suitability of the accounting base for continuing operation adopted by the management and whether or not the events or circumstances causing significant doubts to the continuing operation ability of Horizon Securities Co., Ltd. have significant uncertainties. 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 individual financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the inability of Horizon Securities Co., Ltd. to continue operating.

5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a matter that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of 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).

The independent auditor has used communication with the governing unit to determine the key audit matters to be performed on the 2023 individual financial statements of Horizon Securities Co., Ltd. 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 communications.

Ernst & Young Global Limited
Competent authorities have approved the audit of the financial reports of public companies
Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0970038990
Jin-Guan-Zheng-(Shen)-Zi No. 1060027042

James Huang

CPAs:

Chun-Ting Ma

February 22, 2024

Horizon Securities Co., Ltd.
Individual Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	$1,973,794	13	$2,310,139	23
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.21, 7, 8 and 12	3,982,526	26	2,254,015	22
113200	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	62,010	-	50,040	-
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	2,654,930	17	351,797	3
114060	Securities borrowings receivable	4, 6.6 and 12	10,046	-	59,992	1
114066	Loan receivable – non-restricted purpose	4, 6.7 and 12	786,342	5	591,815	6
114070	Customers' margin accounts	4, 6.8, 6.34 and 12	481,698	3	577,152	6
114110	Notes receivable-net	4, 6.9 and 12	120	-	327	-
114130	Accounts receivable – net	4, 6.9, 7 and 12	3,212,384	21	1,769,014	18
114150	Prepayments		13,814	-	17,243	-
114170	Other receivables	4, 6.10, 7 and 12	15,810	-	17,327	-
114600	Current income tax asset	4	2,291	-	3,321	-
119000	Other current assets	8 and 12	347,689	2	367,098	4
110000	Total current assets		13,543,454	87	8,369,280	83
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	92,528	1	86,075	1
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	132,082	1	103,205	1
123300	Financial assets based on cost after amortization- non-current	4, 6.4, 7 and 12	199,999	1	199,999	2
124100	Investment under the equity method	4 and 6.11, 7	675,091	4	650,499	7
125000	Property, plant, and equipment – net	4, 6.12 and 7	77,326	-	90,038	1
125800	Right-of-use assets- Net	4 and 6.28	278,976	2	124,218	1
127000	Intangible assets	4, 6.13	84,311	1	85,004	1
128000	Deferred income tax assets	4, 6.32	6,373	-	6,292	-
129010	Business guarantee	6.14 and 12	245,000	2	245,000	2
129020	Settlement / clearance fund	6.15 and 12	89,278	1	90,300	1
129030	Refundable deposits	12	14,776	-	26,395	-
129070	Net determined benefit asset-non-current	4 and 6.22	2,926	-	5,093	-
129130	Prepayments for equipment		2,220	-	720	-
120000	Total of Non-Current Assets		1,900,886	13	1,712,838	17
906001	Total assets		$15,444,340	100	$10,082,118	100

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Balance Sheet (Continued)
December 31, 2023 and 2022

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.16 and 12	$100,000	1	$50,000	-
211200	Commercial papers payable	6.17 and 12	199,762	1	-	-
212000	Financial liabilities at fair value through profit or loss- current	4, 5, 6.18, 6.21 and 12	4,347	-	12,034	-
214010	Call loans to banks	4, 6.19 and 12	5,460,243	35	2,099,446	21
214080	Futures traders' equity	4, 6.34 and 12	481,353	3	576,285	6
214130	Accounts payable	4, 6.20, 7 and 12	3,239,693	21	1,772,254	18
214150	Advances		3,890	-	697	-
214170	Other payables	7 and 12	162,399	1	110,693	1
214600	Current Tax Liability	4	2,532	-	12,988	-
215100	Liability reserve-Current	4 and 6.23	325	-	6,101	-
215200	Long-term liabilities due within one year or one operating cycle	4, 6.21 and 12	639,950	4	-	-
216000	Lease liabilities – current	4, 6.28 and 12	76,385	1	35,703	-
219000	Other current liabilities		128,883	1	107,102	1
210000	Total current liabilities		10,499,762	68	4,783,303	47
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.21 and 12	-	-	674,201	7
225100	Liabilities reserve- non-current	4 and 6.23	11,721	-	11,531	-
226000	Lease liabilities – noncurrent	4, 6.28 and 12	196,054	1	78,650	1
228000	Deferred tax liabilities	4 and 6.32	-	-	357	-
220000	Total of non-current liabilities		207,775	1	764,739	8
906003	Total liabilities		10,707,537	69	5,548,042	55
	Equity	4 and 6.24				
301000	Share capital					
301010	Common stock capital		3,512,516	23	3,512,516	35
302000	Capital reserve		355,468	2	356,228	3
304000	Retained earnings					
304010	Statutory surplus reserves		175,446	1	175,446	2
304020	Special surplus reserves		356,113	3	356,113	4
304040	Undistributed earnings		201,504	1	25,276	-
305000	Other equity		135,756	1	108,497	1
906004	Total equity		4,736,803	31	4,534,076	45
906002	Total Liabilities and Equity		$15,444,340	100	$10,082,118	100

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.

Individual Income Statement

2023 and 2022

Unit: NTD thousand

Code	Items	Note	2023		2022	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.25 and 7	$777,938	66	$695,960	103
402000	Commissions income from loans	4	254	-	131	-
404000	Underwriting business revenue	4, 6.25 and 7	63,668	5	76,807	11
410000	Operating gain (loss) on sale of securities	6.25 and 7	233,112	20	(106,988)	(16)
421100	Stock affairs agency revenue	4 and 7	80,535	7	79,137	12
421200	Interest revenue	4, 6.25 and 7	69,593	6	34,717	5
421300	Dividend income	4 and 7	16,460	1	14,417	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.25 and 7	89,635	8	(160,781)	(24)
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.25 and 12	(161,906)	(14)	43,850	7
424500	Net gain (loss) from derivative financial instruments－OTC	4	7,454	1	(14,604)	(2)
425300	Expected credit impairment loss and reversal benefit	4 and 6.25	(721)	-	(34)	-
428000	Other operating revenue	6.26 and 7	3,895	-	13,400	2
400000	Total revenues		1,179,917	100	676,012	100
	Expense					
501000	Brokerage fee expenses		(60,563)	(5)	(58,625)	(9)
502000	Proprietary trade service commission expenses		(2,498)	-	(1,709)	-
521200	Financial costs	6.27	(35,182)	(3)	(4,933)	(1)
524300	Clearance and settlement service expenses		(7,837)	(1)	(9,155)	(1)
531000	Employee benefits expenses	6.22, 6.29 and 7	(692,900)	(59)	(601,755)	(89)
532000	Depreciation and amortization expenses	6.28 and 6.29	(127,859)	(11)	(116,346)	(17)
533000	Other operating expenses	7	(263,516)	(22)	(243,219)	(36)
500000	Total Expense		(1,190,355)	(101)	(1,035,742)	(153)
	Operating loss		(10,438)	(1)	(359,730)	(53)
601100	Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method	4	27,792	2	(8,093)	(1)
602000	Other profits and losses	4 and 6.30	188,332	16	178,540	26
902001	Net income before tax (loss)		205,686	17	(189,283)	(28)
701000	Income tax expenses	4 and 6.32	(25,887)	(2)	(30,901)	(5)
902005	Net income (loss) for the current period		179,799	15	(220,184)	(33)
805000	Other comprehensive income	6.31				
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(3,571)	-	35,033	5
805540	Investment of equity instruments at fair value through other comprehensive income					
	Unrealized valuation profit (loss), net		27,259	2	(9,731)	(1)
805000	Other comprehensive income for the period (post-tax profit or loss)		23,688	2	25,302	4
902006	Total comprehensive income in current period		$203,487	17	$(194,882)	(29)
975000	Base earnings per share (NT$):					
975010	Net income (loss) for the current period	6.33	$0.51		$(0.63)	
985000	Diluted earnings per share (NT$):					
985010	Net income (loss) for the current period	6.33	$0.42		$(0.63)	

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Statements of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Items	Share capital	Capital reserve	Retained earnings			Other equity	Total equity
	Common stock capital		Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	
Code	3100	3200	3310	3320	3350	3420	3XXX
Balance as at January 1, 2022	$3,313,694	$359,443	$52,945	$111,110	$1,373,218	$118,228	$5,328,638
Dividend allocation and distribution for 2021:							
Legal reserve appropriated	-	-	122,501	-	(122,501)	-	-
Appropriation of special reserve	-	-	-	245,003	(245,003)	-	-
Common stock cash dividends	-	-	-	-	(596,465)	-	(596,465)
Common stock dividends	198,822	-	-	-	(198,822)	-	-
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(3,215)	-	-	-	-	(3,215)
2022 net income	-	-	-	-	(220,184)	-	(220,184)
Other comprehensive net income in 2022	-	-	-	-	35,033	(9,731)	25,302
Total comprehensive net income in 2022	-	-	-	-	(185,151)	(9,731)	(194,882)
Balance as at December 31, 2022	3,512,516	356,228	175,446	356,113	25,276	108,497	4,534,076
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(760)	-	-	-	-	(760)
2023 net income	-	-	-	-	179,799	-	179,799
Other comprehensive net income in 2023	-	-	-	-	(3,571)	27,259	23,688
Total comprehensive net income in 2023	-	-	-	-	176,228	27,259	203,487
Balance as at December 31, 2023	$3,512,516	$355,468	$175,446	$356,113	$201,504	$135,756	$4,736,803

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Statements of Cash Flow
2023 and 2022

Unit: NTD thousand

Code	Items	2023	2022
	Cash flow from operating activities:		
A10000	Net income (loss) before tax for this period	$205,686	$(189,283)
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	107,989	99,507
A20200	Amortization expenses	19,870	16,839
A20300	Expected credit impairment loss	721	34
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	(89,635)	160,781
A20900	Interest expenses	35,182	4,933
A21200	Interest income (including financial income)	(108,685)	(58,651)
A21300	Dividend income	(19,774)	(17,494)
A22400	Share of loss (gain) of the subsidiaries, affiliated companies and joint ventures under the equity method	(27,792)	8,093
A22500	Loss on disposal or scrapping of property, plant and equipment	1	-
A23100	Loss on disposal of investments	3,771	-
A23300	Loss on non-operating financial products at fair value	6,193	4,395
A24200	Gain on redemption of corporate bonds payable	(3,127)	(14,172)
A29900	Other items	(1,811)	(2,139)
A60000	Changes in operating activities related assets/liabilities		
A61000	Net changes in operating activities related assets:		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	(1,655,292)	1,733,472
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	(2,303,133)	798,783
A61180	Increase in securities borrowings receivable	(144,581)	(171,777)
A61190	Decrease (Increase) in customers' margin accounts	95,454	(57,535)
A61230	Decrease (increase) in notes receivable	207	(177)
A61250	Decrease (increase) in accounts receivable	(1,432,049)	2,345,233
A61270	(Increase) decrease in prepayments	2,099	(6,169)
A61280	Increase in net interest on the net defined benefit asset	(1,404)	-
A61290	Decrease (increase) in other receivables	950	(385)
A61365	Increase in financial assets at fair value through other comprehensive profit or loss	(13,588)	(136)
A61370	Decrease in other current assets	19,409	1,195,569
A62000	Net changes in operating activities related liabilities:		
A62110	Increase (decrease) in bond liabilities under repurchase agreement	3,360,797	(1,704,946)
A62130	Increase (decrease) in financial liabilities at fair value through profit and loss	(7,454)	12,817
A62200	Increase (decrease) in futures traders' equity	(94,932)	56,852
A62230	Increase (decrease) in accounts payable	1,464,977	(2,274,935)
A62250	Increase (decrease) in advance receipts	3,193	(7,490)
A62270	Increase (decrease) in other payables	51,706	(237,080)
A62290	Decrease in net determined benefit liability	-	(1,174)
A62300	Decrease in liability reserve	(5,776)	(90)
A62320	Increase (decrease) in other current liabilities	21,781	(1,098,138)
A33000	Cash (outflow) inflow generated from operations	(509,047)	595,537
A33100	Interest received	97,159	56,853
A33200	Dividends received	23,025	18,161
A33300	Interest payment	(3,140)	(1,291)
A33500	Income tax expense, net	(35,751)	(145,281)
AAAA	Net cash inflow (outflow) from operating activities	(427,754)	523,979
	Cash flow from investing activities:		
B02700	Acquisition of property, plant, and equipment	(12,414)	(62,716)
B03300	Increase in business guarantee	-	(10,000)
B03500	Increase in settlement/clearance fund	(1,691)	(71,853)
B03600	Decrease in settlement/clearance fund	2,713	91,568
B03700	Increase in refundable deposits	(701)	(1,456)
B03800	Decrease in Refundable deposits	12,320	1,831
B04500	Acquisition of Intangible assets	(17,847)	(20,853)
B07100	Increase in prepayments for equipment	(2,220)	(240)
BBBB	Net cash outflow from investing activities	(19,840)	(73,719)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase of short-term loans	43,712,309	66,031,596
C00200	Decrease in short-term loans	(43,662,309)	(66,031,596)
C00700	Increase in commercial papers payable	1,747,705	29,979
C00800	Decrease in commercial papers payable	(1,550,000)	(180,000)
C01300	Corporate bonds repaid	(17,101)	(62,236)
C04020	Repayments of principal portion of the lease	(76,922)	(65,140)
C04500	Cash dividend released	-	(596,465)
C05600	Interest payment	(42,433)	(20,170)
CCCC	Net cash inflow (outflow) from financing activities	111,249	(894,032)
EEEE	Current cash and cash equivalents decrease	(336,345)	(443,772)
E00100	Balance of cash and cash equivalents, beginning of period	2,310,139	2,753,911
E00200	Balance of cash and cash equivalent, end of period	$1,973,794	$2,310,139

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang Managerial officers: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Notes to financial statements
January 1 to December 31, 2023
and January 1 to December 31, 2022
(In thousand New Taiwan dollars, unless otherwise specified)

1. Company History

Horizon Securities Co., Ltd. (hereinafter referred to as the "Company") was established in December 1961. It was originally a brokerage firm. Later in 1990, with business expansion, it was approved to function as a comprehensive securities firm, to trade securities as an agent, trade securities on its own, and underwrite securities. It launched the securities lending and borrowing business in November 1992. Since July 25, 1996, it has been listed for trading in the Taipei Exchange. On June 8, 1998, it was approved to conduct the business within the scope of H408011 Futures Trading Assistance. Since December 2000, it has been changed to operate the securities lending and borrowing business as an agent. On September 26, 2008, it was approved to operate the business under H401011 Futures Commission Merchants; later, on April 29, 2013, it was approved to operate the futures brokerage business, and on August 6, 2015, it was approved to run the business under H405011 Futures Advisory Enterprises. The Board of Directors resolved a decision on September 30, 2021, to establish branches at Taipei 101 and the National Trade Center, and add the wealth management business, which was approved as per Jin-Guan-Quan-Zi No. 1100370421 dated November 5, 2021 As of December 31, 2023, the Company has 11 branches.

The Company adopted the resolution of the shareholders' meeting on June 10, 2009 to absorb and merge Forwin Securities Investment Consulting Co., Ltd., and the record date of the merger was February 1, 2010, with the Company as the surviving company that generally accepted all rights and obligations of the assets and liabilities of Forwin Securities Investment Consulting Co. The merger was approved with reference Jin-Guan-Zheng-Quan No. 0980056518 dated October 21, 2009.

The Company passed the proposal for takeover of the management rights and assets from Kunglon Securities through the resolution by the shareholders' meeting on June 24, 2020. The record date of the transfer was February 17, 2021. The takeover was approved with reference Jin-Guan-Zheng-Quan No. 1090365848 dated December 2, 2020.

The Company's registered place and principal place of business are located on the 3F to 5F and 7F, No. 236, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City.

2. Financial reporting date and procedures

The Company's individual financial statements for 2023 and 2022 were approved by the board of directors on February 22, 2024 before release.

3. Application of new and revised standards and interpretation

1. Changes in accounting policies resulting from the first-time application of International Financial Reporting Standards

The Company has adopted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and applied to the fiscal year beginning on or after January 1, 2023. The first-time adoption of the new standards and amendments does not have a material impact on the Company.

2. As of the date of the financial report published, the Company has not yet adopted the following new publication, revision, and amendment or interpretation of the standards announced by the International Accounting Standards Board and endorsed by the FSC.

Item No.	New releases/amendments/revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	Liabilities are classified as current or non-current (amendments to IAS 1)	January 1, 2024
2	Lease Liability in a Sale and Leaseback (amendments to IFRS 16)	January 1, 2024
3	Non-current Liabilities with Covenants (amendments to IAS 1)	January 1, 2024
4	Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)	January 1, 2024

(1) Liabilities are classified as current or non-current (amendments to IAS 1)

This is an amendment made to the classification of liabilities as current or noncurrent in paragraphs 69 to 76 of IAS 1 “Presentation of Financial Statements.”

(2) Lease Liability in a Sale and Leaseback (amendments to IFRS 16)

It is to be consistent with the additional accounting by the seller-lessee for sale and leaseback transactions under IFRS 16 “Leases,” to improve the consistent application of the standard.

(3) Non-current Liabilities with Covenants (amendments to IAS 1)

The amendments are to enable enterprises to provide information on long-term liability contracts. The contractual agreements that should be complied with during 12 months after the end of a reporting period do not affect the classification of such liabilities as current or non-current at the end of the reporting period.

(4) Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

In addition to adding a description of supplier finance arrangements, the amendments also create disclosure requirements related to supplier finance arrangements.

The above are the new publication, revision, and amendment or interpretation of the standards that have been issued by the International, have been approved by the FSC and

are applicable to fiscal years beginning on or after January 1, 2024. The new publication, revision, and amendment or interpretation of the standards caused no material impact on the Company based on its assessment.

3. As of the date of the financial report published, the Company has not adopted the following new publication, revision, and amendment or interpretation of the standards announced by the International Accounting Standards Board but not yet approved by the FSC.

Item No.	New releases/amendments/revisions of the Standards and Interpretations	The effective date announced by the International Accounting Standards Board
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" – Assets sold or invested in by investors and their associates or joint ventures.	To be determined by the International Accounting Standards Board (IASB).
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	Lack of Exchangeability (amendments to IAS 21)	January 1, 2025

(1) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures" – Assets sold or invested in by investors and their associates or joint ventures.

This plan is to handle the inconsistency on the loss of control due to the investment in associates or joint ventures by subsidiaries according to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures." When investing in non-monetary assets to exchange for the equity of the associates or joint ventures according to IAS 28, the resulting profits or losses should be eliminated in accordance with the treatment of downstream transactions. According to IFRS 10, the profit or loss should be recognized fully when losing control over the subsidiaries. This amendment limits the foregoing provisions of IAS 28. When it is constituted as the sale or investment of business assets as stipulated in IFRS 3, the resulting profit or loss should be fully recognized.

This amendment also modifies IFRS 10 to enable investors and their associates or joint ventures to recognize the profit or loss to the extent of the portion that is not distributed to the investors when selling or investing in subsidiaries that do not meet the definition as stipulated in IFRS 3.

(2) IFRS 17 "Insurance Contracts"

This standard provides a comprehensive model of insurance contract, including all accounting related parts (recognition, measurement, expression, and disclosure principles). The core of the standard is a general model. Regarding this model, the original recognition is based on the total amount of the contractual cash flow and contractual services margin to measure the insurance contracts. The book value at the end of each reporting period is the sum of the liabilities for remaining coverage and

the liabilities for incurred claims.

In addition to the general model, it provides a specific applicable method (variable fee approach) for the contracts with a direct participation characteristic and simplifies short-term contracts (premium allocation approach).

This standard was promulgated in May 2017, and an amendment was issued in 2020 and 2021. The amendment, except for the postponement of the effective date by 2 years in a transitional clause (that is, from January 1, 2021 to January 1, 2023) provides additional exemptions, and reduces the cost of adopting this standard by simplifying some of the regulations, while amending some regulations to make some situations easier to explain. This standard taking effect will replace the transitional standard (i.e. IFRS 4 "Insurance Contracts").

