



Annual
Report 2024

SinoPac Securities & Its Subsidiaries

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Office Locations

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Investment Banking Division	17F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	Tel: (02)2311-4345
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Dunpei Branch	9F.-1, 10F.-1&2, No. 88, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	Tel: (02)8161-5000
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Xinyi Branch	2F., 2F.-1, No. 189, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Tel: (02)2705-6588
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Shizheng Branch	4F.-5&6, 5F.,-2&3, 17F.-5, No. 402, Shizheng Rd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.)	Tel: (04)2254-8935

Division / Branch Name	Address	Telephone No.
Fengyuan Branch	2F., No. 15, Ln. 67, Xinyi St., Fengyuan Dist., Taichung City 420, Taiwan (R.O.C.)	Tel: (04)2528-2188
Changhua Branch	5-6F., No. 532, Minzu Rd., Changhua City, Changhua County 500, Taiwan (R.O.C.)	Tel: (04)722-4976
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Nantou Branch	1-2F., No. 45, Wenchang St., Nantou City, Nantou County 540, Taiwan (R.O.C.)	Tel: (049)220-1932
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Yongkang Branch	2F., No. 423, Zhonghua Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Tel: (06)302-5982
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Lingya Branch	20F.-1, No. 260, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Tel: (07)537-5800
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SinoPac Securities (Asia) Limited – Shanghai Representative Office	Room 1803A, Kirin Plaza Building, NO. 666, Gubei Road, Changning District, Shanghai, P.R.C.	Tel: 86-21-6228-8220

2024 Economic and Market Retrospective

In 2024, despite the ongoing Russia-Ukraine and Israel-Hamas wars, the U.S. stock market repeatedly hit record highs, driven by the benefits of AI advancements, interest rate cuts, and the U.S. presidential election cycle. Taiwan's stock market, supported by the world's strongest AI supply chain, reached historic heights. At Computex 2024 in June, major AI companies showcased their close ties with Taiwan's supply chain, propelling TSMC's stock price past NT\$1,000 and pushing the market to a record high of 24,416 points. On the economic front, after enduring the challenges of high interest rates, the U.S. economy demonstrated remarkable resilience. Inflation cooled, the unemployment rate remained low, and the economy grew by 2.8%, comparable to 2023's 2.9%. The Eurozone's growth rate improved from 0.4% in 2023 to 0.7%. Benefiting from the AI wave, Taiwan saw robust exports and investment, achieving an economic growth rate of 4.59%, significantly surpassing 2023's 1.12%. On the other hand, China's growth rate declined from 5.2% in 2023 to 5.0%, as the sluggish real estate market persisted without effective stimulus measures. In 2024, TAEX rose from 17,930.81 to 23,035.1 points, increasing by 5,104.29 points over the year, or 28.47%. The average daily volume climbed to NT\$527.0 billion in 2024, increasing by 45.66% compared to 2023. The simultaneous rise in price and volume of Taiwan's stock market drove the large increase in profits for securities firms. In aggregate, Taiwan's securities firms recorded an annual after-tax net profit of NT\$101.603 billion in 2024, up 47.87% from NT\$68.709 billion in the previous year.



Chairman / Stanley CHU

Business Strategy and Operating Performance

With our leading position in innovative products and services, SinoPac Securities continued to develop its wealth management and digital finance businesses. SinoPac Securities delivered its best operating performance ever in 2024: the consolidated after-tax net profit surged to NT\$5.831 billion for 2024, an increase of 52.03% compared to the previous year; earnings per share to NT\$3.50, up 52.17% from the previous year; and return on equity was 16.08%, an increase of 33.78% from the previous year. SinoPac Securities remains committed to maintaining its core business, expanding its business scale, and innovating its digital finance and services, while maintaining balanced development across all of its businesses to generate synergy and improve the Company's long-term competitiveness and growth. The Company achieved concrete results in 2024.

I. Strengthen the Company's position, increase the scale of asset management

In 2024, the Company grew its brokerage service revenue, with a spot market share of 4.78%, an electronic trading market share of 5.28%, an options trading market share of 5.95%, and a margin trading balance market share of 6.99%, maintaining the rank of fourth in the various markets. The market share of sub-brokerage business was 18.79%, ranked first in the retail market. The overall trading volume was NT\$1,472.6 billion, up 81.38% compared to the previous year, maintaining the second position in the market rankings for consecutive years. Assets under management of financial management trusts reached NT\$33.606 billion, ranked third in the market. The securities lending balance was NT\$59.822 billion, showing an annual growth rate of 25.61%, accounting for 156.29% of the net value after the most recent audit, and ranked third in the industry. The Company handled 17 underwriting service cases, with a market share of 5.30%, ranked seventh in the market. The amount of firm commitment underwriting as lead underwriter or co-underwriter was NT\$18.017 billion, ranked fourth with an 8.21% market share.

II. Continuously expand securities wealth management services and diversify income sources

Over the years, SinoPac Securities has actively transformed and developed its wealth management business. The results of its pan-wealth management efforts have yielded great results, with income reaching a record high of NT\$3.988 billion in 2024, representing a year-on-year growth rate of 38.62%. In 2024, the Company was approved by the central bank to become a foreign exchange securities firm authorized to conduct spot foreign exchange transactions related to securities business, providing clients of sub-brokerage and foreign currency wealth management services with one-stop financial solutions for foreign exchange and investment needs. New wealth management services include various trust product services under money and securities trusts, as well as individually managed money trusts with specific operational scopes or methods designated by the settlor. The Company is also the first in the industry to launch a "Family Equity Allocation Trust" to assist customers in asset inheritance planning. In addition, it is the first among its peers to launch online virtual asset ETF trading. The Company continues to introduce equity swap products and issue domestic interest



rate-type structured products, providing customers with diversified financial product choices to meet their diverse financial management needs.

III. Accelerate digital operations, lead digital banking innovation, and promote smart investment services

The performance of digital operations continues to improve, with the number of digital trading account openings and transaction amount growing simultaneously in 2024. The "Rich Saving Club" platform, which offers stock savings in both the Taiwan and US markets, continued to set record highs in both the number of investment accounts and the total investment amount. The number of investment accounts exceeded 200,000, with a total investment amount of NT\$37.953 billion, showing a growth of 72.88% compared to the previous year. SinoPac Securities has been cultivating digital financial technologies and promoting smart services. It has built a one-stop financial service ecosystem with DAWHOTOU App as the main interface, providing precise and efficient digital investment services. The Company continues to optimize the wealth management DAWHOFONE App to help investors flexibly allocate assets through smart and innovative technologies. In 2024, the in-depth subscription-based knowledge column "RichClub PRIME" was launched on the financial knowledge service platform "Rich Club." The number of subscriptions of the pioneering subscription service already exceeded 5,000. In November, the first quantitative trading experience center in Taiwan, "SinoTrade Space," was officially opened. It combines online digital services with offline physical exchanges to lead quantitative trading in the Taiwan stock market.



President / Chang-lung CHANG LEE

IV. Balanced business development, enhancing stable profit models, and increasing overseas profits

SinoPac Securities is committed to maintaining its traditional brokerage core business while developing wealth management services to increase market share and stabilize its market position. In 2024, the combined revenue of core brokerage services and wealth management services reached a new high. The investment banking business actively guided the underwriting of various high-quality enterprises for listing on Taiwan's stock markets, boosting underwriting business momentum. In 2024, the total underwriting amount reached a record high of NT\$18.017 billion, up 9.57% from the previous year. The Company's cultivation of green energy and environmental fundraising has yielded significant results, with the cumulative number of underwriting green cases ranking first in the industry. In terms of proprietary trading business, the Company continued to strengthen its proprietary trading capabilities and enhance the stable profitability of its proprietary investments, resulting in higher profits from proprietary trading, such as stocks, quantitative trading, and warrants, compared to the previous year. In terms of overseas operations, the Company uses Hong Kong as its cornerstone to drive overseas revenue, expand overseas deployment, and develop business opportunities in Southeast Asia and elsewhere abroad. The Company is expanding its deployment in terms of products, services, and regional management, with income from overseas investments continuing to increase.

Stable Capital Structure and Credit Rating Outlook

Within a reasonable risk level, SinoPac Securities effectively utilized its assets and resources. At the end of 2024, our capital adequacy ratio was 372%. SinoPac Securities' stable operating system continued to earn a rating of "twAA-/twA-1+" from Taiwan Ratings, which indicated the substantial results of the Company's efforts in operation, management, finance, and risk control.

Implementing Fair Treatment of Customers and Promoting ESG Investments to Expand Sustainable Impacts

SinoPac Securities upholds the core corporate spirit of treating customers fairly and is committed to creating a friendly environment and communication channels for the elderly and people with disabilities. In 2024, it fully upgraded the "Friendly Finance Services Zone" digital service platform, which was awarded the highest "Web Accessibility Conformance Level AAA" by Taiwan's Ministry of Digital Affairs, ranking among the top 1% of the highest quality websites in Taiwan. In addition, to preventing customers from becoming fraud victims, SinoPac Securities established an "Anti-Fraud Zone" on its official website. It integrates physical and digital methods to promote comprehensive fraud prevention, winning TWSE's Anti-Fraud Evaluation Activity - Outstanding Award.

SinoPac Securities attaches great importance to responsible investment and stewardship and is committed to transparently disclosing information related to the performance of stewardship and leveraging the influence of institutional investors. It was recognized in the category “Institutional Influence in Securities Company” as part of the Taiwan Institute for Sustainable Energy’s Taiwan Sustainable Investment Awards (TWSIA) for the third consecutive year and was included in TWSE’s “List of Companies with Better Institutional Investor Stewardship Disclosure” for the fourth consecutive year. The Sustainable Development Promotion Team undertakes the sustainable development policies and goals of the SinoPac Holdings, and promotes the implementation of relevant work plans. It holds its “ESG Investment Forum” every year to promote sustainable finance and ESG investment concepts, fulfilling corporate social responsibility. In 2024, the Company participated in the “2nd Sustainable Finance Evaluation” for the first time and ranked in the top 25% of the evaluated securities firms, demonstrating its long-term commitment to realizing corporate sustainability. SinoPac Inv. Service, a subsidiary of the Company, has been deeply involved in innovative ESG products, winning the “Best Product - National First Prize” during the 21st National Brand Yushan Awards for its PCAF Financial Carbon Emission Calculator. It was also the only financial institution to receive the “ESG Excellence Award” during the 2024 Dun & Bradstreet TOP 1000 Elite SME Awards.

In terms of social welfare and corporate sustainable management, the Company continued to sponsor “Songs For You” in 2024 to express its care for the elderly of Yuanli Township in Miaoli and Dongshi Township in Chiayi. The Company worked with the Yunlin Branch of Taiwan Fund for Children and Families to organize family-friendly events to support the care services for disadvantaged children in remote areas. The Company partnered with the Cheng Zhi Education Foundation to host the “PBL Exhibition” event, aimed at raising awareness of financial literacy among parents and children. Additionally, it participated in the Taiwan Financial Services Roundtable’s “Financial Service Charity Carnival,” sponsored social welfare groups’ initiatives of inviting underprivileged individuals to attend theatrical performances, and supported the General Association of Chinese Culture’s “Roar Now Bangkah” festival to promote local cultural development. SinoPac Securities continues to promote diverse activities to implement the cultural context and value of sustainable actions by the Company.

Achievements in Financial Innovation and Service Consolidation

SinoPac Securities actively promotes digital financial innovation, leveraging its excellent digital service capabilities to become the best financial partner for its customers. In 2024, the company was honored with the “Outstanding Enterprise - National First Prize” at the 21st National Brand Yushan Awards. By utilizing innovative digital tools to meet investor needs, SinoPac Securities provides a premium investment journey experience through its DAWHOTOU financial service ecosystem. SinoPac Securities was awarded “Best Mobile Brokerage Application in Taiwan” by The Asset and the First Place in the “Best Digital Experience Award” in the 18th Wealth Management Banks and Securities Firms Evaluation hosted by Business Today.

The wealth management DAWHOFONE App won the “Best Use of AI in Securities Award - Excellence Award” in the 2024 Wealth Magazine -Taiwan Financial Awards and the “Top Ten Innovative Design of the Year” at the 18th Golden Torch Awards. In terms of innovative AI technology applications, the Company won the “Best Product” award during the 21st National Brand Yushan Awards for the “SinoQuant,” “RichClub PRIME,” and “SINO-CUBI”.

SinoPac Securities adheres to a customer-centric business philosophy. It passed the international standard certification of “ISO 10002:2018 Customer Satisfaction Management System” of the international British Standards Institution (BSI) in December 2024, demonstrating its outstanding capabilities in enhancing customer service and fulfilling customer needs. The Company continues to develop comprehensive wealth management services, winning “Best Service in Securities” and “Best Wealth Appreciation in Securities” at the Wealth Magazine -Wealth Management Awards, as well as the “Best Wealth Appreciation Award” in the 18th Wealth Management Banks and Securities Firms Evaluation by Business Today. The innovative wealth management service model demonstrates its expertise in family business trust services, winning the “Best Securities Trust Innovation Award - Gold Award” and “Best Securities Wealth Management Trust Innovation Award—Premium Award” in the 2024 Trust Awards of the Commercial Times.

In addition, various businesses of the Company continued to innovate and make breakthroughs, and the outstanding achievements have been recognized externally. The Company has been recognized as the “Best ETF Market Maker in Taiwan” by The Asset for seven consecutive years for its outstanding performance in ETF market making in the Taiwan stock market. Its outstanding performance in bond underwriting has also won it the dual honors of “Best Retail Formosa Bond in Taiwan” and “Best Bond Adviser, Domestic (Formosa Bond) in Taiwan.” For its outstanding contribution and active participation



in the capital market, the Company won TWSE's "First Place in Tomorrow and Beyond Award - IPO Market Capitalization" and TPEX' "Best Performance of Advisory Recommending Companies to List on ESM." With excellent achievements in the futures market, the Company has won the "IB in Trading Volume Diamond Award" from the Taiwan Futures Exchange for ten consecutive years. It also won the "Futures Proprietary Merchant in Trading Volume Growth Diamond Award" in 2024. The awards fully demonstrate SinoPac Securities' excellent professionalism and team strength.

2025 Outlook and Business Strategies

Looking ahead to 2025, the U.S. job market is expected to reach a balance between supply and demand. With the support of Trump's tax reduction policies, GDP growth is projected to moderately rise to 2.4%. The European Central Bank (ECB) is anticipated to be more aggressive in cutting interest rates than the Federal Reserve, boosting the Eurozone's projected growth rate to 0.9%. China's real estate market continues to stagnate, and the economy is likely to face further downturns, with a projected growth rate of 4.5%. In contrast, Taiwan benefits from the thriving AI business opportunities. Driven by both exports and investments, its growth rate is forecasted to reach 3.14%. On the monetary policy front, as Trump's potential trade war and anti-immigration policies may reignite inflation, the Fed is expected to adopt a more cautious approach to interest rate cuts in 2025. In response to potential MAGA-related impacts, central banks such as the ECB and Bank of England may take more aggressive rate-cutting measures, while Taiwan is likely to maintain its current interest rates. Overall, Trump's strong return to the White House and full control of governance will likely introduce significant uncertainties for the global economy and geopolitical landscape, making economic and market performance even more challenging compared to 2024.

SinoPac Securities has continuously strengthened and integrated its core service infrastructure over the years. In response to changes in the domestic and international financial landscape, it has actively promoted digital transformation. In 2025, aligning with SinoPac Financial Holding Company's strategy, it introduced a new three-year strategic plan focusing on the five key themes of efficiency, technology, integration, cross-border, and sustainability. In terms of flexible asset allocation and capital value enhancement, the Company aims to increase its market share, expand its wealth management services, expand its fee-based income, improve its proprietary trading profitability, and establish system and performance management mechanisms to optimize capital utilization efficiency. SinoPac Securities remains committed to deepening the impact of technology, driving high-efficiency production capacity and innovative applications, continuing highly digital operations, promoting data intelligence, implementing intelligent GAI services, and stabilizing fast transaction systems to provide customers with comprehensive financial services. The Company is optimizing the integrated experience to become clients' "first choice" in the industry. It promotes omni-channel operations and centralized operating models to provide customers with seamless online and offline services. SinoPac Securities is actively exploring cross-border and local business opportunities to continue to expand overseas revenue, develop its Hong Kong subsidiary, drive cross-border cooperation among corporate groups, explore niche markets, and seize business opportunities. Lastly, the Company will deepen its commitment to sustainable finance, creating new opportunities in sustainability. It will continue to allocate resources to strategic sustainable investments, implement carbon reduction and responsible investment management, and strive to become a leading brand in underwriting for the green energy and environmental sectors while providing engagement services. Additionally, SinoPac Securities will develop inclusive financial products and services tailored to diverse needs.

As the first securities firm listed on TPEX, SinoPac Securities has evolved into a large-scale integrated securities firm with net value of NT\$38.3 billion. In 2025, SinoPac Securities will continue to adopt a step-by-step approach and uphold the corporate vision of "Together, a better life." By innovating and making breakthroughs using the power of technology while offering passionate and professional services, the Company creates a mutually beneficial outcome for its shareholders, employees, and clients.

Chairman Stanley CHU

President Chang-lung CHANG LEE

I. Awards & Honors

Awards & Honors		February 28, 2025
Corporate Sustainability and Corporate Governance	<ul style="list-style-type: none"> • 《Financial Supervisory Commission》 The 2nd Sustainable Finance Evaluation - The Top 25% of the Evaluated Securities Firms 	
	<ul style="list-style-type: none"> • 《Taiwan Stock Exchange》 List of Companies with Better Institutional Investor Stewardship Disclosure 2024 	
	<ul style="list-style-type: none"> • 《Taiwan Stock Exchange》 2024 Anti-Fraud Evaluation Activity - Outstanding Award 	
	<ul style="list-style-type: none"> • 《Taiwan Institute for Sustainable Energy》 The 4th Taiwan Sustainable Investment Awards - Excellence Award for Institutional Influence in Securities Company 	
	<ul style="list-style-type: none"> • 《Business Today》 No. 3 in Best ESG Award in the 18th Wealth Management Banks and Securities Firms Evaluation 	
Brand Operational Performance	<ul style="list-style-type: none"> • 《Republic of China National Enterprise Competitiveness Development Association》 The 21st National Brand Yushan Awards - Outstanding Enterprise - National First Prize 	
	<ul style="list-style-type: none"> • 《Outstanding Enterprise Manager Association》 The 18th Golden Torch Awards - the Top Ten Enterprises of the Year 	
	<ul style="list-style-type: none"> • 《Wealth Magazine》 2024 Wealth Management Awards - Best Service in Securities, Best Print Marketing in Securities: As a Copilot in the Journey of Investing 	
	<ul style="list-style-type: none"> • 《Business Today》 No. 2 in Best Customer Trust Award, No. 3 in Best Marketing Innovation Award in the 18th Wealth Management Banks and Securities Firms Evaluation 	
	<ul style="list-style-type: none"> • 《Commercial Times》 Silver Award in the Category of Securities in the 2024 Taiwan Best Customer Center Awards 	
Digital Finance and Innovation	<ul style="list-style-type: none"> • 《The Asset》 The Asset Triple A Digital Awards 2024 - Best Mobile Brokerage Application in Taiwan - DAWHOTOU Ecosystem 	
	<ul style="list-style-type: none"> • 《International Business Magazine》 Best Automated Asset Management in Taiwan 2024 	
	<ul style="list-style-type: none"> • 《Global Banking and Finance Review》 Excellence in Innovation - AI Investment Platform Taiwan 2024 	
	<ul style="list-style-type: none"> • 《Republic of China National Enterprise Competitiveness Development Association》 The 21st National Brand Yushan Awards - Best Product: SinoQuant, Best Product: SINO-CUBI 	
	<ul style="list-style-type: none"> • 《Outstanding Enterprise Manager Association》 The 18th Golden Torch Awards - the Top Ten Innovative Design of the Year: DAWHOFONE App 	
	<ul style="list-style-type: none"> • 《Wealth Magazine》 2024 Wealth Management Awards - Best Digital Finance in Securities, Financial Services Innovation in Securities: Rich Club Prime Services 	
	<ul style="list-style-type: none"> • 《Wealth Magazine》 2024 Taiwan Financial Awards - Best Use of AI in Securities Award - Excellence Award: DAWHOFONE App - Smart AI Wealth Management Service 	
	<ul style="list-style-type: none"> • 《Business Today》 No. 1 in Best Digital Experience Award, No. 2 in Best AI Wealth Management Award in the 18th Wealth Management Banks and Securities Firms Evaluation 	
	<ul style="list-style-type: none"> • 《Excellence》 Best Digital Financial Services Award in the 2024 Securities Company Evaluation 	
	<ul style="list-style-type: none"> • 《Commercial Times》 Digital Inclusion Award - Premium Award in the 2024 Digital Financial Awards 	
Wealth Management and Financial Products	<ul style="list-style-type: none"> • 《Taiwan Stock Exchange》 No. 1 in Tomorrow and Beyond Award - IPO Market Capitalization 	
	<ul style="list-style-type: none"> • 《Taipei Exchange》 No. 3 in Best Performance of Advisory Recommending Companies to List on ESM 	
	<ul style="list-style-type: none"> • 《The Asset》 The Asset Triple A Sustainable Finance Awards 2024 - Best Retail Formosa Bond in Taiwan, Best Bond Adviser, Domestic (Formosa Bond) in Taiwan 	
	<ul style="list-style-type: none"> • 《Republic of China National Enterprise Competitiveness Development Association》 The 21st National Brand Yushan Awards - Best Products: RichClub PRIME 	
	<ul style="list-style-type: none"> • 《Wealth Magazine》 2024 Wealth Management Awards - Best Wealth Appreciation in Securities 	



Wealth Management and Financial Products	<ul style="list-style-type: none"> • 《Business Today》 No. 2 in Best Wealth Appreciation Award in the 18th Wealth Management Banks and Securities Firms Evaluation • 《Excellence》 Best Wealth Management Award in the Securities Company Evaluation • 《Commercial Times》 Best Securities Trust Innovation Award - Gold Award, Best Securities Wealth Management Trust Innovation Award - Premium Award in the 2024 Trust Awards
Financial Trading Performance	<ul style="list-style-type: none"> • 《Taiwan Stock Exchange》 No. 3 in Trading Growth Award, No. 5 in Liquidity Award, No. 5 in Trading Award, No. 5 in Issuance Award in 2024 Warrants Market-making Awards • 《Taiwan Stock Exchange》 TWSE-listed Stock Market Making Competition in 2024 <ul style="list-style-type: none"> • In First Quarter, Two-way Quote Excellence Award and ESG Exclusive Award • In Second Quarter, Two-way Quote Excellence Award, ESG Exclusive Award and Price-Book Ratio Active Award • In Third Quarter, Two-way Quote Excellence Award, ESG Exclusive Award and Price-Book Ratio Active Award • In Fourth Quarter, Two-way Quote Excellence Award, ESG Exclusive Award and Price-Book Ratio Active Award • 《Taipei Exchange》 Securities Firms TPEX Stock Contribution Award and Securities Firms Sustainable Bond Performance Award • 《Taipei Exchange》 No. 3 in Brokers of the Year - SIP Account Number - H1, No. 3 in Brokers of the Year - SIP Account Number - H2 in the Stock ETFs Awards 2024 • 《Taipei Exchange》 The Heroes ETF Market Making Award in the TPEX ETF Liquidity Provider Market Making Competition • 《Taipei Exchange》 Market Makers Awards in 2024 <ul style="list-style-type: none"> • In First Quarter, No. 2 in Market Makers - Stock Coverage • In Second Quarter, No. 2 in Market Makers - Stock Coverage • In Third Quarter, No. 1 in Market Makers - Best Spreads, No. 2 in Market Makers - Stock Coverage • In Fourth Quarter, No. 2 in Market Makers - Stock Coverage, No. 3 in Market Makers - Best Spreads • 《Taipei Exchange》 Derivatives Trading System TWD IRS Market Making Competition in 2024 <ul style="list-style-type: none"> • In First Quarter, No. 1 in IRS Market Making • In Second Quarter, No. 1 in IRS Market Making • In Third Quarter, No. 1 in IRS Market Making • In Fourth Quarter, No. 2 in IRS Market Making • 《Taiwan Futures Exchange》 No. 2 in IB in Trading Volume Diamond Award, Futures Proprietary Merchant in Trading Volume Growth Diamond Award, No. 5 in OTC Central Clearing Volume Diamond Award in the 10th Futures Diamond Awards • 《The Asset》 Best ETF Market Maker in Taiwan in the Asset Triple A Sustainable Investing Awards 2024 • 《Economic Daily News》 Warrant Wealth Champion, Excellent Promotion Award (Tainan Branch and Brokerage Dept.), Excellent Progress Award (Taosheng Branch and Sanchong Branch) in the 14th Warrant Millionaire Awards • 《Commercial Times》 Best Performance Award, Mobilizing Award (Tainan Branch and Shizheng Branch), Brokerage Award (Tainan Branch and Zhongli Branch) in the 15th Warrant Contest
Certification	<ul style="list-style-type: none"> • 《Ministry of Digital Affairs》 The Friendly Finance Services Zone of SinoPac Securities website achieved "Web Accessibility Conformance Level AAA" • 《British Standards Institution》 ISO 10002:2018 Certification - Customer Satisfaction Management System • ISO 27001 Information Security Management System Certification • 《Department of Health, Taipei City Government》 Outstanding Certification for Excellent Breastfeeding Room 2024 (Dunpei Branch)

II. Board of Directors

		February 28, 2025
Title	Name	
Chairman	SinoPac Financial Holdings Company Limited Representative: Stanley CHU	
Independent Director	SinoPac Financial Holdings Company Limited Representative: Ling-lan LIN	
Independent Director	SinoPac Financial Holdings Company Limited Representative: Gen-yu FONG	
Independent Director	SinoPac Financial Holdings Company Limited Representative: Tsai-ching LIU	
Director	SinoPac Financial Holdings Company Limited Representative: Chang-lung CHANG LEE	
Director	SinoPac Financial Holdings Company Limited Representative: Chia-wen SHYU	
Director	SinoPac Financial Holdings Company Limited Representative: Sheng-wu LIEN	
Director	SinoPac Financial Holdings Company Limited Representative: Tsung-lin HO	
Director	SinoPac Financial Holdings Company Limited Representative: Hung-shien TSAI	

III. Executive Officers

			February 28, 2025
Position	Name	Elected Date	
President	Chang-lung CHANG LEE	2022/09/01	
Senior Executive Vice President President Office	Leon HUANG	2020/06/01	
Senior Executive Vice President President Office	Michelle LIN	2022/06/01	
Senior Executive Vice President President Office / Principal Investment & Derivatives Division	Anson CHEN	2023/06/01	
Senior Executive Vice President Digital Finance Division	William SU	2024/06/01	
Senior Executive Vice President Operations Center	Mei M. C. LAN	2005/03/01	
Senior Executive Vice President Operations Center	Peter WU	2020/06/01	
Senior Executive Vice President President Office / Chief Information Security Officer	Kevin CHAO	2020/11/04	



Position	Name	Elected Date
Senior Executive Vice President Channel Division	Shu-tuan LIAO	2021/06/01
Senior Executive Vice President Chief Auditor	Mary SUNG	2021/11/01
Senior Executive Vice President Channel Division	Justin HSIAO	2022/06/01
Senior Executive Vice President Fixed Income Division	Grace CHANG	2022/08/01
Senior Executive Vice President Investment Banking Division	Tony TSAI	2023/06/01
Senior Executive Vice President Information Technology Division	Lu-wei CHEN	2023/06/01
Senior Executive Vice President Channel Division	Wang-sheng TSAI	2024/06/01
Senior Executive Vice President Channel Division	Sunny HUANG	2024/06/01
Executive Vice President Financial Institutional Solutions Dept.	Karen TSAI	2021/06/01
Executive Vice President Quantitative Trading Dept.	Eric CHANG	2021/09/01
Executive Vice President Digital Finance Division / Platforms & Solutions Dept.	Bo-fu LIU	2022/06/01
Executive Vice President Underwriting Marketing Dept. of the Northern Area	Grace WANG	2014/06/01
Executive Vice President Underwriting Dept. of the Taoyuan & Hsinchu Area	Lily CHU	2014/06/01
Executive Vice President Channel Division / Institutional Sales & Trading Dept.	Cecilia LIU	2014/12/01
Executive Vice President Wealth Management & Trust Dept.	Lilian PAN	2019/06/01
Executive Vice President Legal & Compliance Division	Li-wen KAO	2020/06/01
Executive Vice President Brokerage System Dept.	Ken HSIEH	2020/06/08
Executive Vice President Digital Finance Division / Digital Business Dept.	Jay HUNG	2021/04/01
Executive Vice President Financial Product Dept. / Offshore Securities Unit	Ellen LIN	2021/06/01
Executive Vice President Channel Division	Chung-i WANG	2022/04/01
Executive Vice President Risk Management Division	Chao-yuan YU	2022/06/01

Position	Name	Elected Date
Executive Vice President Accounting Dept.	Yu-ni HUNG	2022/06/01
Executive Vice President Channel Division	Eric PENG	2023/06/01
Executive Vice President Derivatives Dept.	Shu-fen SHIH	2023/09/11
Executive Vice President Channel Division	Shu-chen HUANG	2024/01/01
Executive Vice President Channel Division	Cheng-yung KAO	2024/02/15
Executive Vice President Finance Management Division	Wei-chun WENG	2024/06/01
Executive Vice President General Affairs Dept.	Chih-hao LIU	2024/06/01
Executive Vice President Strategic Trading Dept.	Quei-an LEI	2024/06/01
Executive Vice President Supporting System Dept.	Lily LIU	2024/06/01
Senior Vice President Underwriting Dept. of the Southern Area	Ming-li WU	2016/07/01
Senior Vice President Underwriting Business Management Dept.	Florence LIN	2017/06/01
Senior Vice President Integrated Institutional Service Dept.	Lindun CHOU	2020/06/01
Senior Vice President Marketing Planning Dept.	Chien-hsi LEE	2020/07/01
Senior Vice President Debt Capital Market Dept.	Eric CHIEN	2021/06/01
Senior Vice President Information Security Dept.	Chun-yuan CHAN	2021/10/01
Senior Vice President Equity Capital Market Dept.	Sylvia YEH	2022/06/01
Senior Vice President Channel Business Management Dept.	Der-fang LEE	2022/06/01
Senior Vice President Rates & Credit Trading Dept.	Vicky CHANG	2022/12/01
Senior Vice President Underwriting Advisory Dept.	Jerry LIAO	2023/03/16
Senior Vice President Investment Advisory Dept.	Cheng-chieh LU	2023/06/01
Senior Vice President Channel Marketing Dept.	Nini CHIANG	2023/06/01