(3) Lack of Exchangeability (amendments to IAS 21)

The amendments specify when a currency is exchangeable into another currency and when it is not and how to determine the exchange rate to apply when a currency is not exchangeable and how to determine a spot exchange rate if it is not, and require the disclosure of additional information when a currency is not exchangeable. An entity applies the amendments for annual reporting periods beginning on or after January 1, 2025.

The above are standards or interpretations that have been issued by the IASB but have not yet been endorsed by the FSC. The date of actual application is subject to the FSC's regulations. The Company has assessed that the new or amended standards or interpretations, they will not have a material impact on the Company.

4. Summary of significant accounting policies

1. Compliance Statement

The Company's individual financial statements for the years ended December 31, 2023 and 2022 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

2. Basis of preparation

According to the Regulations Governing the Preparation of Financial Reports by Securities Firms and the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the profit and loss in the individual financial statements equivalent to the amortization amount of the current profit and loss and other comprehensive profit and loss in the consolidated financial statements that is attributable to the shareholders of the parent company; also, the shareholder's equity amount in the individual financial statements is same as the equity attributable to the shareholders of the parent company in the consolidated financial statements. Therefore, investee subsidiaries are presented in the individual financial statements as "investments using the equity method," and necessary evaluation adjustments are made.

The individual financial statements are based on historical cost, except for financial instruments measured at fair value. Unless otherwise stated, the individual financial statements are prepared in the currency of New Taiwan Dollars (NT$ Thousand).

3. Foreign currency transactions

This individual financial statement is denominated in NT Dollar, the functional currency of the Company.

The foreign currency transactions are converted to its functional currency according to the exchange rate on the transaction date. At the end of each reporting period, foreign currency monetary items are translated at the closing exchange rate of the day. The foreign currency non-monetary items measured at fair value are translated at the exchange rate on the date of fair value applied. The foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the original trading day.

Except for the following, the exchange differences arising from the clearing or translation of monetary items are recognized as profit or loss in the period in which they are incurred:

(1) For the foreign currency borrowings arising from acquiring assets that meet the requirements, the resulting exchange differences are treated as an adjustment to the interest cost and are capitalized as part of the borrowing cost.
(2) The foreign currency items as in IFRS 9 “Financial Instruments” are handled in accordance with the accounting policies of financial instruments.
(3) For the monetary items of the reporting entity that are an integral part of the net investment in the foreign operating institution, the resulting exchange differences were originally recognized in other comprehensive income and are reclassified from equity to profit or loss when the net investment is disposed.

When the profit or loss of a non-monetary item is recognized as other comprehensive income, any exchange profit or loss is recognized in other comprehensive income. When the profit or loss of a non-monetary item is recognized in profit or loss, any exchange profit or loss is recognized in profit or loss.

4. Classification of current and non-current assets and liabilities

In the case of any of the following circumstances, it is classified as current assets, and the assets other than the current ones are classified as non-current assets:

(1) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(2) Assets held mainly for trading purpose:
(3) The asset is expected to be realized within twelve months after the reporting period.
(4) Cash or cash equivalents, except where the asset is exchanged or used to settle liabilities at least twelve months after the reporting period.

In the case of any of the following circumstances, it is classified as current liabilities, and the liabilities other than the current ones are classified as non-current liabilities:

(1) It expects to settle the liability in its normal operating cycle.
(2) Liabilities held for trading purposes;
(3) The liabilities are expected to be settled within twelve months after the reporting period.
(4) Liabilities that are not possible to unconditionally defer the settlement date to at least twelve months after the reporting period. 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.

5. Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits, and short-term and highly liquid time deposits, futures trade margin or investments (including time deposits with a contract period within 12 months) that are readily convertible into fixed cash amount and have a very low risk of changes in value.

6. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the financial instrument contract.

Financial assets and financial liabilities subject to the provisions of IFRS 9 "Financial Instruments," at the time of original recognition, were measured at fair value. The acquisition or issuance transaction costs that are directly attributable to the financial assets and financial liabilities (except for financial assets and financial liabilities that are classified as measured at fair value through profit or loss) are added or subtracted from the fair value of the financial assets and financial liabilities.

(1) Recognition and measurement of financial assets

The recognition and derecognition of all the financial assets of the Company are handled with the trade date accounting.

The Company uses the following two items to have financial assets classified as subsequently measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss:

A. Operating model of financial assets management
B. Contractual cash flow characteristics of financial assets

<u>Financial assets based on cost after amortization</u>

Financial assets that meet the following two conditions at the same time are measured at amortized cost, and are recognized in notes receivable, accounts receivable, financial assets at amortized cost, securities borrowings receivable, loan receivable-non-restricted purposes, and other receivables on the balance sheet:

A. Operating model of financial assets management: hold financial assets to collect

contractual cash flow

B. Contractual cash flow characteristics of financial assets: cash flow is entirely for the payment of principal and interest on the amount of outstanding principal.

These financial assets (excluding those involved in hedging) are subsequently measured at the amortized cost [(the amount measured at the time of original recognition, less the principal paid, plus or minus the cumulative amortization amount (with the effective interest method) between the original amount and the amount due), and adjusting the allowance for loss]. For derecognition, the benefits or losses are recognized in profit or loss through amortization procedures or recognition of impairment profit or loss.

Interest that is calculated with the effective interest method (having the effective interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:

A. For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.
B. Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of the financial assets.

Financial assets at fair value through other comprehensive profit or loss

Financial assets that meet the following two conditions are measured at fair value through other comprehensive income and are expressed on the balance sheet as financial assets measured at fair value through other comprehensive income:

A. Operating model of financial assets management: Collect contractual cash flows and sell financial assets.
B. Contractual cash flow characteristics of financial assets: cash flow is entirely for the payment of principal and interest on the amount of outstanding principal.

The recognition of the profit or loss related to such financial assets is as follows:

A. Before derecognition or reclassification, except for the impairment profit or loss and foreign currency exchange gains and losses recognized in profit or loss, the profit or loss is recognized in other comprehensive income.
B. At the time of derecognition, the cumulative profit or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustment.
C. Interest that is calculated with the effective interest method (having the effective interest rate multiplied by the total book value of financial assets) or the following conditions is recognized in profit or loss:

   (a) For a credit impairment financial asset purchased or originated, have the effective interest rate after credit adjustment multiplied by the amortized cost of financial assets.

(b) Other than those stated in the preceding paragraph, but which subsequently become credit impaired, have the effective interest rate multiplied by the amortized cost of financial assets.

In addition, for an equity instrument that is subject to IFRS 9 and the equity instrument is neither held for trading nor is subject to the contingent considerations recognized by the acquirer as stipulated in IFRS 3 "Business Combinations," in the original recognition, the subsequent changes in fair value are booked in other comprehensive income (irrevocably). The amount included in other comprehensive income cannot be subsequently transferred to profit or loss (when the equity instruments are disposed of, the accumulated amounts included in other equity items are transferred directly to retained earnings). Also, it is booked as a financial asset measured at fair value through other comprehensive income on the balance sheet. Investment dividends are recognized in profit or loss unless such dividend clearly represents a recovery of the investment cost.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss and are booked in the balance sheet as financial assets measured at fair value through profit or loss, except for the financial assets in the preceding paragraph that meet certain conditions and are measured at amortized cost or measured at fair value through other comprehensive income.

Such financial assets are measured at fair value, and the benefits or losses arising from the remeasurement are recognized as profit or loss. The benefits or losses recognized as profit or loss include any dividend or interest received on the financial asset.

(2) Impairment of Financial Assets

For financial assets measured at amortized cost, the Company recognizes and measures allowance losses based on expected credit losses.

The Company measures expected credit losses to reflect the following:

A. An amount that is unbiased and weighted by probability through evaluating each possible outcome
B. Time value of money
C. Reasonable and corroborative information (that can be obtained on the balance sheet date without excessive costs or inputs) relating to past events, current conditions, and future economic forecasts

The methods used for measuring allowance for loss are as follows:

A. It is measured by the 12-month expected credit loss amount: Including the credit risk that has not increased significantly since the original recognition of the financial assets, or it is determined as low credit risk on the balance sheet date. In addition, it also includes the allowance for loss measured by the expected credit loss of the duration in the previous reporting period, but which no longer meets the

condition that the credit risk has increased significantly since the original recognition on the balance sheet date.

B. The expected credit loss amount for the duration: Includes the significant increase in credit risk of the financial assets since the original recognition, or the financial assets with credit impairment purchased or originated.
C. For accounts receivable or contractual assets arising from transactions within the scope of IFRS 15, the Company measured the allowance for loss with the expected credit loss amount of the duration.

On each balance sheet date, the Company assesses whether the credit risk of financial instruments after the original recognition has increased significantly by comparing the changes in the default risk of the financial instruments on the balance sheet date and the original recognition date. In addition, please refer to Note 12 for information related to credit risk.

(3) Derecognized financial assets

Financial assets held by the Company are derecognized when one of the following conditions is met:

A. The contractual right from the cash flow of financial assets is terminated.
B. The financial asset has been transferred and almost all of the risks and rewards of asset ownership have been transferred to others.
C. Almost all risks and rewards of asset ownerships have not been transferred or retained, but the control of assets has been transferred.

When a financial asset is derecognized entirely, the difference between the book value and the collected or collectible considerations plus any cumulative gain or loss recognized in other comprehensive gain or loss is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities or equity

The liability and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments

An equity instrument refers to any contract that recognizes the residual equity of the Company after the asset deducts the liabilities. The equity instruments issued by the Company are recognized at the amount obtained after deducting the direct issuance costs.

Hybrid instruments

The Company recognizes the components of financial liabilities and equity for the convertible corporate bonds issued in accordance with the contractual terms. In

addition, it evaluates whether the economic characteristics and risks of the embedded call and put of the convertible corporate bonds issued are closely related to the primary debts before distinguishing the equity elements.

For the liability without derivatives involved, the fair value of which is measured using market interest rates of bonds with similar nature and no conversion characteristics; before conversion or redemption, the amount is classified as financial liabilities measured at amortized cost. Other embedded derivatives that are not closely related to the risks of the economic characteristics of the master contract (such as the embedded redemption right whose strike price is confirmed to be unable to be nearly equal to the amortized cost of the bond products on each exercise date) belong to an equity component and are classified as a liability component and measured at fair value through profit or loss after the balance sheet date. The amount of the equity component is determined with the fair value of the converted corporate bond less the liability component, and its book value will not be re-measured after the balance sheet date. If the convertible corporate bonds issued do not contain an equity element, they are treated in accordance with the hybrid instrument approach under IFRS 9.

Transaction costs are apportioned between the liability and equity components as per the proportion of the initially recognized convertible corporate bonds.

When the holder of the convertible corporate bond requests to exercise the conversion right before the maturity of the convertible corporate bond, the book value of the liability components shall be adjusted to that at the time of conversion as the accounting basis for the issuance of ordinary shares.

Financial liabilities

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

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profits or losses include held-for-trade financial liabilities and financial liabilities designated to be measured at fair value through profit or loss.

Classified as held-for-trade when one of the following conditions is met:

A. It is obtained mainly for the purpose of being sold in the short-term.
B. It became part of the identified financial instrument portfolio managed comprehensively at initial recognition and there is evidence of the short-term profit-generating operation of the portfolio recently; or
C. It is a derivative (except for a financial guarantee contract or a designated and effective hedging derivative instrument).

For a contract that includes one or more embedded derivatives, an overall hybrid (combined) contract can be designated as a financial liability measured at fair value

through profit or loss. When the relevant information is provided upon complying with one of the following factors, the original recognition is designated as measured at fair value through profit or loss:

A. The designation can eliminate or significantly reduce the inconsistency of measurement or recognition; or
B. The financial assets, financial liabilities or both, according to a written risk management or investment strategy, are managed at fair value with the performance evaluated and the investment portfolio information provided to management within the consolidated company is also based on the fair value.

The benefits or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss. The gain or loss recognized in profit or loss includes any interest paid on the financial liability.

Financial liabilities measured at the amortized cost

Financial liabilities measured at the amortized cost, including payables, borrowings, and corporate bonds payable are subsequently measured using the effective interest method after the original recognition. When a financial liability is derecognized and amortized through the effective interest method, its related profit or loss and amortization are recognized in profit or loss.

The calculation of the amortized cost takes into account the discount or premium and transaction costs at the time of acquisition.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, canceled, or invalidated, the financial liability is derecognized.

When the Company and the creditors exchange opinions on a debt instrument with significant differences, or make major changes to all or part of the existing financial liabilities clauses (whether due to financial difficulties or not), it is handled by having the original liabilities derecognized and new liabilities recognized. When financial liabilities are derecognized, the difference between the book value and the total amount (including the transferred non-cash assets or liabilities assumed) of the considerations paid or payable is recognized in profit or loss.

(5) Financial assets and liabilities written-off against each other

Financial assets and financial liabilities can only be offset and presented with the net amount on the balance sheet only when the recognized amounts can be offset currently by law and are intended to be cleared on a net amount or having assets sold for cash and liability liquidated simultaneously.

7. Derivatives

Derivatives held or issued by the Company are used to hedge exchange rate risk and

interest rate risk, of which, the designated and effective hedging items are reported as hedging assets or liabilities on the balance sheet. For those not designated but effective hedging, they are presented on the balance sheet as financial assets or financial liabilities measured at fair value through profit or loss.

The original recognition of a derivative is measured at the fair value on the derivative contract date and it is also measured at fair value subsequently. When the fair value of a derivative is positive, it is a financial asset. When the fair value of a derivative is negative, it is a financial liability. Changes in the fair value of derivatives are recognized directly in profit or loss, except for hedging and the part of effective hedging that is directly recognized in equity.

Where a master contract is a non-financial asset or financial liability, when the derivatives embedded in the master contract have economic characteristics and risks that are not closely related to the master contract, and the master contract is not measured at fair value through profit or loss, the embedded derivatives shall be treated as independent derivatives.

8. Fair value measurement

Fair value is the price that would be collected for the assets sold or the price paid for the liabilities transferred in an orderly transaction between market participants on the measurement date. Fair value measurement is with an assumption that the sale of the asset or the transfer of the liability occurs in one of the following markets:

(1) The main market for the asset or liability, or
(2) If there is no major market, the most favorable market for the asset or liability;

The primary or most favorable market must be available for the Company to conduct trades.

The fair value measurement of an asset or liability is based on the assumption that the market participants used in pricing the assets or liabilities, assuming that such market participants will use the assumption the most economically practical way.

The fair value measurement of a non-financial asset takes into account the market participant's use of the asset for its highest and best utilization or sale of the asset to another market participant who will use the asset for its highest and best utilization in order to generate economic benefits.

The Company uses valuation techniques that are appropriate with sufficient data available in the relevant circumstances to measure fair value and maximize the use of observable inputs and minimize the use of unobservable inputs.

9. Repo bond trade

(1) Repo bond trade is recognized based on cost. If the trading nature is a financing activity, when a transaction under the reverse repurchase agreement occurs, it shall be recognized in "bond investment under reverse repurchase agreement" under current assets; when a transaction under the repurchase agreement occurs, it shall be

recognized in "bond liabilities investment under repurchase agreement" under the current liabilities. The differences from the agreed reverse repurchase (repurchase) price shall be accounted for in interest income or financial cost.

(2) If an outright sale is performed for bonds traded under the reverse repurchase agreement, the credit item upon outright sale will be "bond investment under reverse repurchase agreement – short sale," and the item is under liabilities, and the total amount will be measured at fair value at the balance sheet date. The profit or loss on covering of the outright sale of bonds under the reverse repurchase agreement shall be recognized upon covering as the "covering of net profit (loss) on securities lending and bonds short sale under the reverse repurchase agreement."

10. Securities business lending and securities lending

The Company's accounts receivable from securities investors for securities business lending are recognized in securities borrowings receivable and loan receivable at the end of the period, the recovery probability of the receivables is recognized in expected credit losses and the allowance loss is measured. The collateral obtained from the securities business lending shall be recognized in a memo account.

When the Company is engaged in securities lending, the source of the securities lent can be its own securities and securities borrowed from the securities borrowing system of the Taiwan Stock Exchange. In the case of lending proprietary securities, the Company converts the original account to "securities lent," which is measured at fair value on the valuation date. In the case of lending securities borrowed from the securities borrowing system of the Taiwan Stock Exchange, it will only be recognized in a memo account, and the source of lending and transfer of bonds is presented in the business report and not listed in the financial statements.

The collateral obtained by the Company for securities lending business, if it is a securities collateral, it will only be listed in a memo account rather than formally recognized in an account, but it must be a separate memo account for each customer, and the collateral-related transactions shall be entered one by one. If it is cash collateral, it shall be recognized in "guarantee deposits received for securities lending" under current liabilities. The income from securities lending and service fees collected are recognized in "income from securities lending."

11. Customers' margin accounts and futures traders' equity

Customers' margin accounts

The margin and royalties collected from futures traders in accordance with regulations, and the differences settled based on daily market prices, etc., belong to the category of current assets in the balance sheet.

Futures trader's equity

The margin and royalties collected from futures traders, and the differences settled based on daily market prices are futures trader's equity and belong to the category of current liabilities in the balance sheet. Except for the accounts of the same type of the same

customer, they shall not offset each other. Where a debit balance occurs to a futures trader's equity, it shall be accounted for in futures trading margin receivable.

12. Futures trade

It is the trading margin and the positions of the futures and option contracts paid in cash or securities for the futures and option trading business. The amount of increase or decrease in the margin generated after daily valuation is accounted for in "futures trading margin – proprietary capital/securities." The royalties paid for options purchased for trading purposes are accounted for under "call option," and the royalties received for selling options is accounted for under "put option liabilities."

For futures and option trading, the differences upon settlement are recognized in current profit or loss. The differences between the settlement price and the average price of the positions unsettled at the balance sheet date are also recognized in "net gains (losses) on the derivative financial instruments – futures" under the current profit or loss.

The excess margin from futures trading margin exceeding the original margin belongs to the amount of unconditional withdrawable equity, and is recognized in "cash and cash equivalents."

13. Investment under the equity method

The Company's investment in subsidiaries is presented, valued and adjusted in accordance with the "Investment under the equity method" as defined in Article 25 of the Regulations Governing the Preparation of Financial Reports by Securities Firms in order to have had the current profit and loss and other comprehensive profit and loss in the financial statements equivalent to the amortization amount of the current profit and loss and other comprehensive profit and loss in the consolidated financial statements that is attributable to the shareholders of the parent company; also, the shareholder's equity amount in the financial statements is same as the equity attributable to the shareholders of the parent company in the consolidated financial statements. Such adjustments are mainly based on the difference between having the "investment in subsidiaries" processed in accordance with IFRSs 10 "Consolidated Financial Statements" and IFRSs that are for different reporting entities; also, the said difference is debited or credited to the account of "Investment under the equity method," "Profit and loss of the subsidiaries under the equity method, associates, and Joint Ventures" or "Other comprehensive profit and loss of the subsidiaries under the equity method, associates and Joint Ventures."

The Company has the investment in an affiliated company handled in accordance with the equity method. Affiliated companies refer to companies that have a significant influence on the Company.

Under the equity method, the investment in associates is booked in the balance sheet for an amount equivalent to the cost plus the amount of the change in the associate's net assets recognized proportionally to the shareholding ratio. When the book value of the investment in associates and other related long-term equity under the equity method is with a zero balance, additional loss and liability is recognized within the scope of the statutory obligations, constructive obligations, or payments on behalf of associates incurred. Unrealized gains and losses arising from transactions between the Company and affiliated companies are eliminated according to the proportion of its equity in affiliated companies or joint ventures.

When the change in the equity of an associate does not occur as a result of profit or loss and other comprehensive profit and loss, and also such change does not affect the Company's shareholding ratio, the Company recognizes the relevant changes in equity ownership proportionally to the shareholding ratio. Therefore, the recognized additional paid-in capital will be transferred to profit or loss proportionally to the disposal amount when the associate is subsequently disposed.

When the associate issued new shares, the Company did not subscribe it proportionally to the shareholding ratio, causing the Company's investment ratio and net asset ratio in the associate changed, so, such change is adjusted to the "additional paid-in capital" and "investment under the equity method." When the change in the investment ratio is reduced, the relevant items previously recognized in other comprehensive profit or loss should be reclassified to "profit or loss" or other appropriate accounts proportionally to the reduction ratio. The previously recognized additional paid-in capital is transferred to the profit or loss proportionally to the disposal ratio when the associate is disposed.

The financial statements of associates are prepared for the same reporting period as the Company and adjusted to have its accounting policies in line with the Company's accounting policies.

The Company confirms whether or not there is objective evidence indicating impairment of the investment in associates in accordance with the requirements of IAS 28 "Investment in Associates and Joint Ventures" at the end of each reporting period. If there is objective evidence of impairment, the Company shall calculate the impairment amount based on the difference between the recoverable amount and the book value of the associate in accordance with the requirements of IAS 36 "Assets impairment" and recognize such amount in the profit or loss from the associate. If the aforementioned recoverable amount is the investment value, the Company will determine the investment value according to the following estimates:

(1) The present value of the estimated future cash flow of the associate attributable to the Company includes the cash flow generated by the associate in business operations and the proceeds from the investment disposed; or
(2) The present value of the expected dividends and future cash flows generated from the investment disposed ultimately.

As the items that constitute the book value of the associate or a joint venture's goodwill are not separately recognized, it is not subject to the requirements of IAS 36 "Asset

impairment" goodwill impairment test.

Upon the loss of significant impact on associates, the Company has the retained investment amount measured and recognized at fair value. Upon the loss of significant impact, the difference between the book value of the investment in associate and the fair value of the retained investment plus the proceeds from the disposal is recognized as profit or loss. In addition, when an investment in an affiliated company becomes an investment in a joint venture, the Company continues to apply the equity method without remeasuring the retained equity.

14. Property and equipment

Real estate and equipment are recognized at the acquisition net cost of accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removing, and restoring the location of the real estate and equipment and the necessary interest expense arising from the construction in progress. Depreciation is provided separately for the significant parts of the real estate and equipment. When major parts of real estate and equipment are subject to periodic replacement, the Company treats the parts as an individual asset and recognizes it separately with specific periods of durability and depreciation method. The book value of these replaced parts is derecognized in accordance with the provision of IAS 16 "Property, Plant, and Equipment." If the major repair and maintenance costs are in compliance with the recognition conditions, they are recognized as replacement costs and are recognized as part of the equipment book value. Other repair and maintenance expenses are recognized in profit or loss.

Depreciation is computed in accordance with the straight-line method over the estimated useful lives of the following assets:

Type	Useful life
Office equipment	2–10 years
Leasehold improvement	The lease period or the useful live, whichever is shorter

After the original recognition of the real estate and equipment or any significant parts, if it is disposed or no economic effect arising from the use or disposal is expected, it will be derecognized and recognized in profit or loss.

The residual value, years of useful life, and depreciation method of the real estate and equipment are assessed at the end of each financial year. If the expected value is different from the previous estimate, the change is considered as a change in accounting estimates.

15. Leases

The Company assesses whether or not the arrangement is (or includes) a lease arrangement on the agreement date If an agreement transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is (or includes) a lease arrangement. In order to assess whether the agreement transfers control over the use of the identified asset for a period of time, the Company assesses whether it meets both of the following conditions during the entire period of use:

(1) Obtaining the right to almost all economic benefits from the use of the identified asset; and
(2) The right to direct the use of the identified asset.

For the agreement that belongs to (or includes) a lease arrangement, the Company treats each lease component in the agreement as a separate lease and treats it separately from the non-lease component in the agreement. For the agreement that includes one lease component and one or more additional lease or non-lease components, the Company adopts the relative standalone price of each lease component and the aggregate standalone prices of the non-lease components as the basis to distribute the consideration in the agreement to the lease component. The relative standalone prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar suppliers) for the components (or similar components). If an observable standalone price is not readily available, the Company maximizes the use of observable information to estimate the standalone price.

The Company is the lessee.

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, when the Company is the lessee of a lease contract, all leases are recognized in right-of-use assets and lease liabilities.

The Company measures the lease liabilities on the inception date based on the present value of the lease payments not yet paid on that date. If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used. On the inception date, the lease payments included in the lease liabilities include the following payments related to the right to use the underlying assets during the lease period and not yet paid on that date:

(1) Fixed payment (including substantive fixed payment) less any lease incentives that can be collected;
(2) Lease payment that depends on changes in an index or rate (using the index or rate on the inception date for initial measurement);
(3) The amount expected to be paid by the lessee under the residual value guarantee;
(4) If the Company can reasonably determine the exercise price of call option, it will exercise the option; and
(5) The penalty payable for the termination of a lease, if there is sign that the lessee, in the lease period, will exercise the option of terminating the lease.

After the commencement date, the Company measures the lease liabilities at amortized cost, and increases the book value of the lease liabilities using the effective interest method to reflect the interest on the lease liabilities; the lease payments reduce the book value of the lease liabilities.

On the commencement date, the Company measures the right-of-use assets at cost. The cost of the right-of-use assets includes:

(1) the amount equal to the lease liability at its initial assessment
(2) Any lease payments made on or before the commencement date less any lease incentives received;
(3) any initial direct costs incurred by the lessee; and
(4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

Subsequent measurement of the right-of-use assets is presented after the cost less the accumulated depreciation and accumulated impairment loss, i.e. the cost model is applied to measure the right-of-use assets.

If the ownership of the underlying asset is transferred to the Company when the lease period expires, or if the cost of the right-of-use assets reflects that the Company will exercise the call option, the right-of-use assets will be depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use assets from the commencement date to the end of the useful life of the right-of-use assets or to the expiration of the lease period, whichever is earlier.

The company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to deal with any identified impairment losses.

In addition to meeting and selecting short-term leases or leases of low-value underlying assets, the Company presents right-of-use assets and lease liabilities in the balance sheet, and presents lease-related depreciation expenses and interest expenses separately in the statement of comprehensive income.

For short-term leases and leases of low-value underlying assets, the Company chooses to adopt the straight-line basis or another systematic basis to recognize the lease payments related to said leases in expenses during the lease period.

The Company is the lessor.

The Company classifies each of its leases as operating leases or financial leases on the contract establishment date. If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; if it does not transfer said matters, it is classified as an operating lease. On the commencement date, the Company recognizes the assets held under the finance leases in the balance sheet and presents them as financial lease receivables based on the net lease investment.

For agreements that include lease components and non-lease components, the Company applies IFRS 15 to distribute the consideration in the agreements.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases, lease payments that are not dependent on change in some index or rate are recognized as rental income when they occur.

16. Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. The cost of intangible assets acquired through a business combination is the fair value at the acquisition date. After initial recognition of intangible assets, the book value is the amount of the cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition conditions shall not be capitalized, but shall be recognized in profit or loss when they occur.

The useful life of intangible assets is divided into limited and indefinite useful life.

Intangible assets with a limited useful life are amortized over their useful life, and an impairment test is performed when there are signs of impairment. The amortization period and method of intangible assets with limited useful life are reviewed at least at the end of each fiscal year. If the estimated useful life of an asset is different from the previous estimate, or the expected pattern of future economic benefit consumption has changed, the amortization method or period will be adjusted and considered as a change in accounting estimates.

Intangible assets with indefinite useful life are not amortized, but impairment tests are conducted to each asset or based on the level of cash-generating units each year. Intangible assets with indefinite useful life are assessed in each period whether there are events and circumstances that continue to support that the asset's useful life is still indefinite. If the useful life is changed from indefinite to limited, the application will be applied prospectively.

The profit or loss arising from the derecognition of an intangible asset is recognized as profit or loss.

The Company's accounting policy for intangible assets is summarized as follows:

Type	Useful life	Amortization method
Goodwill	Indefinite	Not amortized
Business right	Indefinite	Not amortized
Computer software	2–5 years	Amortized by the straight-line method according to the limited useful life

17. Impairment of non-financial assets

The Company at the end of each reporting period assesses whether all assets subject to IAS 36 "Impairment of Assets" are showing signs of impairment. If there is any indication of impairment or an impairment test is required for an asset on a regular basis each year, the Company tests the individual asset or the cash-generating unit to which the asset belongs. If the book value of an asset or the cash-generating unit to which the asset belongs is greater than the recoverable amount in an impairment test, the impairment loss is recognized. The recoverable amount is the higher of net fair value or value in use.

At the end of each reporting period, the Company assesses assets other than goodwill to

see whether there are indications that the previously recognized impairment losses may no longer exist or may be decreased. In the event of such an indication, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount is increased due to the change in the estimated service potential of the asset, the impairment amount is reversed. However, the reversed book value shall not exceed the book value before recognizing impairment loss and after deducting depreciation or amortization.

The cash-generating unit or group to which the goodwill belongs, regardless of whether there are signs of impairment, is subject to impairment tests on an annual basis. If the result of an impairment test needs to be recognized as an impairment loss, the goodwill will be deducted first, and the amount after deduction will be allocated to other assets other than goodwill based on the relative proportion of the book value. Once the impairment of goodwill is recognized, it shall not be reversed for any reason thereafter.

The impairment loss and reversal amount of the continuing business unit are recognized in profit or loss.

18. Liability reserve

The condition of recognizing the liability reserve is that the current obligation (statutory obligation or constructive obligation) arising from past events; when the obligation is settled, it is very likely that resources with economic benefits will need to flow out, and the amount of the obligation can be reliably estimated. When the Company expects that some or all of the liability reserve can be reimbursed, only when the reimbursement is almost completely certain, it will be recognized as a separate asset. If the time value of money has a material impact, the liability reserve discounted at the current pre-tax interest rate can appropriately reflect the specific risks of the liability. When liability is discounted, the increase in the amount of liability due to the passage of time is recognized as borrowing cost.

Liability reserve for decommissioning, restoration, and rehabilitation costs

The amount of decommissioning liability reserve incurred from the decommissioning and removal of property and equipment and restoration of its location is measured by the estimated discounted value of the expected cash flow of the obligation settlement, and the decommissioning cost is recognized as part of the asset cost. The cash flow is discounted at the current pre-tax interest rate that reflects the specific risks of the decommissioning liability. The discounted amortization of liability reserve is recognized as borrowing costs when incurred. The estimated future decommissioning costs are appropriately assessed and adjusted on the end of each reporting period. Changes in the estimated future decommissioning costs or changes in the discount rate will relatively increase or decrease the cost of relevant assets.

19. Recognition of revenue

The revenue from labor services provided by the Company is recognized when most of the labor services is completed and the revenue has been realized or can be realized. The main labor service revenue includes brokerage fee revenue, commissions income from loans,

underwriting processing fee revenue, and stock affairs agency revenue.

20. Retirement benefits plan

The retirement method for employees of the Company is applicable to all full-time employees. The employee retirement fund is fully appropriated to the Labor Pension Reserves Committee and deposited in the pension fund account. The aforementioned pension is deposited in the name of the Labor Pension Reserves Committee, which is completely separated from the Company, so it is not included in the individual financial statements in the preceding paragraph.

For the defined contribution pension plan, the monthly pension payable rate of the Company shall not be less than 6% of the employee's monthly salary, and the amount of the provision shall be recognized in the profit or loss of the current period.

The retirement benefits plan in the defined benefit plan are recognized based on the actuarial reports at the end of the annual reporting period using the projected unit credit method. The remeasurement of the net defined benefit liabilities (assets) includes any changes in the return on plan asset and the effects of asset cap less the amount of net interest included in the net defined benefit liabilities (assets) and actuarial gains and losses. The net defined benefit liability (asset) remeasurement is included in other comprehensive income when incurred and immediately recognized in the retained earnings. The prior-period service cost is the change in the present value of the defined benefit obligation arising from the revision or reduction of the pension plan and is recognized as an expense on the earlier of the following two dates:

(1) When the plan revision or reduction occurs; and
(2) When the Company recognizes the relevant restructuring costs or resignation benefits;

The net interest of the net defined benefit liability (asset) is determined by having the net defined benefit liability (assets) multiplied by the discount rate, both of which are determined at the beginning of the annual reporting period, and then considering the changes which have occurred in the net defined benefit liabilities (assets) for the period arising from the appropriation amount and benefit payment.

21. Income tax

Income tax profit (expense) refers to the aggregated amount of current income tax and deferred income tax that is included in the current profit or loss.

Income tax expenses in the current period

The current income tax liabilities (assets) related to the current and prior periods are measured at the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The current income tax related to the items recognized in other comprehensive income or directly recognized in the equity is recognized in other comprehensive income or equity instead of being recognized in the profit or loss

The additional business income tax levied on the undistributed earnings is recognized as

income tax expense on the date when the distribution of earnings is resolved in the shareholders' meeting.

Deferred tax

The deferred income tax is calculated according to the temporary difference between the taxable amount of assets and liabilities and the book value on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred income tax liabilities except for the following two items:

(1) The original recognition of goodwill, or original recognition of an asset or liability that does not arise from a business consolidated transaction and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted, and no equal amounts of taxable and deductible temporary differences arose at the time of the transaction;
(2) The taxable temporary difference arising from the investment in subsidiaries, associates, and joint equity. Also, the timing of reversal is controllable, and it is not likely to be reversed in the foreseeable future.

Except for the following two items, deductible temporary difference and deferred income tax assets arising from the taxable losses and income tax credit are recognized within the range of probable future taxable income:

(1) Related to deductible temporary differences arising from the original recognition of an asset or liability that does not arise from a business consolidated transaction and does not affect accounting profits and taxable income (loss) at the time of the transaction conducted, and no equal amounts of taxable and deductible temporary differences arose at the time of the transaction.
(2) It is related to the deductible temporary differences arising from the investment in subsidiaries, associates, and the joint equity. It is recognized within the range of probable reversal in the foreseeable future and there is sufficient taxable income at the time the temporary difference occurred.

Deferred income tax assets and liabilities are measured at the tax rate of the expected asset realization or in the period in which the liability is settled. The tax rate is based on the legislated or substantially legislated tax rates and tax laws at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the manner in which the asset is expected to be recovered or the book value of the liability is settled at the end of the reporting period. If the deferred income tax is related to items that are not included in the profit or loss, it will not be recognized in profit or loss, but recognized in other comprehensive income according to the relevant transactions or directly recognized in equity. Deferred income tax assets are reexamined and recognized at the end of each reporting period.

Deferred income tax assets and liabilities can be offset against each other legally only in the current period, and the deferred income tax is related to the same taxation entity and is related to the income tax levied by the same taxation authority.

22. Business combination and goodwill

Business combination is accounted for by the acquisition method. The consideration of transfer, the identifiable assets acquired, and the liabilities assumed in the business combination are measured at fair value on the acquisition date. For each business combination, the acquirer measures non-controlling interests based on the fair value or the relative proportion of the acquiree's identifiable net assets. The acquisition-related costs incurred are expensed in the current period and included in administrative expenses.

When the Company acquires business, it evaluates whether the classification and designation of assets and liabilities are appropriate based on the contractual conditions, economic conditions, and other relevant conditions existing on the acquisition date, including the consideration for separation of derivative financial instruments embedded in the master contract held by the acquiree.

If business combination is completed in stages, the acquirer's equity of the acquiree previously held is remeasured at fair value on the acquisition date, and the resulting profits or losses are recognized in the current profit or loss.

The acquirer expects that the contingent consideration transferred will be recognized at its fair value on the acquisition date. The contingent consideration that is considered an asset or liability, and subsequent changes in fair value will be recognized as changes in current profit or loss or other comprehensive income in accordance with IFRS 9. However, if the contingent consideration is classified as equity, it will not be remeasured until it is finally settled under equity.

The original measurement of goodwill is the total amount of the transferred consideration plus non-controlling interests, which exceeds the fair value of the identifiable assets and liabilities obtained by the Company; if the consideration is lower than the fair value of the net assets obtained, the difference is recognized in current profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment. Goodwill arising from a business combination is distributed to each cash-generating unit in the group that is expected to benefit from the combination from the date of acquisition, regardless of whether other assets or liabilities of the acquiree are attributable to these cash-generating units. Each representative unit or group to which the goodwill is distributed is the lowest level of goodwill to be monitored for internal management purposes, and not higher than the operating department before aggregation of the goodwill.

When a part disposed of includes a cash-generating unit of goodwill, the book value of this part includes the goodwill related to the operation disposed of. The goodwill disposed of is measured based on the relative recoverable amount of the operation disposed of and the part retained.

5. Main source of significant accounting judgment, estimates and assumptions uncertainty

When the individual financial statements are prepared by the Company, the management must make judgments, estimates, and assumptions at the end of the reporting period, which will

affect the disclosure of income, expenses, assets and liabilities, and contingent liabilities. However, the uncertainty of these significant assumptions and estimates may result in a significant adjustment to the book value of an asset or liability in the future period.

Estimation and assumption

The main source of information on the estimation and assumption with uncertainty at the end of the reporting period has significant risks that result in significant adjustments to the book value of assets and liabilities in the next financial year. The explanations are given as follows:

The fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be obtained from the active market, the fair value will be determined using evaluation techniques, including the income approach (such as, cash flow discount model) or market approach. The changes in the assumptions of the said approaches will affect the fair value of the financial instruments reported.

6. Summary of significant accounting titles

1. Cash and cash equivalents

	2023.12.31	2022.12.31
Petty cash	$430	$430
Check deposits	8,323	3,965
Current deposits	348,124	201,886
Time deposits	378,579	702,550
Cash equivalents – short-term notes and bills	1,079,828	1,298,040
Cash equivalents – futures excess margin	158,510	103,268
Total	$1,973,794	$2,310,139

The above-mentioned time deposits include time deposits that mature within 12 months and can be converted into a fixed amount of cash at any time, and the risk of value changes is very small. The interest rate range of the interest rate as of December 31, 2023 and 2022 was 1.565%–3.550% and 0.910%–2.750%, respectively.

The cash and cash equivalents above are not secured.

2. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss by the Company are listed below:

	2023.12.31	2022.12.31
Current items		
Measured at fair value through income under compulsion		
Open-end funds and money market instruments	$31,249	$15,350
Securities – proprietary	3,845,587	2,130,789
Securities – underwriting	85,654	41,889

	2023.12.31	2022.12.31
Derivatives		
Futures trading margin – proprietary capital	20,036	65,843
Call option - non-hedging	-	144
Total	$3,982,526	$2,254,015

Non-current items		
Measured at fair value through income under compulsion		
Open-end funds and money market instruments	$78,337	$82,579
Securities – proprietary	14,191	3,496
Total	$92,528	$86,075

(1) Open-end funds and money market instruments

	2023.12.31	2022.12.31
Current items		
Open-type fund	$30,000	$20,000
Add (less): Valuation adjustment	1,249	(4,650)
Net value	$31,249	$15,350

Non-current items		
Open-type fund	$129,250	$121,400
Add (less): Valuation adjustment	(50,913)	(38,821)
Net value	$78,337	$82,579

(2) Securities – proprietary

	2023.12.31	2022.12.31
Current items		
Government bonds	$301,863	$313,792
Corporate bonds	2,408,180	1,407,640
Convertible corporate bonds	106,727	40,000
TWSE-listing companies stock	372,422	111,238
Funds traded in TWSE	22,585	-
GTSM-listing companies stock	161,891	25,645
Companies stock in emerging stock market	370,841	247,606
Non-TWSE/GTSM-listing companies stock	5,700	5,300
Overseas stocks	67,285	39,236
Subtotal	3,817,494	2,190,457
Add (less): Valuation adjustment	28,093	(59,668)
Net value	$3,845,587	$2,130,789

Non-current items		
Government bonds	$10,580	$-
Non-TWSE/GTSM-listing companies stock	2,666	2,666

	2023.12.31	2022.12.31
Subtotal	13,246	2,666
Add (less): Valuation adjustment	945	830
Net value	$14,191	$3,496

(3) Securities – underwriting

	2023.12.31	2022.12.31
Convertible corporate bonds	$77,142	$39,885
TWSE-listing companies stock	8,466	4,130
GTSM-listing companies stock	413	-
Subtotal	86,021	44,015
Add (less): Valuation adjustment	(367)	(2,126)
Net value	$85,654	$41,889

(4) Futures trading margin – proprietary capital

	2023.12.31	2022.12.31
Futures trading margin – proprietary capital	$20,036	$65,843

For the details of the Company's futures trading margin – proprietary capital, please refer to Note 12.17.