Position	Name	Elected Date
Senior Vice President Portfolio Management Dept.	Joyce LO	2023/06/01
Senior Vice President Sales Trading Dept.	Steven YANG	2023/10/01
Senior Vice President Human Resources Dept.	Ching-i LIN	2024/06/01
Senior Vice President Finance Dept.	Chih-hsien YEH	2024/06/01
Senior Vice President Product Marketing Dept.	Song-ching HUANG	2024/11/01
Senior Vice President Financial Advisory Dept.	Chien-sheng WU	2019/05/06
Senior Vice President Underwriting Dept. of the Central Area	Kim CHUNG	2022/06/01
Senior Vice President Securities Borrowing & Lending Dept.	Hsin-lun CHIU	2023/06/01
Senior Vice President Clearance & Settlement Dept.	Chien-chung CHOU	2023/06/01
Senior Vice President Equity Proprietary Trading Dept.	Matt TSAI	2023/06/01
Senior Vice President Brokerage Dept.	Ya-hui TSENG	2024/06/01
Senior Vice President Fixed Income Business Management Dept.	Shih-hui LI	2024/07/01
Senior Vice President Register & Transfer Agency Dept.	Ho-ling CHUNG	2024/10/16
Senior Vice President Information Administration Dept.	Chao-cheng HUANG	2024/11/01
Vice President Credit Review & Centralized Orders Execution Dept.	Chih-hao TSENG	2023/04/01
Vice President Data Applications Dept.	Tzu-yen WU	2024/01/01
Vice President Digital Media Business Dept.	Yi-shun LIN	2024/06/01
Vice President Customer Service Dept.	Shu-fang CHUANG	2024/06/01
Vice President Institutional Business System Dept.	Sen-huang WANG	2024/11/01
Vice President Convertible Solutions Dept.	Benson CHEN	2022/03/16
Manager Strategic Planning Dept.	Yi-zu SU	2025/01/01

IV. Corporate Governance Status of Implementation

Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
1. Has the Company established and disclosed its best practice principles for corporate governance in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		SinoPac Securities is not a TWSE/TPEX listed company. The Company's corporate governance adheres to "Corporate Governance Best-Practice Principles for Securities Firms," "Corporate Governance Best-Practice Principles for Futures Commission Merchants," and the "SinoPac Financial Holdings Company Limited Corporate Governance Principles." The Company's Corporate Governance Principles are published on the Company's website.	No discrepancy
2. Ownership structure and stockholders' rights				
(1) Has the Company had and adhered to an internal SOP for dealing with shareholder suggestions, inquiries, disputes, and lawsuits?	V		(1) This item is not applicable, since 100% shares of SinoPac Securities are owned by SinoPac Financial Holdings Company Limited.	Given the company is owned by a single shareholder, the functional duties and power of the shareholders' meeting shall be exercised by its Board of Directors. However, any issues regarding the functional duties and power of the shareholders' meeting and the issues specified by the SinoPac Holdings shall be submitted to the SinoPac Holdings' Board of Directors for approval before the decision is put into practice in accordance with prescribed procedures. No discrepancy otherwise.
(2) Has the Company retained a register of major shareholders who have controlling power and the persons with ultimate control over those major shareholders?	V		(2) SinoPac Financial Holdings Company Limited holds 100% of the Company's shares and is the sole shareholder of the Company. The eligibility of the SinoPac Holdings' shareholders shall be verified by the SinoPac Holdings in accordance with the regulations set forth in Article 16 of the Financial Holding Company Act.	
(3) Has the Company established and implemented risk control and firewall systems between the Company and its affiliated companies?	V		(3) Related persons, assets, and the financial management responsibilities of SinoPac Securities and its affiliates are fully independent from each other and are implemented in accordance with the "Risk Management Guidelines," and the "Interested Party Credit and Transaction Policy and Management Rules." The parent company, SinoPac Holdings, has established the "Firewall Policy" and requires all subsidiaries to comply with this policy to prevent possible conflicts of interest arising from business or trading activities with and between subsidiaries.	
(4) Has the Company established internal rules to prohibit insiders from trading securities based on non-public information?	V		(4) The Company has established "Regulations of Insider Trading Governance." The parent company, SinoPac Holdings, has established the "Equity Management Guidelines" and requires all internal personnel of its wholly owned subsidiaries to strictly comply with the Guidelines.	



Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
<p>3. The composition of the Board and its functions</p> <p>(1) Has the Board of Directors devised a diversity policy, set specific management goals, and implemented them?</p>	V		<p>(1) The Company has devised diversity guidelines for the composition of the Board, stipulated in Chapter 3 "Enhancing the Function of Board of Directors" in its Corporate Governance Principles. The 13th Board of Directors consists of 9 directors, including 3 independent directors, 2 directors who concurrently serve as managerial officer (where Chairman Stanley CHU is the President of SinoPac Holdings, Director Chang-lung CHANG LEE is the President of SinoPac Securities) and 4 directors who do not concurrently serve as managerial officer at SinoPac Securities. The Board of Directors comprises 2 female and 7 male directors. The board members have unique professional experiences (e.g., work experience in financial holding companies, securities, financial management, and other industries) or backgrounds (e.g., banking, commerce, law, accounting, finance, information security/information technology, and risk management). These directors possess the knowledge, skills, and competencies required to perform their duties. The directors of the Company leverage their diverse backgrounds and experiences to offer suggestions on legal compliance and corporate governance to optimize the process by which the Board of Directors makes decisions, thereby facilitating board operations.</p>	No discrepancy
<p>(2) In addition to Remuneration Committee and Audit Committee, has the Company established other functional committees voluntarily?</p>	V		<p>(2) The parent company, SinoPac Holdings, has established the Ethical Corporate Management Committee, Remuneration Committee, and Audit Committee. As a subsidiary wholly owned by SinoPac Holdings, the Company worked in accordance with SinoPac Holdings. SinoPac Securities has set up an Audit Committee, the composition, responsibilities and operations are in accordance with the Company's "Audit Committee Organizational Charter."</p>	
<p>(3) Has the Company established standards to measure the performance of the Board, conducted the evaluation annually, and reported the results of evaluation to the Board of Directors and referred to the said results when determining each director's compensation and reelection?</p>	V		<p>(3) To implement corporate governance and improve board functions, the Company has established the "Regulations Governing the Evaluation of the Performance of the Board of Directors" to set performance goals and enhance board operating efficiency. Annual performance assessments are conducted according to the procedures and</p>	

Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
(4)Has the Company assessed the independence of the CPA on a regular basis?	V		<p>indicators stipulated in these measures, and the results are reported to the Board of Directors. In 2024, internal self-assessment was adopted to evaluate the performance of the Board of Directors, individual directors, and the Audit Committee. The assessment results were all ratings of "excellent" indicating that the directors and committee members all perceived the operations of the board and functional committee (Audit Committee) to be effective and efficient. This result was reported to the Board of Directors on March 5, 2025, and the performance assessment results for individual directors will serve as reference for setting the directors' 2024 remuneration and for nominating board members of the next Board of Directors.</p> <p>(4)The Company regularly evaluates the independence and competence of appointed certified accountants every year. The accounting unit will evaluate the results, then submit the review results with the next annual accountant appointment and certification remuneration proposal to the Company's Audit Committee for approval, and then send it to the Board of Directors for review and ratification. The Company's certified accountants satisfy the Company's independence assessment standards, and the certified accountants have issued a declaration of independence.</p>	No discrepancy
4. Has a TWSE/TPEX listed company Employed competent corporate governance personnel in an appropriate number and appointed a chief corporate governance officer to take charge of corporate governance-related affairs (including but not limited to providing directors/supervisors with information required for performance of duties, assisting directors/supervisors in legal compliance, convening board meetings and shareholders meetings in accordance with the law, and preparing minutes for board meetings and shareholders meetings)?	V		<p>The Company's Legal & Compliance Division has a dedicated staff responsible for coordinating corporate governance-related matters, providing information required by directors to perform their business, assisting with the legal compliance of directors, handling matters related to board meetings and Audit Committee meetings in accordance with the law, and preparing minutes of board meetings and Audit Committee meetings.</p> <p>The Company has established a chief corporate governance officer by resolution of the Board of Directors on May 29, 2019. The scope of their duties includes:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings in accordance with the laws. 2. Prepare minutes of board meetings and shareholders meetings. 3. Assist Directors in taking office and continuing education/training. 4. Provide Directors with information required for performing their duties. 	No discrepancy



Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
			5. Assist directors in complying with laws and regulations. 6. Report the examination of the qualifications of Independent Directors during the nomination, election, and tenure periods, in accordance with applicable laws and regulations. 7. Handle matters pertaining to changes in the Board of Directors. 8. Other matters specified in the Company's "Articles of Incorporation" or contract.	No discrepancy
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers), set up a special section on the Company's website, and properly responded to the questions regarding corporate social responsibility raised by stakeholders?	V		A dedicated section for stakeholders has been set up on the Company's website to respond to the concerns and requirements of its stakeholders and ensure effective communications between the Company and its stakeholders. Moreover, the Company has also set up a customer service email and hotline to provide customers with product or service counseling and timely assistance. The Company established a platform on its internal website to maintain free-flowing internal communication between its staff and senior executives.	No discrepancy
6. Has the Company commissioned any professional shareholder services agent to manage the shareholders' meetings?	V		The Company is a wholly owned subsidiary of SinoPac Financial Holdings Company Limited, and the Company's Board of Directors will exercise the rights and functions of the shareholders' meeting. Therefore, no agent has been commissioned for the affairs of the shareholders' meeting.	No discrepancy
7. Disclosure of information (1) Has the Company disclosed information regarding its finance, business operations, and corporate governance on the Company's website? (2) Has the Company disclosed such information in other ways (e.g. establishing English website, assigning dedicated person to collect and disclose relevant information, disclosing information through a spokesperson, or announcing the agenda of investor conference on the Company's website)? (3) Has the Company made public and filed the annual financial report within two months after the end of each fiscal year, and made public and filed financial reports for Q1, Q2 and Q3 and monthly operating status in advance before the set deadline?	V V V		(1) SinoPac Securities discloses information regarding finance, business operations, and corporate governance on the Company's website. (2) The Company has created English websites for disseminating information, dedicated person have been appointed for collecting and disclosing relevant Company information. The company has designated a spokesperson and an acting spokesperson for the unified disclosure of Company information. (3) In accordance with the deadlines prescribed in the Securities and Exchange Act and the Regulations Governing Securities Firms, the Company made public and filed the annual financial report and financial reports for Q1, Q2 and Q3, and made public and filed the operating status for the previous month within the deadline prescribed in the Securities and Exchange Act.	No discrepancy

Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
8. Is there any other important information regarding the corporate governance of the Company (including but not limited employees' interests, employee caring, investor relations, supplier relations, rights of interested parties, continuing education of directors and supervisors, implementation of risk management policies as well as risk measuring standards, execution of client policy, purchasing of liability insurance for directors and supervisors, etc.)?	V		<p>(1) To implement the corporate governance system, our company proactively informs the directors of any corporate governance-related education/training information and assists with registration based on their preferences. All directors' training hours and professional course content for the year 2024 comply with the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies."</p> <p>(2) The Company regularly convenes board meeting every month. In 2024, the average actual attendance rate of directors was 92.72%.</p> <p>(3) Directors with conflict of interest relating to any agenda shall recuse themselves from voting in accordance with the law.</p> <p>(4) The directors' liability insurance of the company is uniformly arranged under the parent company, SinoPac Holdings, and is regularly renewed.</p> <p>(5) SinoPac Securities has a customer service and complaint hotline staffed with many customer service personnel to provide timely solutions to customers' issues. SinoPac Securities also has a customer service email, so if customers have any comments, they can inform the Company immediately.</p> <p>(6) The Company has enacted the Work Rules to explicitly stipulate the rights and obligations of both the employer and employees, and has established a reasonable remuneration policy linked to employees' performance assessments. Furthermore, the Company has set up an Employee Welfare Committee responsible for formulating various welfare programs and subsidies to support employees' well-being. Regarding employee learning and development, the Company focuses on personal growth, training and development across all job levels, as well as the cultivation of professional competencies.</p> <p>(7) The Company has established risk management policies, including "Risk Management Policy," "Market Risk Management Policy," "Credit Risk Management Policy," "Operational Risk Management Policy," and "Liquidity Risk Management Policy," as the basis of business operation for the Company and its subsidiaries to ensure an effective control on the risks. The risk management goals and policies of the Company are based on the concept of risk capital allocation.</p>	No discrepancy



Activity	Status of implementation			Discrepancy with industry standard and the causes
	Yes	No	Description	
			<p>The Company sets up a limit for total risk exposure and adopts the principles of risk diversification/aversion or loss control depending on the scenarios to pursue solid asset growth while controlling the risks within a certain range.</p> <p>For market risk measurement, the Company adopts value at risk (VaR) and verifies the effectiveness of the VaR system via stress testing, sensitivity analysis, and back testing on a regular basis. In addition, SinoPac Securities adopts interest sensitivity index (Total D value, DV01), Greeks (Delta, Gamma, Vega) and many other indexes to evaluate market risk. For credit risk management, the Company sets up specific credit limits for each client, each company, and each group. For operational risk management, the Company establishes an information risk management system and SOPs. To enhance risk management, SinoPac Securities introduced MSCI, an internationally known institution, and uses its VaR system, Risk Manager, and its related equipment. Combined with our ongoing risk management systems, we can have more exactly and accurately quantitative models to evaluate the risk more effectively.</p>	No discrepancy
<p>9. Taiwan Stock Exchange's Corporate Governance Center has released its most recent Corporate Governance Evaluation; please describe how your company has improved since last year and, if not, how you plan to prioritize improvement: The Company is not a TWSE/TPEx listed company; therefore, this does not apply.</p>				

Continuing Education/Training of Directors

To implement corporate governance, SinoPac Securities informs directors of related corporate governance training. In 2024, the education and training of all directors complied with the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies."