(5) Call option - non-hedging

	2023.12.31	2022.12.31
Index options	$-	$198
Loss on unsettled positions	-	(54)
Net value	$-	$144

For the details of government bonds, corporate bonds, and convertible corporate bonds, which are financial assets measured at fair value through profit and loss used as security for bond transactions under repurchase agreement, please refer to Note 8.

For the details of the net income (loss) from the Company's financial assets measured at fair value through profit and loss, please refer to Notes 6.25, 6.30, and 12.17.

3. Financial assets at fair value through other comprehensive profit or loss

	2023.12.31	2022.12.31
Current items		
Investment of equity instruments at fair value through other comprehensive income		
TWSE-listing companies stock	$62,010	$50,040

Non-current items		
Investment of equity instruments at fair value through other comprehensive income		
Non-TWSE/GTSM-listing companies stock	$132,082	$103,205

For the details of financial assets measured at fair value through profit and loss used as security against settlement advance, please refer to Note 8.

4. Financial assets based on cost after amortization

	2023.12.31	2022.12.31
Non-current items		
Corporate bonds	$200,000	$200,000
Less: Allowance for losses	(1)	(1)
Total	$199,999	$199,999

The Company classifies certain financial assets as financial assets measured at amortized cost. Please refer to Note 6.25 for information on allowance for losses and Note 12 for information on credit risk.

The Company's financial assets based on cost after amortization are not provided as security.

5. Bond investment under reverse repurchase agreement

	2023.12.31	2022.12.31
Government bonds	$2,454,526	$301,700
Corporate bonds	200,404	50,097
Total	$2,654,930	$351,797

The bond investments under reverse repurchase agreement conducted by the Company as of December 31, 2023 and 2022 all mature within one year, and they are all agreed to be sold back at the agreed price, including interest accrued, on a specific date after the transactions, and the total amount of the reverse repurchase was NT$2,657,167 thousand and NT$352,033 thousand, respectively, with the annual interest rates of 1.1475%–1.2510% and 1.0755%–1.1295%, respectively.

6. Securities borrowings receivable

	2023.12.31	2022.12.31
Securities borrowings receivable - securities or other products bought by clients as collateral	$10,046	$59,993
Less: Allowance for losses	-	(1)
Total	$10,046	$59,992

The Company assesses impairment in accordance with IFRS 9. For information on

allowance for losses, please refer to Note 6.25, and for information related to credit risk, please refer to Note 12.

7. Loan receivable – non-restricted purpose

	2023.12.31	2022.12.31
Loan receivable – non-restricted purpose	$786,345	$591,818
Less: Allowance for losses	(3)	(3)
Total	$786,342	$591,815

The aforementioned loans receivable are handled in accordance with the "Operating Rules for Securities Firms Handling Non-Restricted Purpose Loan" with a period of six months, and are secured by securities or other commodities provided by customers.

The Company assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.25, and for information related to credit risk, please refer to Note 12.

8. Customers' margin accounts

	2023.12.31	2022.12.31
Bank deposits	$291,274	$436,953
Settlement institution settlement balance	190,424	140,199
Total	$481,698	$577,152

9. Note receivable and account receivable – net

	2023.12.31	2022.12.31
Notes receivable		
Stock affairs agency fee receivable	$70	$277
Consultation fees receivable	50	50
Less: Allowance for losses	-	-
Subtotal	120	327
Accounts receivable		
Accounts receivable – related parties	691	400
Accounts receivable – non-related parties		
Settlement receivable – brokerage	2,699,451	1,628,782
Settlement receivable – non-brokerage	12,234	2,242
Settlement price	445,321	106,520
Interests receivable	31,700	20,329
Others	22,999	10,753
Less: Allowance for losses	(12)	(12)
Subtotal	3,212,384	1,769,014
Total	$3,212,504	$1,769,341

The Company did not provide any security for notes receivable and accounts receivable.

The Company assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.25, and for information related to credit risk, please refer to Note 12.

10. Other receivables

	2023.12.31	2022.12.31
Other receivables – related parties	$2,761	$2,386
Less: Allowance for losses	-	-
Subtotal	2,761	2,386
Other receivables – non-related parties		
Stock affairs agency fee receivable	10,224	9,061
Interests receivable	827	668
Others	2,145	5,415
Less: Allowance for losses	(147)	(203)
Subtotal	13,049	14,941
Total	$15,810	$17,327

The Company did not provide security for other receivables.

The Company assesses impairment in accordance with IFRS 9. For information on allowance for losses, please refer to Note 6.25, and for information related to credit risk, please refer to Note 12.

11. Investment under the equity method

	2023.12.31	
Name of investee	Amount	Percentage of shareholding
Investment in subsidiaries		
Horizon SICE Co., Ltd.	$127,504	100.00%
Horizon Venture Capital Co., Ltd.	521,786	100.00%
Horizon Venture Management Co., Ltd.	25,801	100.00%
Total	$675,091	

	2022.12.31	
Name of investee	Amount	Percentage of shareholding
Investment in subsidiaries		
Horizon SICE Co., Ltd.	$123,261	100.00%
Horizon Venture Capital Co., Ltd.	503,140	100.00%
Horizon Venture Management Co., Ltd.	24,098	100.00%
Total	$650,499	

Investee subsidiaries are presented in the individual financial statements as “investments using the equity method,” and necessary evaluation adjustments are made.

Horizon SICE Co., Ltd. was approved by the competent authority to increase its capital by NT$65,000 thousand in cash on October 24, 2014, and issued 50,000 thousand new shares, which were fully subscribed to by the Company. As of December 31, 2023, the Company had accumulated investment in the total amount of NT$114,282 thousand.

Horizon Venture Capital Co., Ltd. was approved by the competent authority to increase its capital by NT$150,000 thousand in cash on November 10, 2021, and issued 15,000 thousand new shares, which were fully subscribed to by the Company. As of December 31, 2023, the Company had accumulated investment in the total amount of NT$579,420 thousand.

Horizon Venture Management Co., Ltd. was approved to be established by the competent authority with the investment amount of NT$20,000 thousand on December 3, 2018, and 2,000 thousand new shares were issued, which were fully subscribed to by the Company. As of December 31, 2023, the Company had accumulated investment in the total amount of NT$20,000 thousand.

The Company's investments using the equity method have no contingent liabilities or capital commitments, and no security has been provided.

12. Property and equipment

	Office equipment	Leasehold improvement	Total
Cost:			
2023.1.1	$186,894	$89,600	$276,494
Additions	9,349	3,065	12,414
Disposition	(21,505)	(248)	(21,753)
Other changes	-	(1,811)	(1,811)
Reclassification	-	720	720
2023.12.31	$174,738	$91,326	$266,064
2022.1.1	$160,642	$60,356	$220,998
Additions	29,285	33,431	62,716
Disposition	(3,033)	(3,462)	(6,495)
Other changes	-	(725)	(725)
2022.12.31	$186,894	$89,600	$276,494
Accumulated depreciation and impairment:			
2023.1.1	$128,394	$58,062	$186,456
Depreciation	18,123	7,722	25,845
Disposition	(21,504)	(248)	(21,752)
Other changes	-	(1,811)	(1,811)
2023.12.31	$125,013	$63,725	$188,738

2022.1.1	$116,398	$55,004	$171,402
Depreciation	15,029	7,245	22,274
Disposition	(3,033)	(3,462)	(6,495)
Other changes	-	(725)	(725)
2022.12.31	$128,394	$58,062	$186,456
Net book value:			
2023.12.31	$49,725	$27,601	$77,326
2022.12.31	$58,500	$31,538	$90,038

The Company did not provide real estate and equipment as collateral.

13. Intangible assets

	Goodwill	Business right	Computer software	Total
Cost:				
2023.1.1	$52	$64,321	$163,146	$227,519
Additions – separate acquisition	-	-	17,847	17,847
Disposition	-	-	(23,498)	(23,498)
Transfer (Note)	-	-	1,330	1,330
2023.12.31	$52	$64,321	$158,825	$223,198
2022.1.1	$52	$64,321	$135,771	$200,144
Additions – separate acquisition	-	-	20,853	20,853
Disposition	-	-	(158)	(158)
Transfer (Note)	-	-	6,808	6,808
Other changes	-	-	(128)	(128)
2022.12.31	$52	$64,321	$163,146	$227,519
Cumulative amortization and impairment:				
2023.1.1	$52	$32,488	$109,975	$142,515
Amortization	-	-	19,870	19,870
Disposition	-	-	(23,498)	(23,498)
2023.12.31	$52	$32,488	$106,347	$138,887
2022.1.1	$52	$32,488	$93,381	$125,921
Amortization	-	-	16,839	16,839
Disposition	-	-	(158)	(158)
Other changes	-	-	(87)	(87)
2022.12.31	$52	$32,488	$109,975	$142,515

Net book value:				
2023.12.31	$-	$31,833	$52,478	$84,311
2022.12.31	$-	$31,833	$53,171	$85,004

Note: It is reclassified from other prepayments.

14. Business guarantee

The business guarantee is deposited in the designated banks after the establishment of the Company in accordance with the Securities and Exchange Act, the Regulations Governing Securities Firms, the Regulations Governing Futures Commission Merchants, and the Regulations Governing Futures Advisory Enterprises. The Company deposits guarantees in financial institutions designated by the Securities and Futures Bureau, FSC, with certificates of deposit. The details are as follows:

	2023.12.31	2022.12.31
Brokerage business guarantee	$105,000	$105,000
Underwriting business guarantee	40,000	40,000
Proprietary trading business guarantee	10,000	10,000
Proprietary futures trading guarantee	10,000	10,000
Futures brokerage guarantee	70,000	70,000
Futures advisory guarantee	10,000	10,000
Total	$245,000	$245,000

15. Settlement / clearance fund

The settlement/clearance fund is the amount deposited in the Taiwan Stock Exchange, the Taipei Exchange, and the Taiwan Futures Exchange in accordance with the Securities and Exchange Act, the Regulations Governing Securities Firms, and the Taiwan Futures Exchange Corporation Criteria for Clearing Membership. Statement:

	2023.12.31	2022.12.31
Clearance fund in Taiwan Stock Exchange	$31,590	$30,682
Clearance fund in Taipei Exchange	35,643	37,545
Clearance fund in Taiwan Futures Exchange	22,045	22,073
Total	$89,278	$90,300

16. Short-term borrowings

	2023.12.31	2022.12.31
Bank credit facilities	$50,000	$-
Bank guaranteed loans	50,000	50,000
Total	$100,000	$50,000
Interest rate collars	1.642%~2.125%	1.990%

As of December 31, 2023 and 2022, the unused loan facilities where the Company has signed agreements with financial institutions were NT$2,675,000 thousand and

NT$2,805,000 thousand, respectively.

Regarding the provision of security, please refer to Note 8 for details.

17. Commercial papers payable

	2023.12.31	2022.12.31
Commercial papers payable	$200,000	$-
Less: Discounted commercial paper payable	(238)	-
Net value	$199,762	$-
Interest rate collars	1.50%~1.75%	-

As of December 31, 2023 and 2022, the unused commercial paper facilities where the Company has signed agreements with financial institutions were NT$2,030,000 thousand and NT$1,600,000 thousand, respectively.

Regarding the provision of security, please refer to Note 8 for details.

18. Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss by the Company is listed below:

	2023.12.31	2022.12.31
Derivatives		
Put option - others	$4,347	$12,034

The Company's put options are embedded derivatives identified from the issuance of convertible corporate bonds. Please refer to Note 6.21 for relevant information.

19. Call loans to banks

	2023.12.31	2022.12.31
Government bonds	$2,779,230	$622,818
Corporate bonds	2,605,927	1,456,493
Convertible corporate bonds	75,086	20,135
Total	$5,460,243	$2,099,446

The bond liabilities investments under repurchase agreement conducted by the Company as of December 31, 2023 and 2022 all mature within one year, and they are all agreed to be bought back at the agreed price, including interest accrued, on a specific date after the transactions, and the total amount of the repurchase was NT$5,465,144 thousand and NT$2,100,819 thousand, respectively, with the annual interest rates of 0.8550%–1.2600% and 0.6750%–1.1520%, respectively.

Regarding the provision of security, please refer to Note 8 for details.

20. Accounts payable

	2023.12.31	2022.12.31
Accounts payable – related parties	$2	$1
Accounts payable – non-related parties		
Settlement price	166,762	161,606
Settlement payable – brokerage	2,973,821	1,556,916
Settlement payable – non-brokerage	22,885	1,637
Processing fee payable discounts	50,582	38,007
Interest payable	3,144	683
Others	22,497	13,404
Total	$3,239,693	$1,772,254

21. Corporate bonds payable

	2023.12.31	2022.12.31
Domestic convertible corporate bonds payable	$639,950	$674,201
Less: Current portion	(639,950)	-
Net value	$-	$674,201

Domestic convertible corporate bonds payable

	2023.12.31	2022.12.31
Liability elements:		
Face value of domestic convertible corporate bonds payable	$605,000	$622,900
Premium payable on domestic convertible corporate bonds	34,950	51,301
Subtotal	639,950	674,201
Less: Current portion	(639,950)	-
Net value	$-	$674,201
Embedded derivative financial instruments- Liabilities	$4,347	$12,034
Equity elements	$35,254	$36,297

The Company issued domestic unsecured convertible corporate bonds with a coupon rate of 0% on June 11, 2021. The convertible corporate bonds were analyzed as per the terms of the contracts. The components include primary debts, embedded derivative financial instruments (the issuer’s redemption option and the holder's option to request the issuer to redeem) and equity elements (the holder's option to request conversion into the issuer's ordinary shares). The main terms of the issuance are as follows:
Total issue amount: NT$700,000 thousand, with a par value of 100 thousand per bond, at 117.80% of the face value.

Issue period: June 11, 2021 to June 11, 2026.

Important call and put provisions:

(1) The next day after three months of issuance to 40 days before the maturity date

A. In the event that the closing price of the Company's ordinary shares on Taipei Exchange is more than 130% of the conversion price on average for 30 consecutive business days, the Company may issue a notice that it will redeem the full amount of the bond balance in advance at the par value.
B. When the balance of the outstanding corporate bonds is lower than 10% of the total issue amount, the Company may issue a notice that it will redeem the full amount of the bond balance in advance at the par value.

(2) The bondholders may request the Company to redeem the corporate bonds they hold in cash at the par value when it has been three years since the bonds were issued.

Conversion regulations:

(1) The subject in conversion: The Company’s ordinary shares.

(2) Conversion period: The bondholders may request the Company to convert the bonds into the Company’s ordinary shares from September 12, 2021 to June 11, 2026, except during the conversion suspension period as per the issuance and conversion regulations.

(3) Conversion price and adjustment thereto: The conversion price was set at NT$19.60 per share at the time of issuance. In the event of an adjustment to the conversion price of the Company’s ordinary shares in alignment with the terms of issuance, the conversion price will be adjusted according to the formula specified in the terms of issuance. The conversion price on December 31, 2023 was NT$15.54 per share.

(4) Principal repayment on the maturity date: When the corporate bonds are due and have not been settled, they will be repaid in cash at the par value.

As of December 31, 2023, the Company redeemed and canceled domestic unsecured convertible bonds in the amount of NT$84,400 thousand, and the remaining balance of the outstanding bonds was NT$605,000 thousand, and the amount of those converted was NT$10,600 thousand.

22. Retirement benefits plan

Defined contribution pension plan

The Company has the employee retirement plan stipulated in accordance with the “Labor Pension Act,” which is a defined contribution plan. According to the “Labor Pension Act,” the Company’s monthly labor pension contribution rate shall not be less than 6% of the monthly salary of employees.

The Company has an amount equivalent to 6% of the employees’ monthly salary appropriated every month to the personal pension account with the Bureau of Labor

Insurance.

The amount of expenses of the defined contribution pension plan recognized by the Company for 2023 and 2022 was NT$25,147 thousand and NT$24,602 thousand, respectively.

Defined benefit plan

The employee pension plan stipulated by the Company according to the "Labor Standards Act" is a defined benefit plan. The employees' pension payment is based on the service points and the average monthly salary at the time of retirement. Two service points for each service year within the first 15 service years (inclusive) and one service point for each service year after the 15th service year with a maximum of 45 service points for each employee. In accordance with the provisions of the Labor Standards Act, the Company contributes 2% of the total salary to the pension fund on a monthly basis, and the fund is deposited in a special account of the Bank of Taiwan in the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve. In addition, the Company estimates the aforementioned labor retirement reserve account balance before the end of each year. If the balance is insufficient to pay the pension amount calculated in accordance with the aforementioned retirement conditions for the employees qualified for retirement in the next year, the amount of difference will be appropriated in a lump sum before the end of March in the next year.

The Ministry of Labor conducts asset allocation in accordance with the "Regulations for Revenues, Expenditures, Safeguarding, and Utilization of the Labor Retirement Fund." Fund investment is arranged with a self-operated and entrusted management method, which adopts a mid-term and long-term investment strategy with an active and passive management. Considering the risks of the market, credit, liquidity, etc., the Ministry of Labor sets the fund risk limit and control plan so that it can be flexible enough to achieve the target remuneration without bearing excessive risk. For the use of the fund, the minimum income of its annual settlement shall not be lower than the income calculated according to the local bank's two-year time deposit. If there is any deficiency, it shall be replenished by the state treasury upon approval by the competent authority. Since the Company is not entitled to participating in the operation and management of the Fund, the classification of the fair value of plant asset cannot be disclosed in accordance with IAS 19, Paragraph 142. As of December 31, 2023, the Company's defined benefit plan is expected to appropriate NT$1,337 thousand in the next year.

The expiration of the defined benefit obligations under the Company's defined benefit plan is as follows:

	2023.12.31	2022.12.31
Weighted average duration of defined benefit obligations	11 years	12 years

The cost of the defined benefit plan recognized in profit or loss is summarized as follows:

	2023	2022
Current service cost	$-	$-
Net interest on net defined benefit liabilities (assets)	(67)	233
Total	$(67)	$233

The adjustments made to the present value of the defined benefit obligation and the fair value of the plan assets are as follows:

	2023.12.31	2022.12.31	2022.1.1
Present value of the defined benefit obligations	$63,682	$59,508	$93,914
The fair value of plan assets	(66,608)	(64,601)	(62,799)
Net determined benefit liability (asset) – non-current	$(2,926)	$(5,093)	$31,115

Adjustments to the net defined benefit liabilities (assets):

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liabilities (assets)
2022.1.1	$93,914	$(62,799)	$31,115
Current service cost	-	-	-
Interest expenses (revenues)	704	(471)	233
Defined benefit liabilities/assets remeasurement amount			
Actuarial gains and losses resulting from changes in demographic assumption	344	-	344
Actuarial gains and losses resulting from changes in financial assumption	(13,422)	-	(13,422)
Experience adjustments	(17,332)	-	(17,332)
Defined benefit assets remeasurement amount	-	(4,623)	(4,623)
Subtotal	(30,410)	(4,623)	(35,033)
Payment of benefits	(4,700)	4,700	-
Contributions of employer	-	(1,408)	(1,408)
2022.12.31	59,508	(64,601)	(5,093)
Current service cost	-	-	-
Interest expenses (revenues)	786	(853)	(67)
Defined benefit liabilities/assets remeasurement amount			
Actuarial gains and losses resulting from changes in demographic assumption	-	-	-
Actuarial gains and losses resulting	669	-	669

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liabilities (assets)
from changes in financial assumption			
Experience adjustments	3,174	-	3,174
Defined benefit assets remeasurement amount	-	(272)	(272)
Subtotal	3,843	(272)	3,571
Payment of benefits	(455)	455	-
Contributions of employer	-	(1,337)	(1,337)
2023.12.31	$63,682	$(66,608)	$(2,926)

The following key assumptions are used to determine the Company's defined benefit plan:

	2023.12.31	2022.12.31
Discount rate	1.23%	1.32%
Expected salary increase rate	2.00%	2.00%

Sensitivity analysis of each major actuarial hypothesis:

	2023		2022	
	Increase of defined benefit obligations	Decrease of defined benefit obligations	Increase of defined benefit obligations	Decrease of defined benefit obligations
Discount rate increased by 0.5%	$-	$3,255	$-	$3,216
Discount rate decreased by 0.5%	3,879	-	4,027	-
Expected salary increase by 0.5%	3,829	-	3,979	-
Expected salary decrease by 0.5%	-	3,252	-	3,212

The foregoing sensitivity analysis is conducted to analyze the possible impact on the defined benefit obligations when single actuarial assumption (e.g. discount rate or expected salary) has a reasonable and possible change occurring, assuming other assumptions remain unchanged. Since some of the actuarial assumptions are correlated, the occurrence of changes in one single actuarial assumption is seldom in practice, so the analysis has its limitations.

The methods and assumptions used in the sensitivity analysis for this period are no different from those adopted in the previous period.

23. Liability reserve

	Employee benefits liability	Decommissioning liability	Others	Total
2023.1.1	$313	$11,531	$5,788	$17,632
Increase	325	190	156	671
Reversed	(313)	-	(5,944)	(6,257)
2023.12.31	$325	$11,721	$-	$12,046
2022.1.1	$613	$9,357	$5,578	$15,548
Increase	313	2,463	210	2,986
Reversed	(613)	(289)	-	(902)
2022.12.31	$313	$11,531	$5,788	$17,632
Current	$325	$-	$-	$325
Non-current	-	11,721	-	11,721
2023.12.31	$325	$11,721	$-	$12,046
Current	$313	$-	$5,788	$6,101
Non-current	-	11,531	-	11,531
2022.12.31	$313	$11,531	$5,788	$17,632

24. Equity

(1) Common stock

As of December 31, 2023 and 2022, the Company's registered capital was NT$6,000,000 thousand outstanding share capital was NT$3,512,516 thousand, with par value of NT$10 per share, i.e. 351,252 thousand shares, respectively. Each share is entitled to one voting right and the right to receive dividends. The stock is listed for trading at Taipei Exchange.

(2) Capital reserve

	2023.12.31	2022.12.31
Issuance premium	$14,750	$14,750
Treasury stock trade	305,464	305,181
Stock options	35,254	36,297
Total	$355,468	$356,228

According to the law, additional paid-in capital shall not be used for any purpose except for making up for the loss of the Company. When the Company has no loss, a certain percentage of the additional paid-in capital from the stock premium and the gift can be applied to replenish capital every year. The aforementioned additional paid-in

capital can be allocated in cash to shareholders proportionally to their original shareholding ratio.

(3) Retained earnings

Statutory surplus reserves

According to the Company Act, the legal reserve should be appropriated until the paid-in capital is equivalent to the total capital. The legal reserve can be used to make up for the loss. When the Company has no loss, the portion of the legal reserve that exceeds 25% of the paid-in capital should be applied to have stock shares or cash distributed to shareholders proportionally to their original shareholding ratio.

Special surplus reserves

According to the Regulations Governing Securities Firms, the Company shall set aside 20% of the annual surplus after tax as a special surplus reserve, unless the amount has reached the paid-in capital amount. In accordance with the Letter Jin-Guan-Zheng-Quan-Zi No. 1100365484 issued by the FSC dated January 21, 2022, for the net debit to other shareholders' equity that occurred in the year, a special reserve shall be provided in the amount of the net income after tax of the current period, plus the items other than the net income after tax of the current period and the undistributed earnings from the prior period. A special reserve shall be provided in the amount of debits to other shareholders' equity accumulated in the prior period and shall not be distributed. However, if the Company has provided a special reserve in accordance with the preceding paragraph, it shall additionally provide a special reserve in the amount of the difference between the amount already provided and the net amount of debits to other shareholders' equity. If there is a subsequent reversal of the amount of debits to other shareholders' equity, the portion reversed may be distributed.

Earnings allocation and dividend policy

When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings. The allocation shall not be subject to the above if the amount of accumulated legal capital reserve has reached the amount of the paid-in capital of the Company. The Company shall also set aside a certain amount of profit as special reserve in accordance with the laws and regulations. Besides the amount retained for business needs, the distribution shall be determined by the Board with reference to the operational status of the Company. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution.

As stipulated by Paragraph 5 of Article 240 of the Company Act, the Company may distribute the distributable dividends in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors.

Taking into consideration the future growth of operation scale and diversified

development of businesses, the Company shall appropriate no less than 50% of the total distributable profit as dividends. However, the Company may be exempt from distribution of dividends in cases where accumulated distributable profit is less than 10% of paid-in capital. Stock dividends shall be no more than 50%, and cash dividends shall be no less than 50% of the total distributable dividends. However, the Company may adjust the percentage thereof and the percentage of distributable earning depending on the Company's business development and capital requirement.

The earnings appropriation and distribution plan and dividends per share for 2023 and 2022 proposed by the Company's board of directors on February 22, 2024 and resolved by the shareholders' meeting on May 31, 2023 are listed as follows:

	Earnings appropriation and distribution plan		Dividend Per Share (NTD)	
	2023	2022	2023	2022
Legal reserve appropriated	$17,623	$-		
Appropriation of special reserve	35,246	-		
Common stock cash dividends	87,813	-	$0.25	$-

Please refer to Note 6.29 for the relevant information about employee remuneration and directors' remuneration assessment basis and recognized amount.

25. Operating income

(1) Brokerage fee revenue

	2023	2022
Brokerage for centralized securities exchange market	$491,090	$467,025
Over-the-counter brokerage	151,301	136,709
Futures brokerage fee revenue	30,930	40,546
Other service fee revenue	104,617	51,680
Total	$777,938	$695,960

(2) Underwriting business revenue

	2023	2022
Firm commitment underwriting revenue	$14,425	$15,519
Underwriting revenue	4,591	8,899
Underwriting consulting revenue	14,990	16,900
Others	29,662	35,489
Total	$63,668	$76,807

(3) Operating gain (loss) on sale of securities

	2023	2022
Gain (loss) on sales of securities - proprietary	$216,969	$(121,923)
Gain on sale of securities – underwriting	16,143	14,935
Total	$233,112	$(106,988)

(4) Interest revenue

	2023	2022
Bonds interest revenue	$48,920	$20,846
Interest revenue – non-restricted purpose loans	18,018	13,555
Others	2,655	316
Total	$69,593	$34,717

(5) Net profit of securities trade measured at the fair value through profit or loss

	2023	2022
Securities – proprietary	$87,876	$(154,965)
Securities – underwriting	1,759	(5,816)
Total	$89,635	$(160,781)

(6) Net gains (losses) on the derivative financial instruments – Futures

	2023	2022
Futures contract gain (loss) – net	$(160,978)	$47,249
Net loss from options trade	(928)	(3,399)
Total	$(161,906)	$43,850

(7) Expected credit impairment loss and reversal benefit

	2023	2022
Note receivable and account receivable	$-	$17
Other receivables	(722)	(47)
Others	1	(4)
Total	$(721)	$(34)

Please refer to Note 12 for credit risk related information.

The Company's accounts receivable (including securities borrowings receivable, loan receivables – non-restricted purpose, notes receivable, accounts receivable, and other receivables) and financial assets measured at amortized cost are all based on the amount of expected credit loss for twelve months or the duration period to measure the allowance for losses. The relevant description of the amount of the allowance for losses assessed as of December 31, 2023 and 2022 are as follows:

Accounts receivable and financial assets at amortized cost

For accounts receivable and financial assets at amortized cost, counterparties' credit rating, region, industry, and other factors are considered for classification, and a reserve matrix is adopted to measure the allowance for losses; the relevant information is as follows

December 31, 2023

	Not overdue	Number of days overdue			
	(Note)	Within 30 days	31–60 days	Over 61 days	Total
Total book value	$4,224,037	$78	$306	$443	$4,224,864
Loss rate	0.0004%	3.2253 %	6.6223 %	20.0000%~ 100.0000%	
Anticipated credit loss within the perpetuity of the financial assets	(16)	(3)	(20)	(124)	(163)
Subtotal	$4,224,021	$75	$286	$319	$4,224,701

December 31, 2022

	Not overdue	Number of days overdue			
	(Note)	Within 30 days	31–60 days	Over 61 days	Total
Total book value	$2,637,434	$151	$191	$918	$2,638,694
Loss rate	0.0006%	4.0660%	7.4850%	20.0000%~ 100.0000%	
Anticipated credit loss within the perpetuity of the financial assets	(15)	(6)	(15)	(184)	(220)
Subtotal	$2,637,419	$145	$176	$734	$2,638,474

Note: The Company's notes receivable, securities borrowings receivable, loan receivables – non-restricted purpose, and financial assets measured at amortized cost are not past due.

The changes in the Company's and notes receivable, accounts receivable, other receivables, and other allowances for losses for the years 2023 and 2022 are as follows:

	Note receivable and account receivable	Other receivables	Others	Total
2023.1.1	$12	$203	$5	$220
Increase (reversed)	-	722	(1)	721
Write-off due to the inability to recover	-	(778)	-	(778)
2023.12.31	$12	$147	$4	$163
2022.1.1	$29	$363	$1	$393
Increase (reversed)	(17)	47	4	34
Write-off due to the inability to recover	-	(207)	-	(207)
2022.12.31	$12	$203	$5	$220

26. Other operating revenue

	2023	2022
Consultancy fee income	$20	$40
Net loss on out-trades	(344)	(450)
Account maintenance fee income	4,344	5,071
Foreign exchange gain (loss) – net	(190)	8,671
Others	65	68
Total	$3,895	$13,400

27. Financial costs

	2023	2022
Repo bond interest	$43,913	$20,295
Funding interest	405	52
Interest from commercial paper	2,057	26
Interest on lease liabilities	2,735	1,338
Interest on convertible corporate bonds	(15,015)	(16,914)
Others	1,087	136
Total	$35,182	$4,933

28. Leases

(1) The Company is the lessee.

The Company has signed commercial lease contracts for offices, parking spaces, warehouses, etc., with an average period of one to five years. The impact of leasing on the Company's financial position, financial performance, and cash flow is described as

follows:

A. Amount recognized in the balance sheet

(a) Right-of-use assets.

Carrying amount of right-of-use assets

	2023.12.31	2022.12.31
Buildings and structures	$272,411	$118,918
Transportation equipment	6,565	5,300
Total	$278,976	$124,218

The Company increased the right-of-use assets in the amount of NT$236,809 thousand and NT$122,973 thousand in 2023 and 2022, respectively.

(b) Lease liabilities

	2023.12.31	2022.12.31
Lease liabilities		
Current	$76,385	$35,703
Non-current	196,054	78,650
Total	$272,439	$114,353

Please refer to Note 6.27 for the interest expenses of the Company's lease liabilities in 2023 and 2022; please refer to Note 12.4—liquidity risk management—for the maturity analysis of lease liabilities as of December 31, 2023 and 2022.

B. Amount recognized in the statement of comprehensive income

Depreciation of right-of-use assets

	2023	2022
Buildings and structures	$77,792	$73,231
Transportation equipment	4,352	4,002
Total	$82,144	$77,233

C. Lessee's income and expenses related to leasing activities

	2023	2022
Short-term lease expense	$271	$191
Lease of low-value assets (excluding the expenses of short-term lease of low-value assets)	$524	$474

D. Lessee's cash outflow from leasing activities

The Company's total cash outflow from the leases in 2023 and 2022 was NT$80,452 thousand and NT$67,043 thousand, respectively.

29. The employee benefits, depreciation, and amortization expenses are summarized by function as follows:

Items	2023	2022
Employee benefits expenses		
Payroll expenses	$586,249	$498,629
Labor insurance and national health insurance	46,236	48,490
Pension expenses	25,080	24,835
Remuneration to Directors	15,314	11,334
Other employee benefits expenses	20,021	18,467
Total	$692,900	$601,755
Depreciation and amortization expenses		
Depreciation expenses	$107,989	$99,507
Amortization expenses	19,870	16,839
Total	$127,859	$116,346

Because of the characteristics of the industry, the employment, depreciation, and amortization expenses incurred by the Company all belong to operating expenses.

If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. independent directors), and both shall sum up to no more than 5% in accordance with the Articles of Incorporation. However, profits must first be taken to offset against cumulative losses if any. When the aforementioned employee remuneration is distributed in stock, it shall be submitted to the shareholders' meeting for a resolution. When it is distributed in cash, it can be resolved by the board of directors and shall only be adopted with the consent of a majority of the directors at a board meeting attended by more than two-thirds of the directors before being reported to the shareholders' meeting. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on employee compensation and remuneration to directors resolved by the board of directors.

For the year ended December 31, 2023, based on its profit status, the Company estimated employee compensation and remuneration to directors and supervisors at NT$5,000 thousand and NT$5,000 thousand, respectively, and recognized them under were recognized under payroll expenses. The Company suffered a loss in 2022, so it did not estimate or distribute employee compensation and remuneration to directors and supervisors.

30. Other profits and losses

	2023	2022
Financial income	$39,092	$23,934
Loss on disposal of property, plant and equipment, net	(1)	-
Net loss on investment disposal	(3,771)	-
Open-end funds and money market instruments at fair value through profit or loss		
Net loss measured	(6,193)	(4,396)
Dividend income	3,314	3,077
Rent revenue	36,593	31,519
Agency fee income	110,077	108,169
Gain on redemption of corporate bonds	3,127	14,172
Others	6,094	2,065
Total	$188,332	$178,540

31. Other comprehensive income

2023

	Accrued in current year	Current reclassification adjustment	Other comprehensive income	Income tax expenses	After-tax amount
The items that are not reclassified as profit or loss					
Reevaluation of determined benefit plan	$(3,571)	$-	$(3,571)	$-	$(3,571)
Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	27,259	-	27,259	-	27,259
Total current period other comprehensive income	$23,688	$-	$23,688	$-	$23,688

2022

	Accrued in current year	Current reclassification adjustment	Other comprehensive income	Income tax expenses	After-tax amount
The items that are not reclassified as profit or loss					
Reevaluation of determined benefit plan	$35,033	$-	$35,033	$-	$35,033
Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	(9,731)	-	(9,731)	-	(9,731)
Total current period other comprehensive income	$25,302	$-	$25,302	$-	$25,302

32. Income tax

The main composition of income tax expenses is as follows:

Income tax recognized in profit or loss

	2023	2022
Current income tax expenses (benefit):		
Payable income tax for the current period	$26,557	$35,287
Previous income taxes adjusted into the current year	(232)	(3,621)
Deferred tax (benefit) expense:		
Deferred tax (benefit) expense related to the original generation of the temporary difference and its reversal	(438)	(765)
Income tax expenses	$25,887	$30,901

The amount of income tax expense and accounting profit multiplied by the applicable income tax rate is adjusted as follows:

	2023	2022
Net income (loss) before tax of the continuing business units	$205,686	$(189,283)
Income tax calculated at the Company's statutory income tax rate	$41,137	$(37,856)
Income tax effect of the tax-free income	(12,342)	73,904
Income tax effect of non-deductible expenses on tax returns	(2,260)	(2,627)
Income tax effect of deferred income tax assets/liabilities	-	(968)
Surtax of profit-seeking enterprise income tax on undistributed earnings	-	2,656
Previous income taxes adjusted into the current year	(232)	(3,621)
Other Income tax effects adjusted according to tax laws	(416)	(587)
Total income tax expense recognized in profit and loss	$25,887	$30,901

Deferred income tax assets (liabilities) balances related to the following items:

2023

	Opening	Recognized in	Balance,
Temporary difference			
Unrealized decommissioning cost	$1,697	$98	$1,795
Unrealized short-term employee	63	2	65
Unrealized net defined benefit liability	2,982	(13)	2,969
Unrealized foreign exchange loss or	(357)	463	106
Unrealized valuation gains on	393	1,045	1,438
Unrealized estimated litigation	1,157	(1,157)	-
Deferred tax benefit (expense):		$438	
Deferred income tax assets (liabilities),	$5,935		$6,373
The information expressed on the			
Deferred income tax assets	$6,292		$6,373
Deferred tax liabilities	$(357)		$-

2022

	Opening balance	Recognized in the profit or loss	Balance, ending
Temporary difference			
Unrealized allowance for bad debts	$(1,118)	$1,118	$-
Unrealized decommissioning cost liability	1,003	694	1,697
Unrealized short-term employee benefits	123	(60)	63
Unrealized net defined benefit liability	2,935	47	2,982
Unrealized foreign exchange loss or gain	1,111	(1,468)	(357)
Unrealized valuation gains on financial assets	-	393	393
Unrealized estimated litigation indemnity	1,116	41	1,157
Deferred tax benefit (expense):		$765	
Deferred income tax assets (liabilities), net	$5,170		$5,935
The information expressed on the balance sheet is as follows:			
Deferred income tax assets	$6,288		$6,292
Deferred tax liabilities	$(1,118)		$(357)

Unrecognized deferred income tax asset

As of December 31, 2023 and 2022, the total amount of the Company's unrecognized deferred income tax assets was NT$25,826 thousand and NT$25,315 thousand, respectively.

Income tax declaration and audit

As of December 31, 2023, the filings of the Company's profit-seeking enterprise income tax up to 2021 were approved by the tax collection authority.

33. Earnings per share

The basic earnings per share is calculated by having the net profit attributable to the holder of the common stock shares of the parent company divided by the weighted average number of common stock shares outstanding in the current period.

The diluted earnings per share is calculated by having the net profit attributable to the holder of the common stock shares of the parent company divided by the weighted average number of common stock shares outstanding in the current period plus the weighted average number of common stock shares to be issued when all dilutive potential common stock shares were converted into common stock shares.

	2023	2022
(1) Basic earnings per share		
Net income (loss) for the current period	$179,799	$(220,184)
Weighted average number of common stock shares (thousand shares) of the earnings per share	351,252	351,252
Base earnings per share (NT$)	$0.51	$(0.63)

	2023	2022
(2) Diluted earnings per share		
Net income (loss) attributable to the holders of common stock of the parent company	$179,799	$(220,184)
Interest on convertible corporate bonds	(15,015)	-
Net income (loss) attributable to the holders of common stock of the parent company after adjustment to the dilution effect	$164,784	$(220,184)
Weighted average number of common stock shares (thousand shares) of the earnings per share	351,252	351,252
Dilution effect:		
Employee remuneration – stock (thousand shares)	448	-
Convertible corporate bonds (thousand shares)	38,932	-
Weighted average number of common stock shares (thousand shares) after adjusting the dilution effect	390,632	351,252
Diluted earnings per share (NT$)	$0.42	$(0.63)

The convertible corporate bonds issued by the Company during 2022 were not included in the diluted earnings per share for 2022 due to their anti-dilution effect.

There was no other transaction performed to cause significant changes to the outstanding common stock shares or the potential common stock shares after the reporting period and before the release of the financial statements.