Title	Name	Organizer	Course Name	Training Hours	In Compliance with the Guidelines for the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies"
Chairman	Stanley CHU	Taiwan Insurance Institute	How the Board of Directors implements protection for elderly consumers	3	Yes
		Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	
		Taiwan Academy of Banking and Finance	Important information security standards and compliance	3	
		Securities & Futures Institute	Challenges and Opportunities of the Pathway to Sustainable Development and Introduction to GHG Inventory	3	
Independent Directors	Ling-lan LIN	Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	Yes
		Taiwan Academy of Banking and Finance	Thinking and practice of information security strategies	3	
		Taiwan Academy of Banking and Finance	Discussing Friendly Services and Financial Exploitation Based on Fair Customer Treatment Principles	3	
Independent Directors	Tsai-ching LIU	Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	Yes
		Taiwan Corporate Governance Association	Discussing Ethical Management and Anti-corruption from the Perspective of Sustainable Governance	3	
		Taiwan Academy of Banking and Finance	Fintech and Information Security Risk Development Trends	3	
		Taiwan Corporate Governance Association	Practical Application of Forensic Accounting in Business Disputes	3	
Independent Directors	Gen-yu FONG	Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	Yes
		Taiwan Corporate Governance Association	Discussing Ethical Management and Anti-corruption from the Perspective of Sustainable Governance	3	
		Taiwan Academy of Banking and Finance	Fintech and Information Security Risk Development Trends	3	
Directors	Chang-lung CHANG LEE	Taiwan Corporate Governance Association	Legal Regulation for the Sustainability Reports	3	Yes
		Taiwan Academy of Banking and Finance	Fintech and Information Security Risk Development Trends	3	
		Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	
		Taipei Foundation of Finance	Friendly Finance Principles and Financial Services for People with Disabilities	2	
		Corporate Operating and Sustainable Development Association	Practical Analysis of Equity Investment Planning and Joint Venture Agreements for Corporate Mergers and Acquisitions	3	



Title	Name	Organizer	Course Name	Training Hours	In Compliance with the Guidelines for the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies"
Directors	Chia-wen SHYU	Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	Yes
		Taiwan Academy of Banking and Finance	Thinking and practice of information security strategies	3	
		Taiwan Academy of Banking and Finance	Discussing Friendly Services and Financial Exploitation Based on Fair Customer Treatment Principles	3	
Directors	Sheng-wu LIEN	Taiwan Securities Association	Fair Customer Treatment Principles and Ethical Corporate Management	3	Yes
		Taiwan Academy of Banking and Finance	Fintech and Information Security Risk Development Trends	3	
		Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	
Directors	Tsung-lin HO	Taiwan Academy of Banking and Finance	Enterprise information security posture under digital resilience	3	Yes
		Taipei Foundation Of Finance	Friendly Finance Principles and Financial Services for People with Disabilities	2	
		Securities & Futures Institute	2024 Annual Prevention of Insider Trading Promotion Conference (online conference)	3	
		Taiwan Corporate Governance Association	Sharing of AML and CFT Managerial Trends in the Financial Industry	3	
Directors	Hung-shien TSAI	Taiwan Academy of Banking and Finance	Requirements for the Board of Directors in Laws and Regulations Related to AML and CFT	3	Yes
		Taiwan Corporate Governance Association	Global Trends and Business Opportunities in Low-Carbon Economies and Corporate Low-Carbon Innovations	3	
		Taipei Foundation of Finance	Information security - personal data security audits	3	
		Taiwan Academy of Banking and Finance	Fintech and Information Security Risk Development Trends	3	
		Taiwan Academy of Banking and Finance	Trends in anti-money laundering and countering the financing of terrorism, and technology anti-fraud	2	
		Taiwan Academy of Banking and Finance	Discussing Friendly Services and Financial Exploitation Based on Fair Customer Treatment Principles	3	

V. Status of Internal Control System Statement

(I) Internal Control System Statement

SinoPac Securities Corp. Statement of Internal Control System

Date: March 5, 2025

The following declaration was made based on the 2024 self-assessment of the Company's internal control policies:

- (I) The Company acknowledges and understands that the establishment, enforcement and preservation of the internal control system are the responsibility of the Board, and that the Company has already established such a system. The purpose is to provide: (1) reasonable assurance regarding the achievement of the following objectives, including effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security); (2) reliability, timeliness, transparency, and regulatory compliance of reporting; (3) achievement of targets, such as compliance with relevant laws and regulations, which provides reasonable assurance.
- (II) There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Further, the operating environment and situation may vary, impacting the effectiveness of the internal control system. The internal control system of the Company features the self-monitoring mechanism. Once identified, any shortcoming will be corrected immediately.
- (III) The Company judges the effectiveness of the internal control system in design and enforcement in accordance with the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinafter "Regulations Governing Internal Control"). The Regulations Governing Internal Control is instituted for judging the effectiveness of the design and enforcement of the internal control system. There are five components of effective internal control as specified in the Regulations Governing Internal Control with which the procedure for effective internal control is measured, namely, (1) Control Environment, (2) Risk Evaluation and Response, (3) Control Operation, (4) Information and Communication, and (5) Monitoring. Each of the elements in turn contains certain audit items, and shall be referred to the Regulations Governing Internal Control for details.
- (IV) The Company has adopted the aforementioned internal control system for an internal audit on the effectiveness of the design and enforcement of the internal control system.
- (V) Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2024, other than matters listed in the attachment, the design and implementation of its internal control system (including its supervision and management of subsidiaries and overall implementation of information security management operations), is effective and can reasonably ensure the achievement of providing knowledge on the degree of the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws and regulations.
- (VI) This statement of declaration shall form an integral part of the annual report and prospectus on the Company and will be announced. If there is any fraud, concealment and unlawful practice discovered in the content of the aforementioned information, the Company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act, and Article 115 of the Futures Trading Act.
- (VII) This statement was approved by the Board of Directors of the Company on March 5, 2025. Among the 9 directors present, 0 of them held objections, and all of them agreed with the content of this statement and made this statement.

Stanley CHU
Chairman

Mary SUNG
Chief Auditor

Chang-lung CHANG LEE
President

Kevin CHAO
Chief Information Security Officer



SinoPac Securities Corp. Findings and Improvement Plans for Internal Control System and Legal Compliance

As of: December 31, 2024

Matters for Further Improvement	Improvement Measures	Expected Time of Improvement Completion
SinoPac Securities		
<p>I. In February 2023, the TWSE conducted an audit on the Dunpei branch and found that business personnel had conducted discretionary investment for customers and placed orders without following customer instructions. On February 5, 2024, the FSC issued a letter to the Company imposing corrective orders and a fine of NT\$480,000, and suspended the business personnel at the Dunpei branch from conducting business for nine months due to the violations.</p>	<p>Telephone care interviews have been conducted with other customers of the salesperson, and the salesperson has been punished. The branch has promoted relevant regulations on prohibited behaviors to employees.</p>	<p>Improvement has been completed.</p>
<p>II. The FSC conducted an anti-money laundering (AML) inspection from June 16 to June 29, 2023 found the following deficiencies. On April 26, 2024 the FSC issued a letter to the Company that imposed corrective measures and a fine of NT\$500,000.</p> <p>(I) In conducting customer due diligence, SinoPac Securities failed to reassess the risk level of customers involved in negative news and previously reported for suspected money laundering transactions, as required by internal regulations.</p> <p>(II) In performing ongoing due diligence for high-risk customers, SinoPac Securities applied a simplified procedure where risk assessment and review were only triggered upon a "buy" transaction for high-risk customers who had been inactive for over three years and were subject to account freezing, while "sell" transactions were not subject to reassessment.</p> <p>(III) In conducting name screening and risk assessment, SinoPac Securities failed to classify customers listed on the financial holding company's information-sharing list as high-risk, as required by internal regulations.</p> <p>(IV) In performing ongoing monitoring of accounts and transactions, SinoPac Securities did not conduct thorough reviews of suspected money laundering transactions or failed to retain review records.</p> <p>(V) In using system-assisted screening for suspected money laundering transaction patterns, SinoPac Securities did not design appropriate parameters, resulting in ineffective screening.</p>	<p>(I) Conducted a comprehensive review of customers whose risk levels should be elevated according to internal regulations and completed the adjustment of all customer account risk levels.</p> <p>(II) Revised internal regulations and adjusted the system's logic for generating periodic review lists. In addition to restricting transactions for certain accounts, high-risk customers must undergo an annual reassessment.</p> <p>(III) Amended internal regulations to incorporate additional review and processing procedures (e.g., screening for individuals involved in negative news, handling external inquiries). A comprehensive review was conducted, and customer account risk levels were adjusted accordingly.</p> <p>(IV) Strengthened guidance and awareness for business units regarding the review of suspicious transactions, emphasizing the importance of retaining complete review records.</p> <p>(V) Adjusted the existing suspicious transaction patterns by adding appropriate transaction monitoring conditions and parameters (e.g., same IP address, concentration categories). The system upgrade has been completed and launched to enhance the effectiveness of the monitoring mechanism.</p>	<p>Improvement has been completed.</p>

Matters for Further Improvement	Improvement Measures	Expected Time of Improvement Completion
	(VI) Strengthened training and awareness programs regarding the newly added or revised internal regulations and procedures, emphasizing compliance with internal policies to ensure proper reassessment of customer risk levels and adherence to related operational procedures.	
<p>III. The TWSE conducted audits of in August 2024 and found the following deficiencies. The FSC issued a letter to the Company that imposed corrective measures and a fine of NT\$600,000.</p> <p>(I) Login stress testing was not conducted for the "eLeader" and "SGTP" electronic middleware systems.</p> <p>(II) A database failure recovery procedure for the middleware system had not been established.</p>	<p>(I) Login stress testing for the "eLeader" and "SGTP" electronic middleware systems was completed on September 22 and September 29, 2024, respectively. Going forward, stress testing for transactions, inquiries, and logins will be conducted annually.</p> <p>(II) The database failure recovery procedure was approved on October 29, 2024, and will be tested annually in accordance with the procedure.</p>	Improvement has been completed.
Subsidiary - SinoPac Futures Corp.		
<p>I. The TAIFEX conducted audits of SinoPac Futures in August 2024 and found the following deficiencies. The FSC issued a letter on December 27, 2024, asking SinoPac Futures to pay attention to improvement and a fine of NT\$240,000.</p> <p>(I) SinoPac Futures did not conduct stress testing for simultaneous login and account inquiry functions across all six electronic trading platforms, including "eLeader," "HOWSHENTONE," "SinoPac Futures App," "iLeader," "DAWHOTOU," and "SinoTrade Website."</p> <p>(II) A database failure recovery procedure (including backup and recovery plans) for the trading system had not been established, nor had a business continuity plan been formulated. Additionally, SinoPac Futures failed to announce on the homepage of the "eLeader" trading platform the login issue that occurred after the domestic futures market opened on August 5, 2024.</p>	<p>(I) The stress test for simultaneous login and account inquiry functions across trading platforms was completed on September 22, 2024. In the future, stress tests for order placement, inquiries, and logins will be conducted annually.</p> <p>(II) The database failure recovery procedure for the trading system has been revised in coordination with the parent securities company. The business continuity drill manual for various system information operations has also been updated. In response to the failure to announce login and account inquiry anomalies on the "eLeader" trading platform homepage, future announcements regarding securities and futures trading system anomalies will be confirmed and verified before external publication.</p>	Improvement has been completed.

(II) CPA Audit Report on Internal Control System

None.



VI. Major Resolutions of Shareholders' Meeting(s) and Board Meetings

A. Important resolutions of the Shareholders Meetings and Board of Directors in 2024

- Date of Board Meeting: January 31, 2024

1. Approved the Company's 2023 allocation and distribution plan for employees' compensation and performance bonus.

- Date of Board Meeting: March 7, 2024

1. Approved the Company's 2023 business report and financial statements.
2. Approved the Company's 2023 earnings distribution proposal, and authorized the chairman to set the ex-dividend date.
3. Approved the 2023 earnings distribution proposal for the Company's subsidiaries.
4. Approved the proposal of donation to SinoPac Foundation.

- Date of Board Meeting: March 27, 2024

1. Approved the Company's issuance of new shares with earnings reallocated as capital.
2. Approved the change of directors and supervisors for the Company's subsidiaries.

- Date of Board Meeting: May 8, 2024

1. Approved the Company's consolidated financial statements for the first quarter of 2024.

- Date of Board Meeting: May 29, 2024

1. Approved the Audit Committee's review of the Company's 2023 financial statements. (Exercise the rights and functions of the shareholders' meeting)
2. Approved the Company's 2023 employee compensation and director remuneration distribution report. (Exercise the rights and functions of the shareholders' meeting)
3. Approved the adoption of the Company's 2023 business report and financial statements. (Exercise the rights and functions of the shareholders' meeting)
4. Approved the adoption of the Company's 2023 earnings distribution. (Exercise the rights and functions of the shareholders' meeting)
5. Approved the Company's issuance of new shares with earnings reallocated as capital. (Exercise the rights and functions of the shareholders' meeting)

- Date of Board Meeting: June 26, 2024

1. Approved the change of directors and supervisors for the Company's subsidiaries.
2. Approved the dissolution of the subsidiary, SinoPac Securities (Europe) Ltd.

- Date of Board Meeting: July 2, 2024

1. Approved the election of the Company's 13th Chairman.
2. Approved the election of the convener and chairman of the Audit Committee of the Company.

- Date of Board Meeting: July 31, 2024

1. Approved the report on the change of independent directors of the Company.

● Date of Board Meeting: August 14, 2024

1. Approved the report on the change of independent directors of the Company.
2. Approved the Company's individual and consolidated financial statements for the first half of 2024.
3. Approved the Company's purchase of 675,000 shares of ZEITEC Semiconductor Co., Ltd. from SinoPac Securities Venture Capital Co., as part of the subscription under the emerging market advisory sponsorship. The total subscription amount was NT\$73.44 million.

● Date of Board Meeting: August 28, 2024

1. Approved the Company's purchase of 1,500,000 shares of Dong Fang Offshore Co., Ltd. from SinoPac Securities Venture Capital Co., as part of the subscription under the emerging market advisory sponsorship. The total subscription amount is capped at NT\$150 million.

● Date of Board Meeting: September 25, 2024

1. Approved the Company's purchase of 2,260,000 shares of Giant Heavy Machinery Service Corp. from SinoPac Securities Venture Capital Co., as part of the subscription under the emerging market advisory sponsorship. The total subscription amount was NT\$244.08 million.
2. Approved the Company's purchase of 999,000 shares of Jtron Technology Corp. from SinoPac Securities Venture Capital Co., as part of the subscription under the emerging market advisory sponsorship. The total subscription amount was NT\$54.945 million.
3. Approved the change of directors and supervisors for the Company's subsidiaries.

● Date of Board Meeting: November 6, 2024

1. Approved the Company's consolidated financial statements for the third quarter of 2024.

● Date of Board Meeting: November 27, 2024

1. Approved the NT\$1 billion cash capital increase of subsidiary SinoPac Futures Corp. and the full subscription by the Company.
2. Approved the Company's issuing of unsecured subordinated corporate bonds in an amount not exceeding NT\$3 billion (or its equivalent in a foreign currency) with a validity period ending on December 31, 2025.

B. Important resolutions of the Shareholders Meetings and Board of Directors in 2025

● Date of Board Meeting: January 22, 2025

1. Approved the Company's 2024 allocation and distribution plan for employees' compensation and performance bonus.

**VII. Consolidated Shareholdings in Invested Companies**

December 31, 2024

Investee	Investment Made by SinoPac Securities		Investment in Companies Controlled by the Directors, Supervisors, Managers, and by SinoPac Securities Directly or Indirectly		Consolidated investment	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
SinoPac Futures Corp. (Note)	167,525,053	100.00%	-	-	167,525,053	100.00%
SinoPac Securities (Cayman) Holdings Ltd. (Note)	137,752,581	100.00%	-	-	137,752,581	100.00%
SinoPac Securities Venture Capital Corp. (Note)	70,154,042	100.00%	-	-	70,154,042	100.00%
SinoPac Securities Investment Service Corp. (Note)	15,000,000	100.00%	-	-	15,000,000	100.00%
SinoPac Financial Consulting (Shanghai) Ltd. (Note)	-	100.00%	-	-	-	100.00%
Taiwan Stock Exchange Corp.	10,018,888	0.75%	-	-	10,018,888	0.75%
Taiwan Futures Exchange Corp.	4,730,659	0.76%	1,552,190	0.25%	6,282,849	1.01%
Taiwan Depository & Clearing Corp.	5,869,753	0.75%	-	-	5,869,753	0.75%
C.F.L Venture Capital Corp.	3,000,000	14.63%	-	-	3,000,000	14.63%
IP Fund Six Co., Ltd.	2,239,285	6.27%	-	-	2,239,285	6.27%
Yu-Ji Venture Capital Corp.	412,500	6.25%	-	-	412,500	6.25%
Hua Da Venture Capital Corp.	150,000	10.00%	-	-	150,000	10.00%
Hua VI Venture Capital Corp.	43,478	8.70%	-	-	43,478	8.70%

Note: The above stated entities are the Company's investments under the equity method.

I. Capital and Shares

(I) Sources of Capital Stock

February 28, 2025; Unit: Thousands shares; NT\$ Thousands					
Date	Par Value (Unit: NT\$)	Authorized Capital Stock		Paid-in Capital Stock	
		Shares	Amount	Shares	Amount
2024/08	10	1,900,000	19,000,000	1,664,799	16,647,986

Note: The earnings reallocated as capital of NT\$435,748 thousand reported in June 2024 has been approved by the Financial Supervisory Commission on June 26, 2024.

February 28, 2025; Unit: Share				
Type of Stock	Authorized Shares			Remarks
	Shares Outstanding	Unissued Shares	Total	
Common Stock	1,664,798,630	235,201,370	1,900,000,000	-

(II) Major Shareholders

February 28, 2025; Unit: Share		
Major Shareholders	Total Number of Shares	Percentage Held
SinoPac Financial Holdings Company Limited	1,664,798,630	100.00%



II. Issuance of Corporate Bonds

Corporate bond type	2020 first unsecured corporate bond	2022 1st unsecured subordinated corporate bond	2022 2nd unsecured subordinated corporate bond
Issuance date	January 8, 2020	May 27, 2022	August 26, 2022
Face value	NT\$1 million	NT\$1 million	NT\$1 million
Place of issuance and trade	N.A.	N.A.	N.A.
Issued price	At 100% of Face Value	At 100% of Face Value	At 100% of Face Value
Total issuance amount	NT\$2 billion	NT\$1 billion	NT\$2 billion
Coupon rate	Fixed annual rate 0.80%	A series is fixed annual rate at 2.00% B series is fixed annual rate at 2.20%	A series is fixed annual rate at 2.40% B series is fixed annual rate at 2.50%
Tenor	Five years Expired on: January 8, 2025	A series is seven years Expired on: May 27, 2029 B series is ten years Expired on: May 27, 2032	A series is seven years Expired on: August 26, 2029 B series is ten years Expired on: August 26, 2032
Guarantor	N.A.	N.A.	N.A.
Trustee	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Underwriter	N.A.	N.A.	N.A.
Certifying lawyer	Lawyer, Huei-Ji Guo	Lawyer, Huei-Ji Guo	Lawyer, Huei-Ji Guo
Certifying accountant	Auditors Yi-Chun Wu and Cheng-Hung Kuo of Deloitte & Touche	Auditors Mei-Hui Wu and Cheng-Hung Kuo of Deloitte & Touche	Auditors Mei-Hui Wu and Cheng-Hung Kuo of Deloitte & Touche
Method of repayment	Outright payment at maturity in five years	A series is outright payment at maturity in seven years B series is outright payment at maturity in ten years	A series is outright payment at maturity in seven years B series is outright payment at maturity in ten years
Outstanding balance	NT \$2 billion	A series is NT \$0.4 billion B series is NT \$0.6 billion	A series is NT \$1.45 billion B series is NT \$0.55 billion
Terms for redemption or early repayment	None	None	None
Restrictive clauses	None	None	None
Ratings agency, date of rating, and rating awarded	Taiwan Ratings Corporation; August 22, 2019; Issuer rating: twAA- Bond rating: N.A.	Taiwan Ratings Corporation; August 19, 2021; Issuer rating: twAA- Bond rating: Taiwan Ratings Corporation; May 11, 2022; twA+ Fitch Ratings Inc.; May 18, 2022; A+(twn)	Taiwan Ratings Corporation; August 19, 2021; Issuer rating: twAA- Bond rating: Taiwan Ratings Corporation; August 8, 2022; twA+
Other rights	Amount of converted (exchanged or subscribed) common stock, overseas depository receipts, or other negotiable securities up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	N.A.	N.A.
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds	None	None	None
Custodian of exchanged assets	N.A.	N.A.	N.A.

I. Business Activities

(I) Business Scope

A. Major areas of business operations

1. Securities Brokerage

Providing brokerage services of securities on the Taiwan Stock Exchange (TWSE), Taipei Exchange (TPEX), and TPEX Emerging Stock Board (ESB); providing services ranging from margin purchases and short sales of securities, borrowing or lending of money in connection with the securities business, securities borrowing and lending, non-restricted purpose loan business; providing FINI brokerage services; offering sub-brokerage services for trading foreign securities. Our products cover bonds, offshore structured commodities, as well as equities in the US, Japan, Hong Kong, Europe, Australia, Southeast Asia, Shanghai/Shenzhen-Hong Kong Stock Connect, and ETFs in these markets.

2. Futures Introducing Broker and Futures Advisory Services

Providing investors with futures and options trading services, accepting customer appointments, offering research and analytical opinions or recommendations on matters related to futures trading, issuing publications, and organizing seminars.

3. Electronic Trading

Providing investors integrated electronic platforms, including online trading platforms, mobile applications, and voice-order systems, for trading securities listed on the TWSE, TPEX, and ESB, and for futures, mutual funds, Hong Kong stocks, U.S. stocks, Japan stocks, and offshore funds.

4. Wealth Management Trust Business

Providing customers with advisory consultations on asset allocation or financial planning, as well as financial product sales services. Accepting customers' asset allocation execution through trust and offering customers with a variety of trust product services within the scope of money trust and securities trust.

5. Securities Investment Advisory Services

Providing investors with research and analysis, opinions, and recommendations on securities transactions; issuing publications and organizing seminars; and developing automated tools to provide securities investment advisory services.

6. Proprietary Trading

Engaging in proprietary trading of securities; engaging in proprietary trading and market-making of futures, options, and options on futures linked to domestic and foreign securities; and devising structural hedging strategies.

7. Underwriting

Counseling domestic and foreign companies as they apply for listing on the TWSE, TPEX, or ESB, assisting companies to raise capital in the domestic and overseas capital markets, and providing financial advisory and planning consulting services.



8. Stock Registration and Transfer Services

Providing stock issuing companies with agency and advisory services regarding stock affairs.

9. Fixed Income

Engaging in proprietary trading and brokerage of bonds, bills, asset-backed securities, and interest rate derivatives; conducting foreign currency call loans, trading foreign bonds as an agent, and engaging in foreign exchange hedging in relation to proprietary and underwriting purpose; serving as an underwriter and financial consultant for fixed income products, such as bonds and asset-backed securities.

10. Financial Derivatives

Issuing call (put) warrants and exchange-traded notes (ETN) and implementing related hedging arrangements, equity swaps, stock options, convertible bond asset swaps, and various types of structured products.

11. Offshore Securities Unit (OSU)

Undertaking offshore securities business and engaging in brokerage, wealth management trust, underwriting, proprietary trading, and account custody of foreign-currency-denominated securities or financial products, as well as other securities-related forex businesses approved by the regulator.

12. Custody Business for Offshore Overseas Chinese and Foreign Nationals

Providing overseas Chinese and foreign nationals investing in Taiwan-listed securities with integrated services, including custody of payments and securities for securities investment, confirmation of trading, transaction delivery, and data reporting.

13. Spot Foreign Exchange Transactions

SinoPac Securities, as a foreign exchange securities firm, is authorized to handle spot foreign exchange transactions related to securities business for clients.

B. Revenue Breakdown

Total Revenue and Revenue Breakdown over Recent Two Years				Unit: NT\$ Millions
Type of Business	2023		2024	
	Amount	Percentage	Amount	Percentage
Brokerage	10,281	68.92%	14,007	67.19%
Proprietary Trading	3,903	26.16%	5,960	28.59%
Underwriting	678	4.54%	798	3.83%
Others	56	0.38%	82	0.39%
Total	14,918	100.00%	20,847	100.00%

C. New Products and Services Development

1. Launch new businesses
 - (1) Offer sub-brokerage services for financing and securities lending according to law.

2. Enhance electronic trading and digital wealth management services
 - (1) Continuously optimizing the functions of the e-trading platform to expand new customer groups and revitalize existing customers.
 - (2) Continuously improving the customer data center and marketing automation to provide customers with diversified investment and financial services.
 - (3) Continuously improving the application and analysis of customer data to enhance precision marketing services.

3. Support new product R&D and service improvements
 - (1) Continuing to introduce new strategies and frameworks for high-asset customers, offering overseas bonds, private equity funds, and offshore structured products. In line with sustainable development goals, expanding investment-themed financial products to include a broader range of ESG and sustainability-focused products, satisfying investors' needs.
 - (2) Centered on asset protection and inheritance, we offer a diverse range of customized trust services, including cash and securities trusts. Through integrated innovation, we develop differentiated and specialized cash and equity trust solutions.
 - (3) Continuously launching new ETNs, as well as equity derivatives (e.g. equity swaps) that provide a diversified portfolio of strategies, and developing structured products that link multiple targets and types to satisfy customers' investment needs.

(II) Industry Overview

A. The Status Quo and Development of the Industry

In 2024, the global economy gradually recovered from the impacts of the pandemic and geopolitical tensions, with Taiwan's economy also experiencing steady growth. Despite fluctuations in international markets, the continued expansion of the technology industry, the AI boom, and the rapid growth of ETFs fueled a strong performance in the Taiwan stock market. The TAIEX index demonstrated remarkable resilience in 2024, rising from 17,930.81 points to close at 23,035.1 points, marking an annual increase of 5,104.29 points, or 28.47%. The average daily trading value in the market reached NT\$411.4 billion, reflecting a 46.30% growth compared to 2023. Meanwhile, the total market capitalization of listed stocks climbed to NT\$73.90 trillion, up 30.01% from 2023. With stable investor confidence and active market trading, securities business volume continued to expand.

To promote Taiwan's financial and economic development and enhance its international competitiveness, the government launched the "Taiwan as an Asset Management Hub in Asia" initiative in 2024. On September 10, the FSC announced five key strategic plans, aiming to achieve noticeable progress in two years, substantial transformation in four years, and full realization in six years through regulatory easing and policy liberalization. The five key plans include: (1) the Asset Management Expansion Plan, which explores the establishment of financial special zones; (2) the Inclusive and Sustainable Integration Plan, supporting the Taiwan Individual Savings Account (TISA); (3) the Wealth Management Promotion Plan, which aims to facilitate the development of family office institutions; (4) the Capital Investment in Public Infrastructure Plan, guiding private capital investment; and (5) the Expanding Investment in Taiwan Plan, directing funds toward industries aligned with national strategic goals. The securities industry will contribute to this initiative by



expanding the scope of securities firms' businesses, strengthening the capital market, deepening high-net-worth client services, promoting diversified and innovative financial products, and revitalizing offshore business. The key initiatives planned or implemented in 2024 include:

1. Expanding Securities Firms' Business Scope

Securities firms are now permitted to facilitate loans secured by newly issued shares for clients who are either employees or original shareholders of the issuing company. This applies to both initial public offerings (IPO) and capital increases by already listed companies, helping securities firms expand their business scope and offer more diversified products and services. Additionally, the Taiwan Stock Exchange (TWSE) has been exploring the possibility of allowing securities firms to establish simplified branch offices. Once the relevant regulations are implemented, this initiative will enhance the accessibility of wealth management services, expand the customer base, and provide more timely services.

2. Expanding the Capital Market Scale

Effective January 6, 2025, the Taiwan Stock Exchange (TWSE) removed the qualified investor restrictions for the Innovation Board, allowing all investors to participate in trading Innovation Board stocks. This move aims to enhance trading momentum and liquidity, foster the growth of emerging domestic industries, and encourage innovative companies to list in Taiwan. Additionally, the Taipei Exchange (TPEX) is expanding the scope of sustainable bonds by promoting the issuance of sustainability-linked convertible bonds, enabling small and medium-sized enterprises (SMEs) to access the sustainable bond market and meet diverse financing needs. SinoPac Securities led the underwriting of Taiwan's first convertible corporate bond that meets TPEX's sustainable bond qualification—Century Iron and Steel Industrial's eighth convertible corporate bond—which was successfully listed on November 8, 2024.

3. Enhancing efficiency and liquidity by activating the trading market

To improve the intraday odd-lot trading system, starting December 2, 2024, the matching interval for intraday odd-lot transactions was shortened from 1 minute to 5 seconds. This adjustment enhances trading efficiency and increases investors' chances of order execution. Additionally, on December 31, 2024, the Legislative Yuan passed the third reading of amendments to certain provisions of the Securities Transaction Tax Act, extending the reduced day-trading tax rate of 0.15% for an additional three years until December 31, 2027. This measure aims to boost market activity, increase trading volume, and enhance liquidity.

4. Enhancing high-net-worth client services

The government allows offshore foreign institutional investors to designate multiple custodians, improving investment efficiency and incentivizing foreign capital participation in Taiwan's capital market. The Taiwan Stock Exchange (TWSE) plans to complete the necessary supporting measures and implement this policy in the first quarter of 2025. Additionally, professional investors will be permitted to invest in foreign virtual asset ETFs through sub-brokerage services, boosting domestic securities firms' sub-brokerage business. SinoPac Securities has taken the lead in launching online virtual asset ETF trading, establishing a comprehensive back-office system and framework to offer investors a diverse range of investment products.

5. Promoting innovative and diversified financial products

The government allows the launch of actively managed exchange-traded funds (active ETFs) and relax restrictions on passive index ETFs by permitting their underlying index components to include both stocks and bonds (passive multi-asset ETFs). These measures aim to balance the development of active and passive fund markets in Taiwan, enrich the ETF market, cater to diverse investor needs, and attract international asset management institutions to participate.

6. Revitalizing offshore business

The government plans to relax regulations on Offshore Securities Units (OSUs) to provide more convenient account opening and trading services for offshore clients. Key measures include: (1) a streamlined online account opening process, (2) a simplified yet secure order verification mechanism, and (3) allowing client funds to be held in foreign custodian banks. These initiatives aim to attract offshore clients to open accounts and invest in overseas markets through OSUs via sub-brokerage services.

The FSC is actively promoting green and transition finance by implementing a series of programs, including the Green and Transition Finance Action Plan, the Securities and Futures Industry Sustainable Development and Transformation Implementation Strategy, the Sustainability Roadmap for TWSE- and TPEX-Listed Companies, the Green Finance Action Plan 3.0, and the Sustainability Action Plan for TWSE- and TPEX-Listed Companies, all of which are aimed at guiding the financial industry and TWSE- and TPEX-listed companies to proactively practice sustainable development and achieve net-zero transformation goals. Driven by the world's active promotion of net-zero and the government's announcement of net-zero carbon emission targets, investors are increasingly focusing on sustainability and incorporating sustainability-related actions into their investment decisions. Through their own business, securities firms help the capital market and investors keep track of the pulse of sustainability, including establishing a corporate culture of sustainability, assisting corporations in promoting and focusing on sustainability, and strengthening the disclosure of sustainability information, in order to internalize sustainability into the spirit of the corporation, strengthen its resilience, manage risks and grasp opportunities, create long-term value for itself and all stakeholders, and achieve the goal of sustainable operations.

Looking ahead, the competent authorities will continue to promote the relaxation of financial regulations and liberalization-related measures to assist and encourage the industry to move towards internationalization and to enhance the product innovation capability of the financial industry, so as to enable the financial industry to gain more business opportunities and enhance its competitiveness. Under the guidance of competent authorities, it is hoped to establish a favorable business environment for domestic securities companies, expand the financial services territory, continue to satisfy the diversified investment needs of investors, and improve the sustainable development of the securities industry.

B. Trends and Competitive Status of Respective Business Development

The main businesses operated by securities firms include brokerage, investment banking, proprietary trading, derivative financial products, and international business. The development trends and competitive status of each business are summarized as follows:

1. Securities Brokerage

In 2024, Taiwan's stock market delivered outstanding performances in terms of price and volume. Driven by strong AI demand, the capitalization-weighted index increased by 5,104 points over the year, surpassing the 20,000 mark and closing at 23,035 points. The increase reached 28%, ranking among the highest globally. Under optimistic market sentiment, the total trading value of listed stocks neared NT\$100 trillion in 2024, with the daily average reaching a record high of NT\$412.4 billion. The strong investment environment also reflects the outstanding performance of SinoPac Securities' brokerage service. In 2024, the Company's brokerage market share in the Taiwan stock market was 4.78%. The average financing balance was NT\$28.3 billion (6.99% market share). The loan balance of funds for unrestricted purposes was NT\$24.3 billion, an increase of 76% over the previous year. The SBL lending balance was NT\$59.8 billion (9.4% market share). The Taiwan stock brokerage service maintained a stable ranking of fourth in the market.