34. Statement of Reconciliation for customers' margin accounts and futures traders' equity

	2023.12.31	2022.12.31
Margin accounts – bank deposits	$291,274	$436,953
Margin accounts – settlement institution settlement balance	190,424	140,199
Customer margin account balance	481,698	577,152
Less: Processing fee income pending reclassification	(50)	(103)
Futures transaction tax to be transferred out	(33)	(68)
Temporary receipts	(262)	(696)
Futures traders' equity	$481,353	$576,285

7. Related party transactions

The related party transactions with the Company during the financial reporting period are as follows:

Name and relationship of related parties

Name	Affiliation
Horizon SICE CO., LTD.	Subsidiary of the Bank
Horizon Venture Capital Co., Ltd.	Subsidiary of the Bank
Horizon Venture Management Co., Ltd.	Subsidiary of the Bank
Mercuries & Associates Holding, LTD.	Entities with joint control or significant influence on the Company
Mercuries Life Insurance Co. Ltd.	Entities with joint control or significant influence on the Company
Mercuries Data Systems Ltd.	Other related parties
Mercuries & Associates Holding, Ltd.	Other related parties
Simple Mart Retail Co., Ltd.	Other related parties
Mercury Fu Bao Co., Ltd.	Other related parties
Mercury Fu Bao Co. Ltd.	Other related parties
SCI Pharmtech, Inc.	Other related parties
Cheng-Da Investment Consulting Co., Ltd.	Other related parties
Simple Mart Plus Co., Ltd.	Other related parties
Foundation for Taiwan Masters Golf Tournament	Other related parties

Major transactions with related parties

1. Brokerage fee revenue

The status of the brokerage fee income generated when the Company and other related parties engaged in the securities brokerage business is as follows:

	2023	2022
Subsidiaries		
Others	$17	$1
Entities with joint control or significant influence on the Company		
Others	12,503	5,677
Other related parties		
Others	240	236
Total	$12,760	$5,914

The details of the claims and liabilities incurred when the Company and the above-mentioned related parties engaged in the securities brokerage business are as

follows:

	2023.12.31	2022.12.31
Accounts payable		
Entities with joint control or significant influence on the Company		
Others	$2	$-
Other related parties		
Others	-	1
Total	$2	$1

There is no significant difference between the above-mentioned stock brokerage trading conditions and those with non-related parties.

2. Underwriting business revenue

The underwriting business revenue generated when the Company conducts the underwriting advisory business for the related parties. The transaction situation is as follows:

	2023	2022
Entities with joint control or significant influence on the Company		
Others	$1,800	$1,200
Other related parties		
Others	988	-
Total	$2,788	$1,200

The details of the claims and liabilities incurred when the Company and the above-mentioned related parties engaged in the underwriting advisory business are as follows:

	2023.12.31	2022.12.31
Accounts receivable		
Other related parties		
Others	$380	$-

There is no significant difference between the above-mentioned underwriting business conditions and those with non-related parties.

3. Stock affairs agency revenue

The revenue generated when the Company serves as a stock affairs agency entrusted by the related parties to handle general stock affairs and special stock affairs is as follows:

	2023	2022
Entities with joint control or significant influence on the Company		
Others	$5,300	$4,342
Other related parties		
Others	2,506	2,359
Total	$7,806	$6,701

The details of the claims and liabilities incurred when the Company and the above-mentioned related parties engaged in the stock affairs agency business are as follows:

	2023.12.31	2022.12.31
Other receivables		
Entities with joint control or significant influence on the Company		
Others	$85	$84
Other related parties		
Others	638	259
Total	$723	$343

There is no significant difference between the above-mentioned stock affairs agency business conditions and those with non-related parties.

4. Other operating revenue

The revenue generated when the Company is entrusted to maintain the accounts of the Taiwan Depository and Clearing Corporation (TDCC) is as follows:

	2023	2022
Account maintenance fee income		
Entities with joint control or significant influence on the Company		
Mercuries Life Insurance Co. Ltd.	$4,344	$5,071

The details of the claims and liabilities incurred when the Company and the above-mentioned related parties engaged in the TDCC account maintenance business are as follows:

	2023.12.31	2022.12.31
Accounts receivable		
Entities with joint control or significant influence on the Company		
Mercuries Life Insurance Co. Ltd.	$311	$400

There is no significant difference between the above-mentioned TDCC account maintenance business conditions and those with non-related parties.

5. Asset trade

2023

Counterparties	Transaction object	Trade value
Stock purchase		
Subsidiaries		
Others	TDCC stocks	$35,280
Entities with joint control or significant influence on the Company		
Mercuries & Associates Holding, LTD.	TDCC stocks	81,332
Mercuries Life Insurance Co. Ltd.	TDCC stocks	113,731
Other related parties		
Others	TDCC stocks	52,740
Total		$283,083

Counterparties	Transaction object	Trade value
Stock sale		
Entities with joint control or significant influence on the Company		
Mercuries & Associates Holding, LTD.	TDCC stocks	$ 24,328
Mercuries Life Insurance Co. Ltd.	TDCC stocks	22,401
Other related parties		
Others	TDCC stocks	9,989
Total		$56,718

Bond purchase		
Other related parties		
Others		$33,864

2022

Counterparties	Transaction object	Trade value
Stock purchase		
Subsidiaries		
Others	TDCC stocks	$10,400
Entities with joint control or significant influence on the Company		
Mercuries & Associates Holding, LTD.	TDCC stocks	27,548
Mercuries Life Insurance Co. Ltd.	TDCC stocks	269,036
Total		$306,984

Counterparties	Transaction object	Trade value
Stock sale		
Entities with joint control or significant influence on the Company		
Mercuries & Associates Holding, LTD.	TDCC stocks	$56,249
Mercuries Life Insurance Co. Ltd.	TDCC stocks	276,862
Other related parties		
Others	TDCC stocks	24,767
Total		$357,878
Equipment		
Other related parties		
Others	Office equipment	$2,800

There is no significant difference between the above-mentioned asset transaction conditions and those with non-related parties.

The details of the profit or loss arising from the Company's disposal of the stocks held from the above-mentioned related parties are as follows:

	2023	2022
Entities with joint control or significant influence on the Company		
Mercuries & Associates Holding, LTD.	$(240)	$449
Mercuries Life Insurance Co. Ltd.	897	7,826
Other related parties		
Others	1,345	(15,174)
Total	$2,002	$(6,899)

6. The details of other operating expenses paid by the Company to related parties and the relationship between claims and debts are as follows:

	2023	2022
Other operating expenses – service expense		
Subsidiaries		
Horizon SICE Co., Ltd.	$42,000	$37,500
Other operating expenses – advertising expense		
Other related parties		
Others	$900	$900
Other operating expenses – miscellaneous expenses		
Other related parties		
Others	$-	$57

There is no significant difference between the above-mentioned transaction conditions and those with non-related parties.

7. The details of related parties' stocks held by the Company are as follows:

	2023.12.31		2022.12.31	
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount
Subsidiaries				
Horizon SICE CO., LTD.	12,000	$127,504	12,000	$123,261
Horizon Venture Capital Co., Ltd.	60,000	521,786	60,000	503,140
Horizon Venture Management Co., Ltd.	2,000	25,801	2,000	24,098
Total		$675,091		$650,499
Entities with joint control or significant influence on the Company				
Others	19,200	$105,477	70	$1,061
Other related parties				
Others	512	$45,860	-	$-

The details of the profit or loss arising from the above-mentioned related parties' stocks held by the Company are as follows:

	2023	2022
Subsidiaries		
Horizon Venture Management Co., Ltd.	$3,200	$960
Entities with joint control or significant influence on the Company		
Others	-	300
Total	$3,200	$1,260

8. The details of related parties' bonds held by the Company are as follows:

	2023.12.31		2022.12.31	
	Face value	Market price	Face value	Market price
Entities with joint control or significant influence on the Company				
Mercuries Life Insurance Co. Ltd.	$200,000	$199,999	$200,000	$199,999
Other related parties				
Mercuries Data Systems Ltd.	33,200	33,532	-	-
Total	$233,200	$233,531	$200,000	$199,999

The details of interest income from the bonds held by the Company from the above-mentioned related parties are as follows:

	2023	2022
Entities with joint control or significant influence on the Company		
Mercuries Life Insurance Co. Ltd.	$6,594	$6,600

The details of the claims and liabilities incurred from the above-mentioned related parties' bonds held by the Company are as follows:

	2023.12.31	2022.12.31
Other receivables		
Entities with joint control or significant influence on the Company		
Mercuries Life Insurance Co. Ltd.	$2,038	$2,043

9. Remuneration of key management personnel of the Company

	2023	2022
Short-term employee benefits	$135,671	$115,264
Retirement benefits	5,647	6,148
Total	$141,318	$121,412

8. Pledged assets

The Company has the following assets provided as collateral:

Items	Secured debt or restricted content	2023.12.31	2022.12.31
Financial assets at fair value through profit and loss			
Securities – proprietary (government bonds)	Call loans to banks	$291,507	$301,161
Securities – proprietary (government bonds)	Government bond bid bond	10,063	-
Securities – proprietary (corporate bonds)	Call loans to banks	2,400,684	1,390,803
Securities – proprietary (convertible bonds)	Call loans to banks	80,875	19,750
Unlisted/OTC	Settlement advance	116,531	-
Other current assets			
Restricted assets (certificate of deposit)	Short-term borrowings and commercial paper	80,000	87,000
Restricted assets (certificate of deposit)	Settlement advance	183,500	215,000
Restricted assets (certificate of deposit)	Deposit for the head office building	11,328	-
Restricted assets (Current deposits)	Short-term borrowings (compensating balance)	15,000	16,000

9. Significant contingent liabilities and unrecognized contractual commitments

No such event

10. Significant disaster loss

No such event

11. Significant subsequent events

1. The Company's board of directors resolved to issue the second domestic unsecured convertible corporate bonds on September 21, 2023, with the upper limit of total par value of NT$600,000 thousand and a face value of NT$ 100 thousand per bond, which had been registered effectively as per Letter No. Jin Guan-Zheng-Quan-Zi No. 1120357771 issued by the. Financial Supervisory Commission on October 23, 2023. The issuance date was set on January 5, 2024, and it was traded at securities dealers' business premises from that date, and the bonds were traded at the places of business of securities firms from that date.

2. In response to the company's business development and diversification, Horizon SICE Co., Ltd., a subsidiary of the Company, merged with UBP Asset Management Taiwan Ltd. with the approval of the board of directors on October 11, 2023. After the merger, Horizon SICE Co., Ltd. is the surviving company. After the date of record of the merger is approved by the competent authority, the chairman of the board of directors is authorized to set the date of record of the merger, and on the date of record of the merger, an initial payment of NT$76,000,000 was made to acquire 7,100,000 ordinary shares held by shareholders of UBP Asset Management Taiwan Ltd. Within 45 days after the date of record of the merger, both parties will confirm the final transaction amount in accordance with the terms and conditions in the merger agreement, and make up the difference with the tentative price mentioned above.

12. Others

1. Purpose and policy of financial risk management

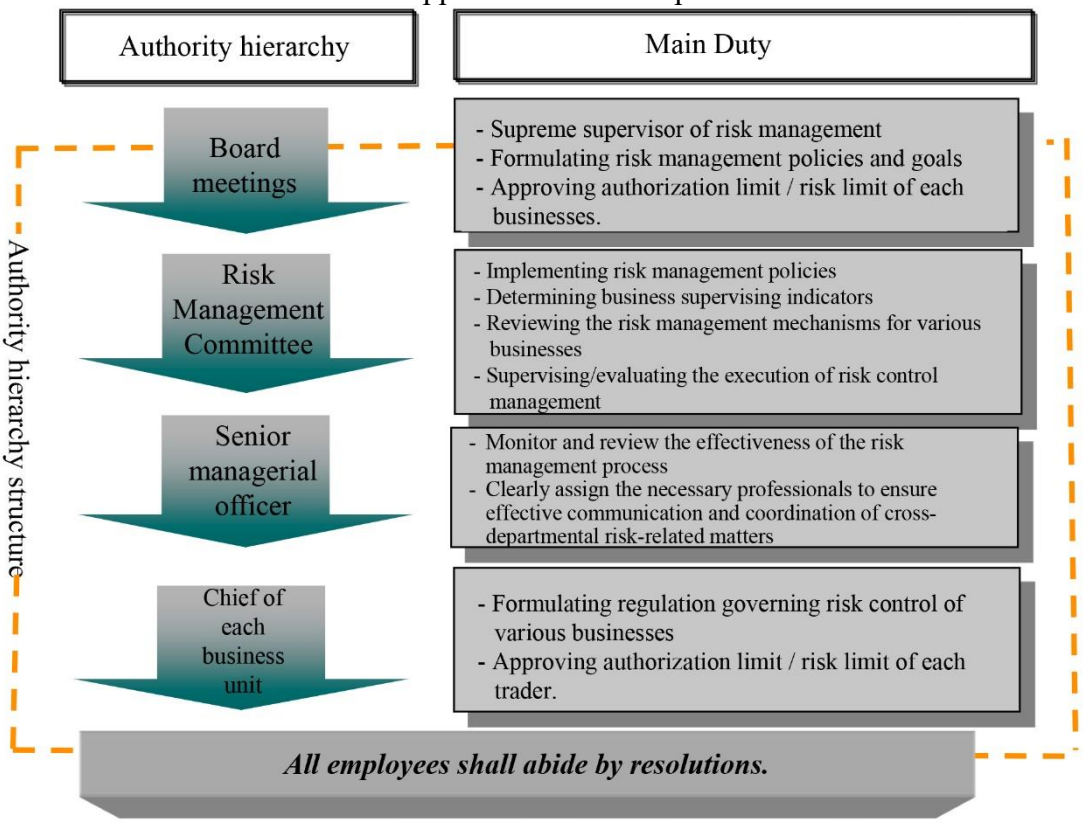
(1) Risk management objectives and policies

The Company's risk management policy is based on the current capital scale and the risk appetite determined by the board of directors to create the greatest return for shareholders, and to achieve the following goals:

A. Providing effective identification, measurement and monitoring of risks when engaging in various businesses.
B. Establishing timely, accurate and effective risk management indicators for the Company's operating activities in response to the fluctuations in the market.
C. Controlling the overall risk within the risk limit of shareholders, and providing the basis of capital allocation for operating activities.

(2) Risk management system

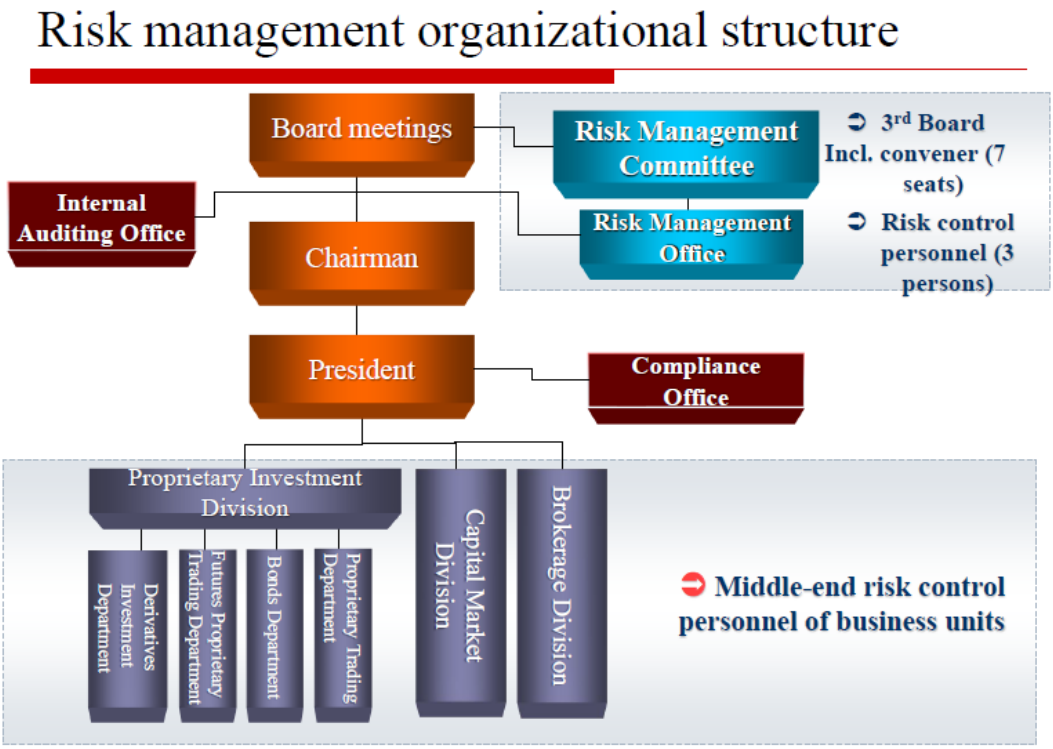
The Company adopts the authorization hierarchy system for risk management. Procedures of formulations and Approval of relevant policies are as follows:



The Company adopts both top-down and bottom-up approaches. First, the Company determines the overall economic capital and risk appetite with the top-down approach. After the overall economic capital is determined, the economic capital of each unit is then determined based on the bottom-up approach to ensure the consistency of total capital requirement.

(3) Risk management organizations

A. The Company's risk management organization includes board of directors, "Risk Management Committee," top management, Internal Auditing Office, Risk Management Office, Compliance Office, and other business units. The organizational chart is as follows:



B. The "Risk Management Committee" is the Company's highest authority unit in the matter of risk management. It reports directly to the "board of directors." The organization, functions and work rules of the "Risk Management Committee" are handled according to the "Charter of Risk Management Committee."

(4) Risk management procedure

The Company's risk management procedure includes risk identification, evaluation, monitoring, reporting, and response measures. The impacts of various risks and responses are described as follows:

A. Market Risk:

Uncertain changes in the values of financial assets over a period of time due to changes in market prices, such as changes in interest rates, exchange rates, equity securities, and commodity prices, may lead to the risk of losses on - and off-balance sheet items.

B. Liquidity risk:

The risk of being unable to realize assets or obtain sufficient funds to fulfill obligations when they are due (referred to as "liquidity risk"); and the risk of insufficient market depth, market disorder, or significant changes in market prices when positions held are disposed of or offset (known as "market liquidity risk").

C. Credit Risk:

The amount of risk arising from the failure of the counterparty (including the issuer

of securities, counterparty to a contractual transaction, or debtor) to fulfill its obligation or risk of loss incurred by its financial position.

D. Operational Risk:

The risks caused by poor operating systems and operational negligence, such as poor and contradictory operating process designs, negligence in operations, failure to implement internal controls, or front-end transactions exceeding the authorized permissions or execution of unauthorized transactions, improper management of back-end transaction books and records and improper internal accounting control, inexperienced personnel, improper security control of information systems, and improper operational backup.

E. Legal Risk:

The failure to comply with the relevant government regulations; contracts invalidated due to no legal binding effect, ultra vires, omissions in clauses, or incomplete regulations, resulting in the risk of loss.

F. Model Risk:

The non-precise appraised value due to the use of inappropriate models, parameters, or assumptions. In order to maintain the operation and management of models and enhance the risk control of financial products, the Group has formulated the “Rules of the Management Operation of the Use of Models” to regulate the development, verification, safekeeping and changes of the models, in order to reduce model risks from the inappropriate use of models, parameters or hypotheses.

G. Climate Change and Environmental Sustainability Risks

The Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board, United Nations, to identify the potential risks arising from various climate change based on the interaction between the Company's daily operating activities, its services, and the environment, to identify physical and transition risks caused by climate change.

H. Other New Risks

Due to new businesses or modified operations (e.g. FinTech), there might be adverse impact on the future business operation because of the lack of risk identification and assessment.

(5) Strategies and procedures for hedging and mitigating risks

The Company carries out analysis based on the severity of loss, and assess the pros and cons of each countermeasures. Potential hedging and mitigation policies include:

A. Risk avoidance: Take avoidance measures, to avoid activities that may have underlying risks.
B. Risk transfer/mitigation: Transfer part or all of the risk to a third party.
C. Risk control: Reduce the possibility and impacts of risks through appropriate approaches.
D. Risk-taking: Not taking any measures to change the possibilities and impact of risks.

The Company's monitoring, hedging and mitigation tools are mainly derivatives. The Company maintains the risk of market price fluctuations of hedging positions within an acceptable limit, determines the authorization limit based on the risk tolerance, and establishes a monitoring warning mechanism to grasp the change in the hedging positions.

The Company's Derivatives Investment Department adopts hedging methods for the issuance and subscription (sale) of warrants based on the Black-Scholes' model to estimate the Delta, Gamma, and Vega values of the relevant positions, which serve as the parameters reported in accordance with the Company's "Management Rules of Use of Models" for the capital adequacy ratio.

The Company's Futures Proprietary Trading Department is responsible for future trading and options trading. The risk control items include limits to value-at-risk, risk exposures, guarantee deposits, stock concentration, company scale, liquidity, stop-loss/take-profit. All investment strategies are approved after analysis on the fundamentals and strategic aspects and assessment of the general market trend at the investment decision meetings convened by the Proprietary Investment Division.