SinoPac Securities' brokerage service continues to meet the trading needs of customers in various trading groups. For example, the Company provides high-frequency trading investors with a "quick order" function to complete the trading process with one click. The SinoPac Stock Savings Plan is designed to meet the needs of low-budget investors. The "Taiwan Stock Saving and Lending" service is introduced to enhance asset utilization. In addition to continuously improving its electronic trading platform and expanding institutional collaborations, the focus has been on creating a more engaging and meaningful customer experience in 2024. At the end of 2024, marketing campaigns based on trading volume were launched to interact with customers, adding more value to their trading journey. Furthermore, starting in 2024, SinoPac Securities adopted the Net Promoter Score (NPS) indicator to manage frontline service quality. The Company is committed to enhancing customer satisfaction across all touchpoints and continuously refining customer segmentation strategies to provide the most suitable service resources.

While continuously optimizing and refining Taiwan stock brokerage services, the Company insists on providing the highest quality sub-brokerage products and services. In accordance with market conditions and customers' investment needs, the Company offers a diversified range of trading products and services, including the SinoPac US Stock Savings plan for stock savings customers, bond investment strategies for allocation-seeking customers, and structured products for active customers, to assist investors in multi-asset allocation and management. This hasn't distracted the company from continuously improving its trading services. In 2024, the Company was the first in the industry to offer virtual asset ETF trading service, U.S. stock dividend reinvestment service, and electronic trading of structured products. In 2024, the overall trading volume of SinoPac Securities' sub-brokerage trading reached NT\$1,472.6 billion, showing an increase of over 80% compared to the previous year. The trading volume of the sub-brokerage retail market reached NT\$792.0 billion, showing an increase of over 70% compared to the previous year, maintaining the Company's market-leading position.

2. Investment Banking Business

2024 was a successful year for Taiwan's securities regulators, industries, and the broader economy. Both the primary and secondary markets experienced unprecedented prosperity. With the global economic outlook stabilizing, Taiwan's robust economic growth and excellent investment returns continued to attract the attention of international investors. This focus on Taiwan's outstanding listed companies has led to liquidity inflows and boosted the capital market, contributing to the flourishing performance of businesses. The competent authorities continued to actively introduce start-ups with great potential, biotechnology companies, and green enterprises into the capital market. In terms of applications for listing, there were a total of 31 applications for listing on TWSE and 39 applications for OTC, with a combined total of 70 applications. This shows a return to the prosperity of the past, injecting more diverse and innovative energy into the capital market. With regard to the scale of underwriting, the underwritten amount by securities firms was NT\$219.6 billion in 2024, a significant increase of 44.38% compared to NT\$152.1 billion in 2023, marking a new high in total underwriting by securities firms.

The 21st century is the era of the "new economy," where industry upgrades and innovation are important elements of national development. To attract new economy companies to list and raise capital, thereby stimulating economic growth, the competent authorities are actively building a multi-functional and multi-level exchange, diversifying product offerings, promoting financial regulatory technology, improving market trading momentum and information security, and enhancing market systems to assist Taiwan's enterprises at different stages of development. By encouraging listing and public offerings, they assist domestic enterprises in optimizing their compliance and financial health, raising capital, recruiting talents, expanding domestic and international business, and increasing operational scales. Furthermore, they help enhance the visibility of high-quality enterprises in Taiwan, allowing companies of all types to find suitable avenues for fundraising, thereby meeting the diverse needs of enterprises.

In 2024, the Company continued to follow ESG principles in line with SinoPac Holdings' sustainable development goals and strategies, resulting in the highest number of underwriting projects for green enterprises among securities peers. Cumulative underwriting reached NT\$6.2 billion, accounting for nearly 30% of the market. Looking to the future, the Company will continue to explore environmentally friendly green energy consulting/underwriting business opportunities and companies with growth potential, to help inject more diversity and innovation into the capital market. In terms of investment banking, the Company will, in alignment with new policies implemented by the competent authorities, leverage the capital market to facilitate the development of industries, building itself as an Asian asset management center dedicated to the distinctive industries in Taiwan. The Company also helps local companies execute their sustainable transformations and achieve net-zero carbon emission targets, promoting the sustainable development of the capital market together. It aims to become a leader in green energy, environmental protection, circular economy, new economy, and other markets, while balancing IPO and SPO services. In addition to the continued cultivation of Taiwan's capital market and helping enterprises choose the most suitable capital market segment in the new year, the Company will intensify its efforts to develop innovative investment-banking services and financial advisory services, as well as enhance external strategic alliances to develop cross-border investment-banking services.

3. Proprietary Trading

Taiwan's stock market presented challenges and opportunities in 2024. Global economic uncertainty and geopolitical risks, especially US-China trade frictions and regional conflicts, continued to affect market sentiment. Furthermore, inflationary pressure and interest rate fluctuations also affected investor confidence. However, Taiwan's technology industry continues to benefit from the increasing global demand for semiconductors, particularly with strong performances from leading companies such as TSMC. Additionally, government-driven green energy policies and digital transformation initiatives are providing new growth momentum for related industries.

In terms of macroeconomics, Taiwan's economy has grown steadily, the domestic demand has been stable, and the consumer confidence index has remained high. Despite the global economic slowdown, Taiwan's exports have remained strong, especially in the electronics and high-tech sectors. In terms of technological advancement, the application of artificial intelligence (AI) has created new business opportunities for Taiwan's technology companies. These technological innovations enhance the competitiveness of enterprises and attract increased inflows of international capital. In terms of proprietary trading, the Company will continue to focus on sustainable strategies for investment targets and increase the proportion of stocks with long-term stable dividend yields. Through diversified trading strategies, the Company will foster stable profitability, flexibly allocate assets, and increase capital allocation efficiency.

4. Equity Derivatives

The mainstream investment in 2023 carried over to the first half of 2024 with the AI sector leading the market to new highs. In July, the market index was driven up to over 24,000 points. However, the market fluctuated sharply in the second half of the year. After a sharp drop in August, the market swung upward, resulting in an increase of 28% over the year. Under the bullish sentiment, investors actively participated in the warrant market. Warrant investments were significantly concentrated in popular AI stocks and large-cap stocks, such as TSMC and Hon Hai. The issuance volume of warrants reached 74,807, a 14.61% increase from the previous year, while the total trading value stood at NT\$902.3 billion, increasing by 28.26%. The issuance growth far exceeded the trading value increase, indicating a more competitive warrant market environment compared to 2023. Looking ahead to 2025, global economic growth will probably slow down due to the development of relations between the United States and China. The main factor that will affect the stock market in the future will be Trump's policies. The Trump administration's policies are expected to



drive inflation and stimulate short-term economic growth in the United States, but protectionism and tariffs may put pressure on the global economy. In addition, after several years of AI investment, related stocks are overvalued, and momentum may be reduced. Some investors may adopt a wait-and-see approach. It is estimated that the issuance of warrants will continue to increase, maintaining a high level of competition. However, the transaction amount will remain flattish due to the market outlook. With the possibility of increased market volatility, SinoPac Securities' Derivatives Department will improve its market-making quotation system to respond to market fluctuations, and actively provide quotations to facilitate convenient entry and exit for investors. The Company aims to deepen its service for investors in the broader market.

5. International Business

The competent authorities included the financial industry in the scope of the Free Economic Pilot Zone in 2014 and created the mechanism for securities firms' offshore securities units (OSU). The Company created an OSU in May 2014 to conduct offshore securities business, including brokerage, wealth management, underwriting, proprietary trading, and custody of foreign currency denominated securities or foreign currency denominated financial instruments, as well as other securities-related business approved by the competent authority.

(III) Research and Development

Sinopac Securities has long been actively cooperating with regulatory authorities in the liberalization of securities-related policies, launching various new types of businesses to meet investor needs and enhance its financial expertise.

A. Expenditures on Research and Development

Total Expenditures on Research and Development over Recent Two Years:		Unit: NT\$ Thousands
Year	2023	2024
Amount	38,800	59,390

B. 2024 Research & Development Results

1. Establishment of new businesses, innovative products, and services

- (1) SinoPac Securities obtained approval from the central bank to operate as a foreign exchange securities firm for spot foreign exchange transactions related to securities business. This enables the provision of one-stop financial services for foreign securities trading (sub-brokerage) and foreign currency wealth management clients, enhancing efficiency in overseas investments and aligning with the company's international business expansion.
- (2) SinoPac Securities expanded wealth management services to include various trust products under money and securities trusts, as well as individually managed money trusts with specific operational scopes or methods designated by the settlor. By offering diverse trust planning options, SinoPac Securities meets customers asset management needs through a broader selection of trust products.
- (3) SinoPac Securities acted as the lead underwriter for Taiwan's first convertible corporate bond recognized as a sustainable bond by the Taipei Exchange—Century Iron and Steel Industrial's eighth convertible bond—which was successfully listed on November 8, 2024. This marks the company's active participation in the green energy sector and its commitment to facilitating the entry of more green enterprises into the capital market.
- (4) SinoPac Securities pioneered the introduction of "Family Equity Allocation Trust," integrating a dynamic beneficiary ratio trust with a core equity trust structure. This innovative solution provides flexible adjustments to family members' beneficiary rights, effectively assisting business owners in implementing family business succession plans.

- (5) SinoPac Securities signed an agreement with Taiwan Depository & Clearing Corporation to jointly promote localized cross-border custody services for sub-brokerage. In line with the FSC's approval for professional investors to invest in foreign virtual asset ETFs via sub-brokerage, SinoPac Securities led the industry by launching online virtual asset ETF trading, establishing a robust back-end system and framework to offer investors a diverse range of investment options.
- (6) SinoPac Securities launched Equity Swap products to address client trading restrictions in the spot market, enabling structured transactions through equity swap agreements to meet diverse strategic investment needs.
- (7) SinoPac Securities issued interest rate-linked domestic structured products to enhance proprietary trading capabilities in financial product development while providing clients with a wider range of investment and wealth management options.

2. Optimized online trading platform to improve quality and efficiency

- (1) "DAWHOTOU App" introduced Generative AI-powered services—"AI Market Sentiment Analysis" and "Daily Express." Using AI technology, it analyzes over 50 financial information sources to assess market sentiment trends and summarize key stock-related news, helping clients quickly grasp real-time market updates.
- (2) Expanded smart order functions within "DAWHOTOU App," covering Taiwan stocks, U.S. stocks, and options trading, with 20 different smart order scenarios. Launched the "Lightning-Trade System" feature, including three short-term trading tools: Lightspeed Mode, Custom Panel Sorting, and Price/Volume Indicator, assisting investors in capturing rapid market changes with precision and addressing diverse trading requirements.
- (3) "Rich Saving Club" platform introduced a new "DRIP (Dividend Reinvestment Plan)" feature for Taiwan stocks, maximizing the compounding effect and enhancing long-term investment returns. Additionally, it pioneered automated "DRIP for U.S. Stocks," offering greater flexibility in dollar cost averaging investment strategies.
- (4) Continuously enhancing the online trading platform, pioneering the "IPO Subscription Express" service to provide funding for Taiwan stock subscriptions, launching the "Non-restricted Purpose Loan" online fast-application service, and offering investors the ability to apply online for securities trading limit adjustments to meet their investment and financial needs.

3. Innovated digital investment solutions to strengthen wealth management services

- (1) "DAWHOFONE App" wealth management platform has introduced a new "Latest IPOs" on its homepage, listing popular ETFs and funds in the fundraising phase. Additionally, wealth management products now include mutual funds, overseas bonds, and newly added online trading of offshore structured products, extending digital financial services from the general public to professional investors and catering to investors' wealth management needs at different asset levels.
- (2) The financial knowledge service platform "Rich Club" has been upgraded with a "Pre-Market Trading Tools" feature and a new "Daily Stock News" daily pre-market live broadcast on YouTube, providing investors with quick summaries of global market trends and key financial news.
- (3) SinoPac Securities launched "RichClub PRIME," an in-depth knowledge column with a subscription-based model, offering quarterly online seminars and weekly financial insights covering macroeconomics, industries, financial reports, current events, and dollar cost average strategies—meeting investors' high demand for comprehensive market analysis.
- (4) SinoPac Securities has actively expanded the financial ecosystem, collaborating with e-payment and online shopping platforms to streamline the online account opening process, and providing RichClub PRIME premium content to young investors to enhance their investment and securities knowledge.



(5) Leading the development of quantitative trading in the Taiwan stock market with the launch of the "SinoQuant Lesson" online course, continuing to promote quant trading education. In November 2024, Taiwan's first Quantitative Trading Experience Center, "SinoTrade Space," officially opened. Built around the core concept of "virtual-physical integration," it features three innovative functional spaces: "research & exchange, quant trading experience, and an AI-driven financial product allocation platform." By combining online digital services with offline interactions, it provides a dedicated learning hub for quantitative trading investors.

In the future, SinoPac Securities will continue to research and develop new types of business, enhance the functions of the electronic trading platform and digital financial innovation services, as well as build a diversified range of products and services, and enrich the wealth management product line, in order to provide customers with diversified commodities to meet various investment needs.

(IV) Short-term and Long-term Business Development Plans

SinoPac Securities is a securities firm covering brokerage, proprietary trading, and underwriting businesses. Through the management strategy of "innovation and balance," it's goals include being an all-in-one securities firm, top investment bank, and leading e-securities firm and, to become the most respected financial name and innovation leader in the securities and finance industry. To achieve its goals, SinoPac Securities has set forth the following short & long-term business development plans:

A. Short-term Business Development Plans

1. Strengthening market share, enhancing client segmentation strategies, and expanding product offerings to strengthen wealth management services.
2. Implementing highly digitized operations and continuing to develop a financial ecosystem 2.0 that integrates innovative technologies.
3. Continuing to promote the market position of distinctive industries in the underwriting business.
4. Continuing to improve the profitability of proprietary trading.
5. Continuing to develop new types of fixed income business.
6. Fully integrating cross-border wealth management businesses and platforms to continue enhancing overseas profitability.
7. Deepening sustainable finance to create sustainable business opportunities.

B. Long-term Business Development Plans

1. Becoming a leading financial services innovator in the securities industry.
2. Becoming the most influential Greater China-originated securities firm operating in the Pan-Pacific region.

II. Market Analysis

(I) Primary Customer Base

SinoPac Securities primarily serves institutional and individual investors both domestically and internationally. With office locations in major urban areas, counties, and financial centers, we continue to expand and develop our business in Taiwan and overseas. As of February 2025, we had 44 branches in Taiwan and subsidiaries in Hong Kong and Shanghai, plus a representative office in Shanghai that is devoted to micro-economic research.

(II) Market Shares

Market Share in Major Business Markets over Recent Two Years

Type of Business		2023		2024	
		Market Share	Ranking	Market Share	Ranking
Brokerage Business	Equity trading	4.80%	4	4.78%	4
	Electronic trading	5.29%	4	5.28%	4
	Futures and options	6.16%	4	5.95%	4
	Margin loan balance	6.58%	4	6.99%	4
Underwriting	Number of cases with SinoPac Securities as lead underwriter	19 cases / 8.02%	4	17 cases / 5.30%	7
	Total underwriting amount	NT\$16,444 million / 10.81%	2	NT\$18,017 million / 8.21%	4
Warrants	Number of issues	3,362 / 5.15%	7	5,588 / 7.47%	6

In 2024, the market share of the brokerage business was 4.78%, ranking 4th in the same industry, and it won third place in Brokers of the Year-SIP Account Number in the Stock ETFs Awards held by the TPEX. The market share of electronic trading was 5.28%, ranking 4th in the industry. The market share of futures and options business was 5.95%, ranking 4th in the industry, and the team was awarded the second place in IB in Trading Volume Diamond Award at TAIEX's 10th Futures Diamond Awards. The market share of the margin trading balance was 6.99%, ranking 4th in the industry.

In terms of underwriting business, the investment banking team actively counsels outstanding companies to list on TWSE, TPEX, and ESB. In 2024, the number of transactions in which SinoPac Securities was the lead underwriter totaled 17, ranking 7th in the industry, and the underwriting amount of NT\$18,017 million was ranked 4th in the industry. It was awarded No. 1 in Tomorrow and Beyond Award - IPO Market Capitalization by the TWSE, while the TPEX honored it with the Securities Firms TPEX Stock Contribution Award and No. 3 in Best Performance of Advisory Recommending Companies to List on ESM.

For its warrants business, the number of warrants issued was 5,588, ranking No. 6 in the industry. The team won third place in Trading Growth Award, fifth place in Liquidity Award, fifth place in Trading Award, and fifth place in Issuance Award in TWSE's Warrants Market-making Awards. The strategic trading team actively participates in market making and develops resilient trading strategies and has won the Two-way Quote Excellence Award, ESG Exclusive Award and Price-Book Ratio Active Award in the Q1-Q4 TWSE-listed Stock Market Making Competition held by TWSE, as well as the Market Makers-Best Spreads and Market Makers-Stock Coverage in the Q1-Q4 Market Makers Awards of the TPEX.

The quantitative trading team flexibly utilized a strategic portfolio of futures and options to carry out diversified financial trading and hedging strategies and was awarded the Futures Proprietary Merchant in Trading Volume Growth Diamond Award in TAIEX's 10th Futures Diamond Awards. The financial trading business team upholds the responsibilities of a primary dealer for central government bonds and a market maker for securities dealers, actively participating in the primary and secondary bond markets and developing various OTC derivatives. As a result, the team was awarded the fifth place in the OTC Central Clearing Volume Diamond Award in TAIEX's 10th Futures Diamond Awards, and secured the 1st and 2nd place in IRS Market Making in TPEX's Q1-Q4 Derivatives Trading System TWD IRS Market Making Competition.



(III) The Supply and Demand Status and the Growth Potential of the Future Markets

A. Supply Status

At the end of December 2024 there were 102 securities firms, 829 branches, and 34 securities firms licensed by the Securities and Futures Bureau of the Financial Supervisory Commission for margin trading. There were 23 foreign securities firms with branches in Taiwan.

B. Demand Status

In conjunction with rapid economic growth, increasing national income, societal aging, fintech innovation and development, rapid transmission of information through media, and the investment environment's increasing diversity, both institutional and individual investors continue to seek well-rounded wealth management services ranging from digital financial services to investments in overseas markets and diverse financial products. The competent authority will continue to implement new systems and open up relevant measures to prompt the steady growth of the securities market and actively boost the capital market, thereby building a capital market that is both promising and internationally competitive.

(IV) Competitive Advantages, Strengths and Weaknesses in Development Going Forward and the Countermeasures

A. Strengths / Opportunities

1. Experienced management team.
2. Core values of trust, honesty and professionalism.
3. Superior execution and foresight.
4. First mover skills, ability to rapidly adjust to fluid market dynamics.
5. Competence in domestic and international distribution channels.
6. Comprehensive deployment in Greater China.
7. Comprehensive risk management systems.
8. Cross-selling mechanism within the financial holdings structure to boost overall performance.
9. A less restrictive securities market and new business categories recently opened to securities firms through government deregulation.
10. Pragmatic corporate culture, superior brand acceptance.
11. Comprehensive and sound e-trading platforms.
12. Provide cross-border investment banking business integration services
13. Innovative, diversified financial products designed in-house for domestic and overseas markets.

B. Weaknesses / Challenges to prospective development

1. High discount ratio due to brokerage market maturation.
2. Decline of margin trading, increase of capital cost, and narrowing of interest rate spread.
3. Performance of securities firms is highly exposed to fluctuations in the stock market.

C. Solutions and Countermeasures

1. Promote wealth management services in all aspects to increase the size of assets under management.
2. Improving electronic trading platform and enhancing digital wealth management services
3. Strengthen the business structure; develop a sustainable income business model.
4. Improve business stickiness and strengthen added value.
5. Strengthen overseas and domestic products and sales channels; provide integrated services.
6. Strengthen operational support capabilities to increase efficiency.

III. Human Resources

Employee Data				
Year		2023	2024	February 28, 2025
Number of employees	Age 20 - 29	300	290	287
	Age 30 - 39	470	463	482
	Age 40 - 49	886	854	839
	Age 50 and above	766	827	836
	Total	2,422	2,434	2,444
Average age (years)		44.13	44.59	44.57
Average seniority (years)		11.8	11.9	11.9
Education level (%)	Ph. D.	0.12	0.08	0.08
	Master	19.45	19.76	19.80
	University and College	73.45	73.50	73.53
	High school	6.98	6.66	6.59

IV. Environmental Protection Expenditure

The Company is an integrated securities service firm that operates and provides environment-friendly and law-abiding businesses and services, so there were no losses or fines due to environmental pollution.

V. Labor Relations

(I) Employee Welfare and Implementation

The Company provides employees with numerous benefits that exceed the legal requirements or the benefits of other securities firms. The company expects its employees will enjoy all the benefits and family events planned by the Company as rewards to employees for their hard work.

1. Leave Policy is Better than that Legally Required

The Company offers leave that is better than that required in the Labor Standards Act; new employees are entitled to pro-rata leave allowance after their probation period expires, allowing employees to take more vacation and strike



a balance between work and life. In the same year, the Company offers employees with 7 days of paid sick leave, so employees may rest assured when suffering from injury or illness. In this family-friendly workplace, employees are granted up to 5 days of paid family care leave once they use up their regular family care leave days and annual leave days.

2. Various Benefits and Subsidies

The Company provides maternity bonuses, and fixed hospitalization insurance at public expense for children aged 0 to 7. It also provides employees with a group block insurance policy that offers sound protection, while the insurance premium is handled by the Company. The Company also has an Employee Welfare Committee that offers various benefits to employees, including marital bonus, funeral aid, bonuses for the three major Chinese holidays, and travel allowance.

3. Regular Employee Health Check

The Company holds employee health checks every two years, exceeding the requirements in the provisions set out in the Labor Health Protection Rules. It also provides several key examination items that allow employees to regularly examine their physical condition for purposes of health and prevention.

4. Employee Prime Interest Rates on Loans

The Company offers its employees prime interest rates on mortgage loans and credit loans to lighten their financial burden and assist them in establishing their families; the Company also provides employees flexible, convenient, and cost-saving channels to access mid-to-short-term funds for investment wealth management, personal spending, and house renovation.

5. Employee Stock Ownership Trust Mechanism

Employees may purchase the Company's stocks using a monthly regular savings plan during their employment. The Company will set aside a certain amount to help employees with long-term savings and wealth accumulation, thus helping to guarantee their stable retirement in the future.

(II) Implementation of Advanced Studies and Training

Human resource development is a crucial factor of sustainability for enterprises. The Company pays attention to three major aspects related to employees: personal development, development and cultivation at all job levels, and cultivation of professional competencies. Considering these aspects, the Company draws up an annual cultivation plan according to its annual strategic targets.

1. Personal Development

In accordance with the Directions Governing Subsidies and Rewards for Employees Conducting Advanced Studies and Acquiring Certificates, the Company encourages employees to nurture their abilities and cultivate professionalism, and it acknowledges their efforts. Employees take the initiative to arrange advanced studies based on their willingness to grow. They may take part in advanced studies related to languages or computer skills, and in-service master's programs in the graduate schools of national universities, and receive a certain amount in subsidies according to the

forementioned Directions. Furthermore, the Company encourages employees to participate in seminars held by the parent company, SinoPac Holdings. Employees may sign up according to personal preference in seminars, where they can expand their involvement and interaction in multiple fields.

2. Development and Cultivation at All Job Levels

The Company organizes training courses for newcomers on a quarterly basis, allowing new employees to understand the Company's culture, organizational structure, compliance rules and mechanisms, and the Company's overall business overview, thereby enabling them to fit in and adapt to the environment as quickly as possible. All level supervisors will receive management training to shape their readiness, ensuring they have the necessary management skills to be effective. Senior supervisors will be trained to form a cohesive and strategic consensus and future development approach.

3. Cultivation of Professional Competencies

The Company engages in professional training programs according to its annual strategies for all units to create a solid foundation for employees and cultivate their professional abilities and skills that are needed to fulfil their job responsibilities. Information security and compliance are covered heavily in the Company's training program, which includes regularly held online legal training courses and tests for topics such as AML and CFT and ethical management.

(III) Retirement Policy and Implementation

1. The Company follows the pension policy set out in the Labor Pension Act, which is a defined contribution pension plan under the government's management; it contributes to the pension reserve fund account held by the Bureau of Labor Insurance at the rate of 6% of the employee's monthly wages.
2. In accordance with the Labor Standards Act of the R.O.C., the Company implements the pension policy and contributes to employees' pension reserve fund every month, transfers the fund to the Supervisory Committee of Workers' Pension Preparation Fund, and deposits the fund to dedicated accounts at the Trust Department of the Bank of Taiwan and Bank SinoPac under the name of the Committee.

(IV) Employer/Employee Agreements and Protection of Employee Rights

The Company pursues a harmonious employer-employee relationship. In accordance with the Labor Standards Act and relevant laws and regulations, it establishes and inspects all internal regulations in order to protect employees' legal rights and realistically comply with labor-related laws. The goal is to ensure that the Company has working internal communication channels that allow for unhindered and effective communication between the Company and its employees. If an employee wants to raise a complaint, he or she may use the uninterrupted grievance channel to lodge a complaint with all levels of management and the HR unit. If the legitimacy of the complaint is verified, it will be dealt with in accordance with internal regulations. Working towards a win-win employer-employee relationship, the Company entered into a Collective Agreement with the labor union of SinoPac Securities on December 24, 2011. When the Collective Agreement reaches term, a new agreement will be entered into by both parties after employer-employee negotiations.



The Company endeavors to enhance employees' satisfaction and help them develop their career path, so as to strengthen the Company's competitiveness and manifest its business philosophy of maintaining an environment where both the employer and employees can flourish.

(V) Losses arising as a result of employment disputes in the most recent year up until the publishing date, and disclosure of the estimated losses and response actions which may incur currently or in the future: None.

VI. Cyber Security Management

(I) Cyber security risk management framework, cyber security policies, specific management plans, and resources invested in cyber security management

1. Cyber security risk management framework

The Company established an Information Security Department in July 2020. The department reports to the President. It is responsible for overseeing information security development strategies, planning information security protection details, and executing and monitoring matters relevant to information security management. To effectively carry out information security tasks, the Company has set up an Information Security Committee comprising a convener (the head of Information Security Dept.) and members appointed from several divisions (Risk Management Division, Legal & Compliance Division, General Affairs Dept., Human Resource Dept., and Business Divisions). The Audit Division may be notified to appoint a person from its office to attend meetings. The Committee is tasked with formulating information security policies/regulations, implementing an information security management system, raising the awareness of information security and formulating education/training plans, evaluating the infrastructure of the information security management system, and examining, reviewing, and evaluating the legality and legitimacy of the information security management system. Furthermore, the position of Chief Information Security Officer was established by the Board of Directors in December 2021, which is held by a Vice President. The implementation of annual information security into its Statement on Internal Control, which was signed by The Chairman, President, Audit Supervisor and Chief Information Security Officer.

2. Cyber security policies

SinoPac Securities has an "Information Security Policy" in place to strengthen the information security management of the Company, build a secure and reliable IT system, secure its information system equipment and networks, improve employees' knowledge of information security, protect the interests and rights of its clients, and comply with information security related laws and regulatory requirements. The Policy is reviewed once every year and any amendments shall be submitted to the Board of Directors for approval. The Company reviews the information security policy and the SOP for information security incidents every year to keep them updated with the Company's current operations and compliant with the regulatory requirements of the competent authority. It also evaluates the Company's performance related to material information security issues. Aside from organizing regular training to enhance employees' information security awareness, the Company compiles important news and new information related to information security on a monthly basis for posting on its internal website to reinforce employees' awareness and improve their capability to respond to information security incidents.

3. Specific management plans and resources invested in cyber security management

In terms of information security governance, SinoPac Securities' Information Security Committee regularly convenes meetings, and reports information security implementation status to the Board of Directors at least once every year so that directors can participate and assist in making information security plans and decisions. The Company publishes its information security policy via email to all employees regularly and provides education and training programs to raise employees' information security awareness, improve their information security knowledge, and thereby create an information security culture within the Company. The Company's information security specialists are required to attend at least 15 hours of professional courses on information security, or on-the-job training every year; other employees who use the Company's IT system are required to attend at least 3 hours of information security awareness courses every year. Self-assessment and compliance related to information security are part of an employee's performance evaluation. Each member of the Company's information security specialists holds at least one of the international information security certificates. They are required to maintain the validity of the certificates to ensure that they are equipped with the necessary expertise for performing day to day cyber security tasks.

Information security incidents occur when someone hacks or destroys the Company's IT system and steals or uses personal information without permission or when cyber security and personal information protection measures are inadequate. To prevent and detect such incidents, which impact a company's reputation, SinoPac Securities ensures compliance with ISO27001 specifications and obtains ISO certification for cyber security activities held by its IT units (including information security units), such as system management, application software development, outsourced management, database management, network management, information security management, and infrastructure maintenance, etc. The certification is valid until October 31, 2025. The Company simulates actual business operations into remote backup drills to verify that the simulated mechanisms can indeed operate effectively at critical moments.

Furthermore, the Company will continue to improve its information security protection mechanisms and strengthen the way it manages and protects personal information by focusing on the following: Advanced Persistent Threat (APT) defense system, Network Detection and Response (NDR) system, defense against DDOS attacks, email content filtering, malware detection, website and app vulnerability scanning, and security inspection. Meanwhile, we also implement network isolation and security enhancement for high-risk systems such as electronic trading platform and accounting systems.

(II) Major Cyber Security Incidents

There were no incidents of significant information security events that have resulted in losses in 2024 or as of the date of the annual report.

VII. Major Contracts

None.

Financial Positions and Performance and Risk Management

I. Analysis of Financial Status

Unit: NT\$ Thousands				
Item \ Year	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current assets	269,877,053	211,114,645	58,762,408	27.83
Property and equipment	2,207,808	2,176,097	31,711	1.46
Intangible assets	482,114	520,195	(38,081)	(7.32)
Other non-current	6,977,738	10,019,546	(3,041,808)	(30.36)
Current liabilities	231,293,241	183,561,879	47,731,362	26.00
Non-current liabilities	9,975,279	6,031,552	3,943,727	65.38
Capital stock	16,647,986	16,212,238	435,748	2.69
Capital surplus	522,986	522,986	0	-
Retained earnings	19,512,803	16,453,180	3,059,623	18.60
Other equity	1,592,418	1,048,648	543,770	51.85
Total assets	279,544,713	223,830,483	55,714,230	24.89
Total liabilities	241,268,520	189,593,431	51,675,089	27.26
Total equity	38,276,193	34,237,052	4,039,141	11.80

II. Analysis of Financial Performance

Unit: NT\$ Thousands				
Item \ Year	2024	2023	Difference	
			Amount	%
Revenue	20,847,464	14,918,208	5,929,256	39.75
Expenditure and expense	(16,016,548)	(12,491,814)	(3,524,734)	28.22
Net operating income	4,830,916	2,426,394	2,404,522	99.10
Other gains and losses	1,934,781	1,580,516	354,265	22.41
Profit before tax	6,765,697	4,006,910	2,758,787	68.85
Income tax expense	(934,614)	(171,325)	(763,289)	445.52
Net profit	5,831,083	3,835,585	1,995,498	52.03

III. Analysis of Cash Flow

(I) Liquidity Analysis in the Last Two Years

Unit: %			
Item \ Year	2024	2023	Variance(%)
Cash flow ratio	-	-	-
Cash flow adequacy ratio	-	-	-
Cash reinvestment ratio	-	-	-

Note: The operating activities for both 2024 and 2023 resulted in net cash outflows, the cash flow-related ratios are not calculated.