The Company has developed its own asset risk management system, and built systematic parameter settings based on different risk characteristics to make the risk control system modules more flexible and more conducive to the implementation of intraday and post-market monitoring. In addition to being linked with position performance, it can keep abreast of the actual operating results of the business at any time, to effectively improve the efficiency of risk information communication and management.

2. Market risk management

The Company has specified the market risk control methods in risk control regulations of each business. Market risk control items include total limit (by department, product, trader, trading strategy), shareholdings ratio, concentration (including the total shareholdings of any company's shares, total cost of holding any company's securities, total quantity of any foreign company's shares held, and total cost of holding any foreign company's securities), stop-loss and take-profit mechanism, trader account suspension mechanism, stop-loss mechanism, margin limit, overrun response, VaR calculation, and control of VaR limits. The Risk Management Office is responsible for monitoring the limits every day. The Company estimates the Value at risk (VaR) on a daily basis, and adjusted the model and parameters retrospectively to more accurately predict the largest possible loss due to market price fluctuation.

(1) The Company's Risk Management Office is responsible for monitoring the Company's daily risk exposure as a whole and at each business unit. In addition to understanding the risk response measures of each unit, it discloses the daily position gains and losses and the VaR of the next day in the asset risk control system. The Company's capital adequacy ratio, interest rate, and exchange rate sensitivity analysis, and VaR over the past two years are as follows:

A. Capital adequacy ratio

Items / Date	Current value	Mean	Max. value	Min. value
2023.12.31	339%	393%	455%	319%
2022.12.31	463%	442%	481%	361%

B. Sensitivity analysis

(a) Interest rate sensitivity analysis

The Company adopts DV01 in a sensitivity analysis for bond positions. DV01 refers to the impact on the amount of profit or loss on the bond positions when the bond interest rate rises or falls by 1 basis point (bp).

Unit: NTD thousand

Items / Date	Average duration	Fluctuation by 1bp Amount of profit or loss affected (DV01)
2023.12.31	4.30	$1,161
2022.12.31	2.50	426

Note: Perpetual debentures are not included.

Perpetual debentures

Unit: NTD thousand

Items / Date	Average duration	Fluctuation by 1bp Amount of profit or loss affected (DV01)
2023.12.31	31.3	$626
2022.12.31	31.3	626

(b) Exchange rate sensitivity analysis

The Company assesses the impact of exchange rate change by 1% on the profit and loss on foreign currency positions.

Unit: NTD thousand

Items / Date	Impact on the amount of profit and loss with exchange rate change by 1%
2023.12.31	$485
2022.12.31	348

C. The Company's quantized market risk model is measured based on VaR, and the quantized calculation is based on parametric methods (variance-covariance method), historical simulation method. The VaR of the next day is calculated at 99% confidence level.

Unit: NTD thousand

Date	Current value	Mean	Max. value	Min. value
2023.12.31	$47,797	$19,569	$52,170	$81
2022.12.31	30,361	16,349	82,848	231

(2) Back test

According to the Company's Back Test Operational Rules and the Risk Management Best-practice Principles for Securities Firms, the Company conducts model validity evaluation and back test based on the VaR by business and the Company's overall position on an annual basis to ensure the correctness and credibility of predictions of a risk evaluation model on a statistical basis.

(3) Stress test

A. Stress tests are carried out on a regular basis in accordance with the Company's "Risk Management Policy Guidelines," the "Stress Test Operation Rules", and the "Risk Management Best-practice Principles for Securities Firms."

B. Two goals of stress test

(a) Evaluating the securities firms' capital's ability to bear the greatest potential loss.
(b) Identifying measures that securities firms can adopt to reduce risks and protect capital.

C. Available countermeasures

(a) Readjust positions held, close positions, or hedge transactions.
(b) Purchase credit guarantee schemes or insurance, or lower risk limits.
(c) Increase the sources of funding available to ensure that there are sufficient funds to respond during the crisis to enhance the liquidity of securities firms' funds.
d) Plan countermeasures for specific stress test scenarios.

D. The Company's stress test system is based on historical scenarios and a hypothetical scenario. The method of implementation is described as follows:

(a) The historical scenarios mainly focus on specific extreme events in the past financial market that caused the market to plunge, such as the 921 earthquake, the dot-com bubble in 2000, the U.S. 911 terrorist attack, the March 19 shooting incident in Taiwan, the Eurozone debt storm, the 311 Eastern Japan Earthquake, Standard & Poor's downgrading of U.S. debt credit ratings, and other events, to simulate extreme stress to estimate the losses. The Group's

historical scenarios are based on two incidents. One is the US Dow Jones Industrial Average index crashed due to concerns about the accelerated speed of increase in interest rates on February 2, 2018. The Company set the loss ratios of the market values of both equity investments and non-government bonds investments at 12%, the loss ratio of money market funds at 2%, the sharp fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. The second one is based on the global stock market crash caused by the global pandemic of COVID-19 in the first quarter of 2020. The Group set the loss ratios of the market values of equity investments and non-governmental bond investments at 30% and 10%, respectively, the loss ratio of money market funds at 2%, fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. The third one is based on the scenario of Typhoon Morakot striking Taiwan in 2009. The Company set the loss ratios of the market values of equity investments and non-government bond investments at 6% and 3%, respectively, the loss ratio of money funds at 2%; reduced the average daily trading volume of the Taiwan stock market to NT$50 billion; and set the amount for the climate risk stress test. The loss estimated in the aforementioned historical scenarios in the stress test had a limited impact on the Company's financial position in each period, and the regulatory adequacy ratio was at the level stipulated in the regulations of the competent authority.

(b) The loss rates in the hypothetical scenario are based on the assumptions of credit rating companies to evaluate the value of the investment portfolio and the impact of changes on the amount of business operations. The fundamental assumptions include a 50% reduction in the market value of equity investments, a credit loss rate of non-government bond investments of 10%, a loss rate of money market funds of 2%, a fall of the daily average trading volume of the Taiwan stock market to NT$50 billion, and the amount for the climate risk stress test. Under the hypothetical scenario, the loss estimated had a limited impact on the Company's financial position in each period, and the adequacy ratio of its own capital was at the level stipulated in the regulations of the competent authority.

3. Management over credit risks

The Company defines the credit risk control methods for each financial product as well as the authorization structure, reporting process, and operations at each level in the risk control regulations. It measures credit risk exposure daily according to the credit rating and conducts credit evaluation before each transaction and conducts credit risk control, including TCRI credit ratings, bond issue rating control, reverse repurchase agreement counterparty's limits, counterparty's credit assessment, credit rating requirements for certain securities, while regularly updating and monitoring the credit status of the counterparties and controlling the nominal principle of the positions held. For counterparties with increased risks, the Company reduces credit risk limits or increases collateral. For positions that have been downgraded, it draws up disposal plan and restricts new positions to reduce credit exposure. The credit rating systems adopted for different financial products are described as follows:

(1) Convertible (exchangeable) corporate bonds

The Proprietary Investment Division's convertible (exchangeable) corporate bonds are based on the TEJ TCRI's credit ratings of levels 1–7, except for securities lending (borrowing) transactions. For TCRI level 8 or above, it must be combined with securities lending and shorting.

(2) Securities lending (borrowing)

It is limited to juridical persons, and the credit rating of counterparties in securities lending (borrowing) bargaining transactions must reach a certain level, or shall be a publicly listed securities firm.

(3) Bonds under reverse repurchase agreement

The counterparties are limited to domestic juridical persons, and for customers whose transaction balance reaches a certain amount of NTD or more, their counterparties' credit ratings must reach the required level. If the credit rating of a counterparty fails to meet the requirement, it shall be submitted to the President for approval before processing the transaction.

(4) Bonds (excluding convertible (exchangeable) corporate bonds)

According to the Bond Transaction Risk Management Regulations of the Bond Department, all types of bonds obtained by the Company must meet certain credit rating standards.

(5) Swaption of convertible corporate bond asset

The counterparties' credit ratings are limited to twBBB- and above, and the limit of transaction amount is set based on the counterparties credit ratings.

(6) Loans and non-restricted purpose loans

According to the Brokerage Division's Guidelines for Operations of Securities Borrowing and Lending; Guidelines for Handling Non-Restricted Purpose Loans; Loan and Non-Restricted Purpose Loan Risk Management Guidelines; the Regulations on Credit Investigation and Credit Line Evaluation of Customers in Securities Borrowings and Non-Restricted Purpose Loan Business, the Company evaluates each customer's credit line and controls the credit risk of securities borrowings and non-restricted purpose loans through regular review of collateral.

4. Liquidity risk management

(1) Market liquidity risk of positions held

The Company has formulated the liquidity risk control methods in the risk control regulations based on the nature of each business and set the cap of individual positions

as per the concentration of the positions, the trading volume, while monitoring them on a daily basis.

(2) Capital liquidity risk

The Company has formulated the Regulations Governing Capital Liquidity Risk Control. In the asset risk control system, the Company has established the capital liquidity indicators for simulation analysis for capital liquidity risk, and measures its risk tolerance for capital liquidity risk based on the high-standard stress test on monetary losses, with the aim of enhancing liquidity risk control.

The Company maintains financial flexibility through contracts, including cash and cash equivalents, highly liquid securities, bank borrowings, commercial papers payable, call loans to banks, and convertible corporate bonds. The table below summarizes the maturity of the payments contained in the contracts of the Company's financial liabilities. It is compiled based on the earliest possible date for repayment and its undiscounted cash flow. The amounts listed also include the agreed interest. For the interest cash flow paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2023.12.31					
Short-term borrowings	$100,088	$-	$-	$-	$100,088
Commercial papers payable	200,000	-	-	-	200,000
Payables	3,406,252	-	-	-	3,406,252
Call loans to banks	5,465,144	-	-	-	5,465,144
Corporate bonds payable	-	605,000	-	-	605,000
Lease liabilities (Note)	82,958	149,983	56,930	-	289,871

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2022.12.31					
Short-term borrowings	$50,019	$-	$-	$-	$50,019
Payables	1,885,584	-	-	-	1,885,584
Call loans to banks	2,100,819	-	-	-	2,100,819
Corporate bonds payable	-	-	622,900	-	622,900
Lease liabilities (Note)	39,800	57,724	25,915	-	123,439

Note: Including short-term leases and cash flows of lease contracts for low-value

underlying assets.

Derivative financial liabilities

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2023.12.31					
Inflow	$1,133,285	$-	$-	$-	$1,133,285
Outflow	(1,148,722)	-	-	-	(1,148,722)
Net value	$(15,437)	$-	$-	$-	$(15,437)

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
2022.12.31					
Inflow	$2,074,397	$-	$-	$-	$2,074,397
Outflow	(666,918)	-	-	-	(666,918)
Net value	$1,407,479	$-	$-	$-	$1,407,479

The disclosure of derivative financial liabilities in the table above is presented using undiscounted net cash flows.

5. Operational risk management

The Company has formulated the Internal Control System Policy and Rules of the Implementation of Rules of the Implementation of Internal Audit in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" released by the FSC and "Standard Directions for Internal Control Systems in Securities Firms" released by Taiwan Securities Exchange Corporation. All business transactions have been handled in accordance with the relevant regulations of the competent authorities and the Company's relevant operational risk control regulations in various business risk management regulations. In addition to effectively controlling operational risks as per the standards of the internal control system, the Company compiles the critical operational risks that are easier for quantification and qualification in the securities business, such as default cases and loss amount, number of incorrect entries into the account and the loss amount, and customer complaint cases, into a risk management executive report and reports to the board of directors on a regular basis.

6. Legal risk management

The Company has established the Compliance Office, serving as the supervising unit, and providing legal consultation for each business units. The Company has also signed the "Regulations Governing the Signing of Contracts." All contracts must be reviewed by the Compliance Office before signing to reinforce legal risk control.

7. Model risk management

In order to maintain the operation and management of models and enhance the risk control of financial products, the Group has formulated the "Rules of the Management Operation

of the Use of Models" to regulate the development, verification, safekeeping and changes of the models, in order to reduce model risks from the inappropriate use of models, parameters or hypotheses.

8. Climate Change and Environmental Sustainability Risks Management

In view of the increasingly severe climate change and environmental impact, which will have a financial impact on the company's operations, the Company adopts the TCFD framework to identify its climate change and environmental sustainability risks and opportunities and countermeasures, gradually examines energy efficiency, greenhouse gas emissions, and extreme weather events, and performs stress tests on the impact of such natural disasters, to enhance its resilience and sensitivity to climate change risks. It implements climate change-related disclosures and adaptation strategies as the consensus of all management levels of the Company, while disclosing climate-related information as per the four categories of governance, strategy, risk management, indicators, and goals to continuously improve climate-related strategies and management to cope with changes in the general environment.

9. Other emerging risks management

In order to cope with risk arising from the adverse impact on the future business operations due to the emergence of new business categories or changes in the way of operation (such as digital financial technology), the Company has formulated the "Information Security Management Regulations", the "Personal Data File Security Maintenance Plan and Personal Data Disposal Method after Business Termination", and "Information Business Continuity Management Regulations" for the critical risk areas of information security, personal data protection, and continuing operations, respectively, as a reference for security level assessment in response to the execution of various information security tasks, so as to protect operational activities from major disasters and man-made sabotage and are able to continue without interruption.

10. Reconciliation of liabilities from financing activities

Information on reconciliation of liabilities for the year 2023:

	Short-term borrowings	Commercial papers payable	Corporate bonds payable	Lease liabilities	Total liabilities from financing activities
2023.1.1	$50,000	$-	$674,201	$114,353	$838,554
Cash flows					
- Inflow	43,712,309	1,747,705	-	-	45,460,014
- Outflow	(43,662,309)	(1,550,000)	(17,101)	(76,922)	(45,306,332)
Non-cash changes	-	2,057	(17,150)	235,008	219,915
2023.12.31	$100,000	$199,762	$639,950	$272,439	$1,212,151

Information on reconciliation of liabilities for the year 2022:

	Short-term borrowings	Commercial papers payable	Corporate bonds payable	Lease liabilities	Total liabilities from financing activities
2022.1.1	$50,000	$149,995	$763,524	$66,915	$1,030,434
Cash flows					
- Inflow	66,031,596	29,979	-	-	66,061,575
- Outflow	(66,031,596)	(180,000)	(62,236)	(65,140)	(66,338,972)
Non-cash changes	-	26	(27,087)	112,578	85,517
2022.12.31	$50,000	$-	$674,201	$114,353	$838,554

11. Categories of financial instruments

Financial assets

	2023.12.31	2022.12.31
Financial assets measured at fair value through profit or loss		
Measured at fair value through income under compulsion	$4,075,054	$2,340,090
Financial assets at fair value through other comprehensive profit or loss	194,092	153,245
Financial assets based on cost after amortization (Note)	9,973,575	6,556,827
Total	$14,242,721	$9,050,162

Financial liabilities

Financial liabilities at fair value through profit and loss:		
Held for trading	$4,347	$12,034
Financial liabilities based on cost after amortization:		
Short-term borrowings	100,000	50,000
Commercial papers payable	199,762	-
Call loans to banks	5,460,243	2,099,446
Futures traders' equity	481,353	576,285
Corporate bonds payable	639,950	674,201
Payables	3,402,092	1,882,947
Lease liabilities	272,439	114,353
Subtotal	10,555,839	5,397,232
Total	$10,560,186	$5,409,266

Note: Including cash and cash equivalents (excluding cash on hand and petty cash), bond investment under reverse repurchase agreement, securities borrowings receivable, loan receivable – non-restricted purpose, customer margin account, notes receivable, accounts receivable, other receivables, restricted assets, financial assets at amortized cost - non-current, business guarantee, settlement and clearance funds, and guarantee deposits paid.

12. The fair value of financial instruments

The know-how and hypotheses adopted to measure the fair values:

(1) The Book Value of short-term financial instruments stated in the balance sheet shall be the fair value of such instruments. The reason is that the maturity date of these instruments is close and it would be reasonable to use the Book Value in the valuation of fair value. This method is applied to cash and cash equivalents, bond investments under reverse repurchase agreement, securities borrowings receivable, loan receivables – non-restricted purpose, customer margin account, accounts receivable, restricted assets, business guarantee, settlement and clearance funds, guarantee deposits paid, short-term borrowings, commercial paper payable, bond liabilities under repurchase agreement, futures traders' equity, corporate bonds payable, accounts payable, and guarantee deposits received.

(2) If a financial instrument measured at fair value through profit and loss is quoted in an active market, the market price is adopted as the fair value. If there are no market prices for reference, then fair values shall be estimated using the valuation approach. Estimates and assumptions used in the valuation approach are consistent with the estimates and assumptions adopted by market participants when pricing the underlying financial instruments.

The methods for determining the fair values of various financial instruments are as follows:

A. Equity securities: Except for those that are measured at cost in accordance with relevant laws and regulations, those listed on the market shall adopt the closing price of the listed market as the market price; if there is no active trading market (such as emerging stocks and unlisted stocks), the valuation method is adopted for estimation.
B. Bonds: government bonds and corporate bonds are valued based on current market prices published on OTC, which are calculated using the bonds' average yields. Bond derivatives require special valuation models, using the above-mentioned yields and market prices as parameters. For bonds without an active market, the yield curve published by OTC will be used as parameters for the valuation model.
C. Futures instruments: The closing price of each futures trading market is adopted.
D. Options instruments: The closing price of each options trading market is adopted.
E. Other derivatives: For those listed in markets, their listed market quotes are adopted as the basis for market prices. For those not listed in markets, the average buying price or average selling price of the quotation platform, or other definite quotes as the basis for market prices.

13. Transfer of financial assets

Transferred financial assets not being removed in all

In the daily trading activities of the Company, the transferred financial assets that do not meet the conditions for being removed in all are mostly debt securities as collateral under a

repurchase agreement held by trading counterparties or equity securities lent under a securities lending agreement. Such transactions are essentially secured borrowings and reflect the Company's liabilities from repurchasing the obligation of the transferred financial assets at a fixed price in the future. For this type of trade, the Company cannot use, sell, or pledge the transferred financial assets within the effective period of trade. The Company shall still assume related interest risk and credit risk and the assets are not removed.

The table below shows the financial assets not qualified under all conditions and related financial liabilities:

December 31, 2023					
Category of financial assets	Book value of transferred financial assets	Book value of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Net fair value position
Financial assets at fair value through profit and loss					
R/P agreement	$5,427,996	$5,460,243	$5,427,996	$5,460,243	$(32,247)

December 31, 2022					
Category of financial assets	Book value of transferred financial assets	Book value of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Net fair value position
Financial assets at fair value through profit and loss					
R/P agreement	$2,063,512	$2,099,446	$2,063,512	$2,099,446	$(35,934)

14. Financial assets and liabilities written-off against each other

The Company's engaging in transactions of bonds under repurchase agreements does not meet the offsetting condition stipulated in the Communiqué, but it has signed a master netting arrangement or similar agreements with trading counterparties. With the above-mentioned master netting arrangement or similar agreements, when both parties of a transaction choose to settle in a net amount, the financial assets and financial liabilities will be offset and settled in a net amount. If not, the total amount will be adopted for settlement. However, if either party violates the agreement, the other party may choose to settle in a net amount.

The table below lists the relevant information about the offsetting of the financial assets and financial liabilities above:

December 31, 2023

Financial assets subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial assets (a)	Total recognized financial liabilities offset in the balance sheet (b)	Net financial assets listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral received	Net value (e)= (c)- (d)
Reverse repurchase agreement	$2,654,930	$-	$2,654,930	$2,654,930	$-	$-

Financial liabilities subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial liabilities (a)	Total recognized financial assets offset in the balance sheet (b)	Net financial liabilities listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral pledged	Net value (e)= (c)- (d)
Reverse repurchase agreement	$5,460,243	$-	$5,460,243	$5,460,243	$-	$-

Note: Including the master netting arrangement and non-cash financial collateral.

December 31, 2022

Financial assets subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial assets (a)	Total recognized financial liabilities offset in the balance sheet (b)	Net financial assets listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral received	Net value (e)= (c)- (d)
Reverse repurchase agreement	$351,797	$-	$351,797	$351,797	$-	$-

Financial liabilities subject to offsetting, master netting arrangement, or similar agreements						
				Relevant amounts not offset in the balance sheet (d)		
Description	Total recognized financial liabilities (a)	Total recognized financial assets offset in the balance sheet (b)	Net financial liabilities listed in the balance sheet (c)= (a)- (b)	Financial instruments (Note)	Cash collateral pledged	Net value (e)= (c)- (d)
Repurchase agreement	$2,099,446	$-	$2,099,446	$2,099,446	$-	$-

Note: Including the master netting arrangement and non-cash financial collateral.

15. Fair value hierarchy

(1) Fair value hierarchy

All assets and liabilities measured or disclosed at fair value is the lowest level input that is important to the overall fair value measurement, classified to the fair value level to which it belongs. The input at each level is as follows:

Level 1: The quotation (unadjusted) of the same assets or liabilities that can be acquired by the company in an active market on the measurement date

Level 2: It refers to the directly or indirectly observable input value of asset or liability, except for those quotations included in Level 1.

Level 3: The unobservable input value of an asset or liability.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, the classification is reevaluated at the end of each reporting period to determine whether there is a transfer between the fair value levels.

(2) Information on hierarchy of fair value measurement

The Company does not have non-repetitive assets measured at fair value. The information on the fair value level of repetitive assets and liabilities is shown below:

December 31, 2023

	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Financial assets at fair value through profit and loss				
Stock investment	$1,025,293	$-	$4,127	$1,029,420
Bond investment	1,486,414	1,403,893	-	2,890,307
Fund investment	56,953	78,337	-	135,290
Unrealized valuation gains or losses of equity instruments investments				
Equity measured at fair value through other comprehensive income	62,010	-	132,082	194,092
Derivatives				
Assets				
Financial assets at fair value through profit and loss				
Futures trading margin – proprietary capital	20,036	-	-	20,036
Liabilities				
Financial liabilities at fair value through profit and loss				
Put option - others	-	4,347	-	4,347

December 31, 2022	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Financial assets at fair value through profit and loss				
Stock investment	$404,595	$-	$3,496	$408,091
Bond investment	1,173,876	594,207	-	1,768,083
Fund investment	15,350	82,579	-	97,929
Unrealized valuation gains or losses of equity instruments investments				
Equity measured at fair value through other comprehensive income	50,040	-	103,205	153,245
Derivatives				
Assets				
Financial assets at fair value through profit and loss				
Futures trading margin – proprietary capital	65,843	-	-	65,843
Call option - non-hedging	144	-	-	144
Liabilities				
Financial liabilities at fair value through profit and loss				
Put option - others	-	12,034	-	12,034

(3) Transfer between Level 1 and Level 2 fair value

For the years 2023 and 2022, the Company's assets and liabilities measured at fair value on a recurring basis did not experience transfer between Level 1 and Level 2 fair value.

(4) Changes in Repetitive Fair Value Level 3 Statement

If the assets measured with the Company's repetitive fair value that are classified as Level 3 fair value, the adjustment of the beginning balance and the ending balance is as follows:

	Assets	
	Measured at fair values through profit and/or loss	Unrealized valuation gains or losses of equity instruments investments
	Stock	Stock
2023.1.1	$3,496	$103,205
Total profit or loss recognized for 2023		
Recognized in the profit or loss	631	-
Recognized in the other comprehensive income	-	15,289
Acquisition	-	13,588
2023.12.31	$4,127	$132,082

	Assets	
	Measured at fair values through profit and/or loss	Unrealized valuation gains or losses of equity instruments investments
	Stock	Stock
2022.1.1	$6,130	$92,460
Total profit or loss recognized for 2022		
Recognized in the profit or loss	(1,878)	-
Recognized in the other comprehensive income	-	10,608
Acquisition	304	137
Disposition	(2,342)	-
Conversion into Level 3	1,282	-
2022.12.31	$3,496	$103,205

(5) Significant unobservable input value information of Level 3 fair value

For the Company's assets measured at Level 3 repetitive fair value, the significant unobservable input values for fair value measurement are as follows:

December 31, 2023

	Valuation technique	**Significant unobservable input value**	**Quantitative information**	**Relationship between input value and fair value**
Financial assets				
Financial assets at fair value through profit and loss				
Stock	Market approach	Discount for lack of marketability	20.00%~60.00%	The higher the discount for marketability, the lower the estimated fair value.
Financial assets at fair value through other comprehensive profit or loss				
Stock	Income approach	Dividend Growth Rate	2.00%~3.70%	The higher the dividend growth rate, the higher the estimated fair value.
	Income approach	Return on investment	5.00%~6.50%	The higher the return on investment, the lower the estimated fair value.

December 31, 2022

	Valuation technique	Significant unobservable input value	Quantitative information	Relationship between input value and fair value
Financial assets				
Financial assets at fair value through profit and loss				
Stock	Market approach	Discount for lack of marketability	20.00%~60.00%	The higher the discount for marketability, the lower the estimated fair value.
Financial assets at fair value through other comprehensive profit or loss				
Stock	Income approach	Dividend Growth Rate	3.15%~3.40%	The higher the dividend growth rate, the higher the estimated fair value.
	Income approach	Return on investment	7.00%	The higher the return on investment, the lower the estimated fair value.

(6) Evaluation process for Level 3 fair value

The Company's financial department is responsible for fair value verification, using data from independent sources to bring the evaluation results closer to the market, confirming that the sources of the data are independent, reliable, consistent with other resources and represent executable prices, while analyzing the changes in the value of assets and liabilities that must be remeasured or reevaluated in accordance with the Company's accounting policies at each balance date, to ensure that the evaluation results are reasonable.

(7) Hierarchy information not measured at fair value but required to disclose

December 31, 2023

	Level 1	Level 2	Level 3	Total
Assets with only fair value required to be disclosed:				
Financial assets based on cost after amortization	$-	$199,999	$-	$199,999
Liabilities with only fair value required to be disclosed:				
Corporate bonds payable	-	580,195	-	580,195

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets with only fair value required to be disclosed:				
Financial assets based on cost after amortization	$-	$199,999	$-	$199,999
Liabilities with only fair value required to be disclosed:				
Corporate bonds payable	-	584,093	-	584,093

16. Information on foreign currency positions held

The information regarding financial assets and liabilities dominated by foreign currency which might arouse material effect:

	2023.12.31		
	Foreign currency (NT$)	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$4,177,416	30.7350	$128,393
HKD	420,417	3.9339	1,654
CNY	3,360	4.3338	15
GBP	3,466	39.1779	136
EUR	395,619	34.0114	13,456
JPY	6,573,320	0.2173	1,428
AUD	27,612	21.0012	580
Non-Currency			
HKD	14,750,280	3.9339	58,026
Financial liabilities			
Monetary items			
USD	1,577,748	30.7350	48,492
HKD	4,863	3.9339	19

	2022.12.31		
	Foreign currency (NT$)	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$3,595,209	30.7080	$110,402
HKD	954,122	3.9384	3,758
CNY	622	4.4175	3
GBP	4,508	37.0553	167
EUR	286,220	32.7086	9,362
JPY	14,283,720	0.2324	3,320
AUD	15,769	20.8262	328

Non-Currency			
HKD	10,032,000	3.9384	39,510
Financial liabilities			
Monetary items			
USD	591,700	30.7080	18,170
HKD	245,693	3.9384	968

Due to the wide variety of foreign currencies of the Company, it is impossible to disclose the exchange gains and losses information of monetary financial assets and financial liabilities by each foreign currency with significant impact. The Company's net gains (losses) on foreign currency exchange in 2023 and 2022 were NT$190 thousand and NT$8,671 thousand, respectively.

17. Derivatives

Derivatives

(1) The presentation method of the Company's futures trading on the financial statements:

A. The details of the Company's futures trading margin – proprietary capital are as follows:

	2023.12.31	2022.12.31
Account balance	$30,401	$62,448
Profit (loss) on open positions	(10,365)	3,395
Net value of account	$20,036	$65,843

B. The details of futures contract gain or loss recognized from futures proprietary trading business are as follows:

	2023	2022
Futures contract gain (loss) – net	$(160,978)	$47,249

C. The details of gain or loss on options trading recognized from futures proprietary trading business are as follows:

	2023	2022
Net loss from options trade	$(928)	$(3,399)

(2) The details of the Company's open positions of futures contracts and options and open contract values are as follows:

		2023.12.31				
		Unsettled position				
Items	type of trade	Buyer and sellers	number of contracts	Contract amount or premium paid (collected)	Fair value	Remarks
Futures contracts	Mini Taiwan Stock Exchange Weighted Index Futures (MTX)	Buyer	2	$1,787	$1,787	
Futures contracts	Electronics futures (TE)	Buyer	14	49,018	49,944	
Futures contracts	Financial futures (TF)	Seller	15	25,607	25,791	
Futures contracts	TAIEX Futures	Seller	194	679,145	692,968	

		2023.12.31				
		Unsettled position		Contract amount or premium paid (collected)	Fair value	Remarks
Items	type of trade	Buyer and sellers	number of contracts			
Futures contracts	TAIEX Futures	Buyer	171	610,507	611,154	
Futures contracts	Mini	Seller	1	2,872	2,872	
Futures contracts	FTSE China A50 Index	Seller	23	8,113	8,118	
Futures contracts	U.S. Dollar Index	Buyer	2	6,221	6,204	
Futures contracts	New York gold	Buyer	3	19,056	19,084	
Futures contracts	Copper	Buyer	2	6,042	5,973	
Futures contracts	JPY	Seller	4	10,946	11,017	
Futures contracts	Micro NQ	Buyer	1	1,046	1,045	
Futures contracts	Natural gas	Seller	4	3,024	3,088	
Futures contracts	Crude oil mini	Seller	5	5,505	5,500	
Futures contracts	10-year bonds	Buyer	5	17,314	17,331	
Futures contracts	Euro 10-year bonds	Buyer	9	41,958	41,965	
Futures contracts	Hang Seng Index	Buyer	5	16,662	16,828	
Futures contracts	SGX Nikkei 225 Index	Buyer	7	25,480	25,402	
Futures contracts	AUD	Buyer	3	6,199	6,292	
Futures contracts	CAD	Buyer	2	4,568	4,644	
Futures contracts	Light crude oil	Seller	1	2,213	2,200	
Futures contracts	EUR	Seller	8	33,498	34,006	
Futures contracts	U.S. 5-year bonds	Buyer	38	124,042	126,916	
Futures contracts	Gold	Buyer	4	25,484	25,446	
Futures contracts	Copper	Seller	2	6,005	5,973	
Futures contracts	Mini Nasdaq	Buyer	6	6,308	6,272	
Futures contracts	Natural gas	Seller	4	2,917	3,088	
Futures contracts	JP-NKY Nikkei Stock Average 225 Index - USD	Buyer	1	5,069	5,114	
Futures contracts	FTSE Xinhua China A50 Index	Buyer	29	10,107	10,236	
Futures contracts	Silver	Buyer	3	11,218	11,093	
Futures contracts	Three-Month SOFR	Seller	47	342,014	342,799	
Futures contracts	SGX FTSE Taiwan Index Futures	Buyer	5	9,525	9,522	
Futures contracts	U.S. 2-year bonds	Buyer	15	94,475	94,839	
Futures contracts	U.S. 10-year bonds	Buyer	8	27,693	27,730	
Futures contracts	U.S. 30-year bonds	Seller	3	11,426	11,509	
Futures contracts	Micro E-mini Dow Jones Industrial Average Index Futures	Buyer	5	28,943	29,179	

		2022.12.31				
		Unsettled position		Contract amount or premium paid (collected)	Fair value	Remarks
Items	type of trade	Buyer and sellers	number of contracts			
Futures contracts	Electronics futures (TE)	Seller	10	$25,799	$25,750	
Futures contracts	Financial futures (TF)	Buyer	17	25,189	25,405	
Futures contracts	TAIEX Futures	Buyer	8	22,644	22,616	
Futures contracts	TAIEX Futures	Seller	220	625,664	620,268	
Futures contracts	Mini-DAX	Seller	4	9,151	9,154	
Futures contracts	Euro 10-year bonds	Buyer	1	4,369	4,348	
Futures contracts	FTSE 100 Index	Buyer	3	8,291	8,307	
Futures contracts	UK long-term bonds	Buyer	1	3,913	3,705	
Futures contracts	Hang Seng Index	Buyer	2	7,900	7,843	
Futures contracts	Mini Hang Seng Index	Seller	3	2,369	2,353	
Futures contracts	SGX Nikkei 225 Index	Seller	8	25,249	24,165	
Futures contracts	Light crude oil	Buyer	10	24,642	24,648	
Futures contracts	U.S. Dollar Index	Buyer	25	79,568	79,285	
Futures contracts	EUR	Buyer	6	24,491	24,769	
Futures contracts	3-month EUR and USD	Seller	130	946,506	947,423	
Futures contracts	Mini S&P500	Seller	3	17,826	17,786	
Futures contracts	U.S. 5-year bonds	Buyer	66	220,395	218,758	
Futures contracts	Gold	Buyer	13	72,600	72,907	
Futures contracts	Copper	Seller	6	17,735	17,553	
Futures contracts	Miniature gold coin	Seller	20	11,070	11,217	
Futures contracts	Mini Nasdaq	Seller	2	1,326	1,354	
Futures contracts	Natural gas	Seller	3	4,284	4,123	
Futures contracts	JP-NKY Nikkei Stock Average 225 Index - USD	Buyer	2	8,486	7,914	
Futures contracts	Mini Nasdaq	Seller	1	7,040	6,770	
Futures contracts	Platinum	Buyer	7	11,072	11,640	
Futures contracts	Mini light crude oil	Seller	1	1,143	1,232	
Futures contracts	FTSE Xinhua China A50 Index	Seller	23	9,126	9,242	
Futures contracts	Silver	Buyer	1	3,694	3,691	

		2022.12.31				
		Unsettled position		Contract amount or premium paid (collected)	Fair value	Remarks
Items	type of trade	Buyer and sellers	number of contracts			
Futures contracts	BSE SENSEX	Buyer	10	11,270	11,240	
Futures contracts	U.S. 2-year bonds	Seller	58	366,163	365,281	
Futures contracts	U.S. 10-year bonds	Buyer	38	133,097	131,048	
Futures contracts	U.S. 30-year bonds	Seller	1	3,946	3,849	
Futures contracts	Micro E-mini Dow Jones Industrial Average Index Futures	Buyer	1	5,099	5,111	
Options trading	P013400	Buyer	20	92	64	
Options trading	P013500	Buyer	20	106	80	

(3) Compliance to financial ratio covenants mandated by the Futures Trading Act

Legal basis: Regulations governing futures Commission Merchants

Article No.	Calculation formula	Current period		Previous period		Standards	Status
		Calculation	Percentage	Calculation	Percentage		
17	Shareholders' equity / Total liabilities – futures merchant's equity	$827,588 / $1,427	579.95 times	$683,788 / $2,276	300.43 times	≧1	Qualified Article
17	Current assets / Current liabilities	$1,201,864 / $482,780	2.49 times	$1,154,963 / $578,561	2.00 times	≧1	Qualified Article
22	Shareholders' equity / Minimum paid up capital	$827,588 / $1,000,000	82.76%	$683,788 / $700,000	97.68%	(1) ≧60% (2) ≧40%	Qualified Article
22	Adjusted net capital (ANC) / Total margins required for futures traders' outstanding positions	$803,020 / $106,651	752.94%	$644,627 / $156,811	411.09%	(1) ≧20% (2) ≧15%	Qualified Article

Embedded derivative instruments

The embedded derivatives identified by the Company as a result of the issuance of convertible corporate bonds have been separated from the master contract and measured at fair value through profit or loss. Please refer to Note 6.21 for the information on this transaction contract.

18. Capital management

(1) Capital adequacy ratio calculation

In order to effectively absorb various risks and ensure the long-term and stable development of the Company's various businesses, the Company maintains adequate capital continuously and proactively. Therefore, the Company conducts capital management in accordance with business development plans, relevant laws and regulations, and the financial market environment to achieve optimal capital allocation. At present, the Company calculates and reports its capital adequacy ratio in accordance with the Regulations Governing Securities Firms.

The Company's capital adequacy ratio is as follows:

	2023.12.31	2022.12.31
Regulatory capital adequacy ratio	339%	463%

- Capital adequacy ratio= $\frac{\text{Net eligible regulatory capital}}{\text{Overall risk equivalent}}$

- Net eligible regulatory capital = Tier 1 capital + Tier 2 capital + Tier 3 capital – Deductions from capital

- Overall risk equivalent = Market risk equivalent + Credit risk equivalent + Operational risk equivalent

(2) Capital adequacy management

In order to maintain the quality of assets and improve risk management, the Company refers to Basel II, complies with the policy of the competent authority and the management regulations on regulatory capital as in Chapter VI of the Regulations Governing Securities Firms, and will adopt an advanced calculation formula from June 2012 to measure three types of risks, namely credit risk, market risk, and operational risk.

In addition to maintaining the minimum statutory capital requirement, to have an effective pre-warning mechanism for the quality of monthly capital adequacy, the Company has established and introduced various risk quantification methods and information systems, and regularly evaluates the risk amount of each position through simulation trial calculation, and will submit the simulation results to the Risk Management Committee to achieve the performance management and capital allocation goals after risk adjustments.

13. Supplementary disclosure matters

1. Information about important transactions:

(1) Loans to others: None.

(2) Endorsements/guarantees for others: None.

(3) The acquisition of real estate for an amount exceeding NT$300 million or 20% of paid-in capital: None.

(4) The disposal of real estate for an amount exceeding NT$300 million or 20% of paid-in capital: None.

(5) Total discount of service charges in transaction with stakeholder reaching more than NTD 5 million: None.

(6) Amounts receivable from related parties totaling more than NTD100 million or 20% of paid-up capital: None.

2. Information regarding investees:

Name of investees, locations, and other relevant information (excluding the investees in mainland China): See Attached table 1.

3. Information of the overseas branches and the representative offices: None.

4. Information regarding investment in the territory of mainland China: None.

5. Information on major shareholders: See Attached table 2.

14. Segment information

The Company is exempted from preparation of such information in accordance with Article 26 of the Regulations Governing the Preparation of Financial Reports by Securities Firms, and has disclosed the segment information in the consolidated financial statements.

Attached table 1: Name of investees, locations, and other relevant information (excluding the investees in mainland China):

Unit: Shares; NT$ thousand

Investor	Name of investee	Location	Date of Incorporation	FSC approval date and Case No.	Principal business	Sum of initial investment		Ending shareholding			Operating income from investees in the current period	Gains (losses) on investees in the current period	Investment gains (losses) recognized in the current period	Current cash dividend	Remarks
						Current period-end	The end of last year	Number of shares	Percentage	Book value					
Horizon Securities Co., Ltd.	Horizon SICE Co., Ltd.	Taiwan	1993/7/2	-	Securities investment advice	$114,282	$114,282	12,000,000	100.00%	$127,504	$49,072	$4,243	$4,243	$ -	Subsidiaries
Horizon Securities Co., Ltd.	Horizon Venture Capital Co., Ltd.	Taiwan	2014/4/8	2014/2/20 Jin-Guan-Cheng-Quan-Zi No.: 1030004881	Venture Investment	579,420	579,420	60,000,000	100.00%	521,786	34,216	18,646	18,646	-	Subsidiaries
Horizon Securities Co., Ltd.	Horizon Venture Management Co., Ltd.	Taiwan	2019/3/13	2018/12/3 Jin-Guan-Cheng-Quan-Zi No.: 1070340601	Management Consulting Services	20,000	20,000	2,000,000	100.00%	25,801	14,913	4,903	4,903	3,200	Subsidiaries

Attached table 2: Information on major shareholders

Unit: shares

Shareholding / Names of major shareholders	No. of shares held	Percentage of shareholding
Cheng-Da Investment Consulting Co., Ltd.	35,160,200	10.00%
Mercury Fu Bao Co., Ltd.	21,503,160	6.12%

Horizon Securities Co., Ltd.

Chairman: Ke-Chyn Jiang