(II) Cash Liquidity Analysis for the Coming Year

Unit: NT\$ Thousands					
Cash Balance at Beginning of Year (1)	Expected Net Cash Inflow from Operating Activities (2)	Expected Total Cash Flow (3)	Expected Cash Balance Year-end (1)+(2)+(3)	Remedial Measures for Expected Cash Inadequacy	
				Investment Plan	Financing Plan
8,365,807	15,821,419	(15,618,480)	8,568,746	-	-

IV. Major Capital Expenditure Items and Source of Capital

Unit: NT\$ Thousands								
Expansion Plan	Actual or Expected Sources of Capital Renovation	Actual or Expected Completion date	Total Forecast Amount	Actual or Expected Capital Allocation				
				2023	2024	2025	2026	2027
Office equipment and equipment replacement	Own capital	By end 2023	27,177	27,177	-	-	-	-
Relocation and renovation of branch offices	Own capital	By end 2023	57,943	57,943	-	-	-	-
Addition, renewal and upgrade of computer mainframe and network system, trading equipment and software	Own capital	By end 2023	201,149	201,149	-	-	-	-
Office equipment and equipment replacement	Own capital	By end 2024	26,088	-	26,088	-	-	-
Relocation and renovation of branch offices	Own capital	By end 2024	93,076	-	93,076	-	-	-
Addition, renewal and upgrade of computer mainframe and network system, trading equipment and software	Own capital	By end 2024	187,235	-	187,235	-	-	-
Office equipment and equipment replacement	Own capital	By end 2025	15,821	-	-	15,821	-	-
Relocation and renovation of branch offices	Own capital	By end 2025	128,237	-	-	128,237	-	-
Addition, renewal and upgrade of computer mainframe and network system, trading equipment and software	Own capital	By end 2025	601,075	-	-	601,075	-	-



V. Analysis of Risk Management

(I) Earnings Impact from Interest Rate and Exchange Rate Fluctuations and Inflation, and Countermeasures taken

A. Interest Rate

The Company adjusts its base interest rates on margin loans, short sales, and unrestricted-purpose loans based on funding costs, market interest rates, and government policies. During rate hiking cycles, the Company adjusts interest rates in accordance with the Central Bank's interest rate policy in order to control interest rate risks. For our bond business, interest rate fluctuations cause market risk. To minimize the risk from such fluctuations, the Company exerts strict control over the limit, VaR controlling mechanism, interest rate sensitivity, and the stop-loss measure.

As of the end of 2024, the Company's VaR of the interest rate sensitive products was around NT\$201.47 million, accounting for 0.24% of the Company's net worth. In terms of the sensitivity indicators, DV01 of the bond position was a minus of NT\$9.6682 million. After adding the reverse interest rate and bond derivative trading, DV01 was a minus of NT\$9.4631 million.

Regarding interest rate fluctuations in the future, the Company will adjust the position required for the operation according to market conditions and business needs. In addition, we will continue to monitor and manage the risks related to the position in compliance with Company regulations, strict risk value and interest-rate sensitivity controlling mechanisms.

B. Exchange Rate

Below are the currency exchange-rate risks the Company potentially faces:

1. Foreign exchange risk from overseas subsidiaries

The Company is exposed to foreign exchange risk from its overseas subsidiaries. The impact will be calculated in the financial report, which will be reflected in the Company's net worth, not in the current quarter's profit/loss. Since the Company sees the overseas subsidiaries as long-term investments, foreign exchange rates mainly affect the Company's net worth but not its profit/loss of a year.

2. Exchange-rate Risks in General Business Operations

The Company is an integrated securities service firm whose primary income source is tied to the domestic market. Therefore, exchange rate is a matter of little consequence in terms of the Company's overall operations. However, the exchange rate does impact the Company's foreign-currency savings and product trades that involve foreign currency. We have also established foreign currency risk management guidelines, to stipulate relevant risk-management procedures and amount ceilings to contain the risks within the Company's capacity.

C. Inflation

The consumer price index increased by 2.10% year-over-year in 2024, and the core consumer price index (excludes food and energy) increased by 1.88%. Since securities firms do not have purchasing cost issues, they are less exposed to inflation trends.

(II) The Impact of Changes in Domestic and Foreign Polices and Laws on the Company's Business and Financial Status, and the Corresponding Risk Management Measures

Here are the amendments to securities-related laws and regulations in 2024 that impacted the Company's business.

A. Brokerage Service

1. From January 1, 2024, the Taiwan Stock Exchange allowed Taiwan Innovation Board stocks to be included in margin trading. Additionally, on January 6, 2025, the restrictions on qualified investors for the Taiwan Innovation Board were fully lifted, enhancing the liquidity of Taiwan Innovation Board stocks.
2. The Financial Supervisory Commission allowed securities firms to accept automatic rebalancing orders placed by a securities investment advisory firm's computer system for its clients, based on a tripartite agreement signed by the securities firm, the client, and the securities investment advisory firm.
3. The Financial Supervisory Commission allowed securities firms to offer share subscription loan services. Securities firms may accept requests from qualified clients, who are employees or original shareholders of an issuer, to get finance for their subscription of new shares of the issuer offered in an IPO on TWSE/TPEX or an FPO.
4. The Financial Supervisory Commission allowed professional investors to invest in foreign virtual asset ETFs through sub-brokerage trading.
5. Starting from December 2, 2024, the securities market shortened the matching interval of intraday odd-lot share trading from 1 minute to 5 seconds, increasing the likelihood of order execution for investors.
6. The preferential securities transaction tax rate of 1.5‰ for stock day-trading was extended to December 31, 2027.

B. Proprietary Trading

1. The Taiwan Stock Exchange stipulated that securities firms' internal control systems must include operational procedures for risk management mechanisms, such as bond repurchase/reverse repurchase transactions, client assessment mechanisms, and transaction limits for reverse repurchase agreements with clients. In response, the Company has incorporated these risk management measures accordingly.
2. The Taipei Exchange stipulated that when securities firms and their related parties and employees engage in bond repurchase/reverse repurchase transactions or derivative financial product transactions, the terms of such transaction shall not be more favorable than those offered to similarly situated counterparties. They shall review the reasonableness of transaction amounts and transaction conditions.

C. Underwriting Business

1. The Taiwan Stock Exchange relaxed the shareholding dispersion standards for companies transferring from the Taiwan Innovation Board to the General Board and has stipulated that companies listed on the Taiwan Innovation Board that meet certain conditions may be exempted from public offerings when applying to be transferred to the General Board.
2. The Taiwan Securities Association amended the "Regulations on the Underwriting or Resale of Securities by Securities Firms" to shorten the underwriting process for projects of IPO on TWSE/TPEX that involve a combination of competitive auction and public subscription.

D. Information Security

The Taiwan Stock Exchange amended the "Establishment of Information Communication and Security Inspection Mechanism for Securities Firms." Securities firms should determine the tolerable interruption time of the core system



based on their brokerage business market share and the ratio of their number of natural person customers. In response, the Company has stipulated that the tolerable interruption time for core systems is 1 hour.

The aforementioned amendments are positive and favorable to the Company's operation without negative impact on the Company's finances and business.

(III) Effects of and Response to Other Major Risks

A. Risk Management Association

SinoPac Securities' "Risk Management Committee" under the Chairman is responsible for reviewing and evaluating company's risk management policies, system and overall risk limit as well as for assisting the Board of Directors in the supervision of all risk management related businesses. In addition, there is also the independent Risk Management Division under the President that devises risk management mechanism that encompassing all aspects of control in order to monitor, measure and evaluates daily risk.

Risk management related policies, principles, and systems are reviewed by the Risk Management Committee, approved by the Board of Directors, and promoted by the Risk Management Division. The division will periodically evaluate and review the execution results and management performance of the subsidiaries.

B. Risk Management Goal and Policy

The Company's goal and policy for risk management is based on the concept of risk capital allocation. By setting an upper limit for overall risk exposure and adopting risk diversification/aversion and loss/damage control, we seek for stable growth while tolerating a certain level of risk. The explanation for each risk area is as below:

1. Credit Risk

- (1) Adopting the concept of risk capital allocation, an upper limit is established for the Company overall credit risk exposure; following the principle of risk diversification, controls over credit limits are set as to each customer, each enterprise, and each business group.
- (2) Differentiated credit ratings, the setting of credit limits and the measurement of credit risks are used as the principal emphasis; through the credit rating mechanism, a corresponding upper limit for the risk exposure amount is given to different trading counterparties, with such upper limits to be reviewed quarterly.
- (3) Trading limits and risk exposure status are to be separately established based on the types of products and the department, and the credit ratings of the investment target and the trading counterparty both must be above the rating permitted by the Company; control must be asserted over each individual product, and risk management across departments and across products is to be considered.
- (4) The prevention of brokerage business default risk is to monitor financing changes through the financing concentration system and high-risk stock screening indicators. At first, by analyzing abnormal stocks, regularly reviewing and adjusting the financing ratio and daily transaction upper limit of stocks helps control default risks. Furthermore, by using online review system EMS (E-Margin System), we could implement online review and registration, file upload and storage, customer account management, quota foolproof mechanism and online approval functions. Finally, we will effectively improve the efficiency of the credit review process and enhance credit risk management.

(5) In terms of risk reports, the credit risk limit control platform is adopted to monitor trading counterparties' credit conditions and compile statistics of the utilization of credit risk limits for limit control on a daily basis; the consolidated exposure to a single financing target of the Company and its subsidiaries is reviewed and controlled on a daily basis; stock financing concentration report is prepared on a weekly basis; credit risk reports are prepared on a monthly basis, the contents of which include credit rating distribution of the Company's positions as well as trading counterparties' credit risk exposure profiles, and the credit risk profile is reported to the board of directors' meeting on a monthly basis.

2. Market Risk

- (1) Adopting the concept of risk capital allocation, an upper limit is established for the Company overall operational position limits and the market value-at-risk limits.
- (2) Irrespective of whether engaged in underwriting services or proprietary operations, market risk is controlled through such methods as limit controls, stop-loss rules, value-at-risk assessments and limits, and the middle counter risk control system is used to monitor position gains and losses, limits and stop-loss warnings.
- (3) Value-at-risk (VaR) to measure and manage market risk and stress tests, sensitivity analysis and back testing are regularly conducted to verify the effectiveness of the value-at-risk system. Besides, SinoPac Securities adopts interest sensitivity index (Total D value, DV01), Greeks (Delta, Gamma, Vega) and many other indexes to evaluate market risk. Moreover, to enhance the abilities of risk management, SinoPac Securities introduced MSCI, an internationally known institution, and uses its VaR system, Risk Manager, and its related equipment. Combined with our ongoing risk management systems, we can have more exactly and accurately quantitative models to evaluate the risk more effectively.
- (4) With respect to risk reports, in addition to monitoring position changes, profitability fluctuations, and VaR status of proprietary trading and brokerage on a daily basis, SinoPac Securities also prepares periodic risk management reports and statements, the contents of which include daily income statements of domestic and foreign positions, VaR reports, weekly control sheets for foreign exchange risk positions, and monthly market risk reports; market risk conditions are reported to the board of directors on a monthly basis.
- (5) The hedging for investment positions regardless of whether warrant issuance or proprietary operations, follow the requirements of laws and regulations, and operational limits and stop-loss standards must be established based on the nature of business; at the same time, the operational rules of such hedging operations must also contain rules with respect to hedging strategies. For example, the risk management department must confirm the distribution of equity warrant hedge coefficients and net worth after-hedging and must supervise the actual hedge situation.

3. Operational Risk

To lower potential risks incurred by errors or insufficiency in the internal operation and control mechanism, the Company demands strict internal review procedures before each operation can be developed. Meanwhile, it has established information risk management systems and SOPs to reduce operational risks from human factors. SinoPac Securities and its subsidiaries have already established an online operational risk incident reporting mechanism, and a report is submitted to the parent financial holding company on a monthly basis. Each quarter, an overview of loss from operational risk incidents is reported to the board of directors, in order to implement the operational risk management mechanism and to establish an operational risk loss database to strengthen operational risk control. The parent company, SinoPac Holdings, established an operational risk self-assessment system platform in 2023. According to the rules, the SinoPac



Securities must utilize the platform to conduct regular operational risk self-assessment operations on various business operations every year to analyze key operational risk items and propose risk reduction improvement measures.

4. Liquidity risk

In order to control liquidity risk of investment positions, in addition to requiring that equity securities to be invested in must maintain a certain degree of market liquidity, SinoPac Securities also reviews liquidity risk of investment positions on a daily basis, proposes a liquidity risk report on a monthly basis, conducts liquidity risk assessments, and discloses liquidity VaR statements and reports the liquidity-risk situation to the board of directors' meetings on a monthly basis.

5. Other Risks

To reduce the risk of financial instrument valuation models, all newly introduced financial instrument valuation models must include relevant information (i.e. new instrument explanation documentation and contract samples, explanation documentation of the model's methods, definition of input and output parameters, and explanation of rationality for selection of model parameters) and be submitted to the Risk Management Division for independent review and verification before being officially launched for use. Additionally, in order to implement the Company's sustainable development blueprint and reinforce ESG risk management mechanisms, the Company has integrated emerging risks and climate change risks into the overall risk management structure. Every year, qualitative or quantitative methods are used to regularly conduct evaluations of emerging risks, climate change risks, and opportunities. Furthermore, to enhance the management mechanism for climate-related risks and opportunities within the Company, the Company established the "Guidelines for Climate-Related Risk and Opportunity Management." The guidelines clearly define risk management procedures for identifying, assessing, monitoring, and formulating mitigation or adaptation measures for climate-related risks and opportunities. The Company also established a Task Force on Climate-Related Financial Disclosure (TCFD) to coordinate the execution of the Company's TCFD-related tasks, disclose climate-related information in our annual report, sustainability report and company website, as required by competent authorities or international organizations, and regularly report the overview of climate risks to the Board of Directors. Other risks-such as legal risks, system risks, or incident risks-will continue to observe and improve by SinoPac Securities.

C. Risk Management Methods and Information Quantifying Risk Exposure

The risk management methods for each company is as stated above, and information quantifying risk exposure is disclosed as follows:

1. Approximate Amount of Market Risks

December 31, 2024 Unit: NT\$ Millions	
Item	Amount
Interest rate risk	2,292
Equity risk	2,050
Foreign exchange risk	337
Commodity risk	32
Special concentration risk	79
Total	4,790

2. Approximate Amount of Credit Risks

December 31, 2024 Unit: NT\$ Millions	
Type of risk	Amount
Repurchase agreements	140
Margin transaction account (complex method)	3
Borrowing or lending receivables in connection with securities business	0
Borrowing or lending receivables in connection with securities business - financing for a period from the second business day following the transaction date to the fifth business day (T+5 type) (complex method)	0
Over-the-counter market derivatives	163
General counterparty risk in brokerage trading (complex method)	346
Four days accumulated transaction amount of brokerage trading of securities in foreign exchange market	0
On-balance-sheet transactions	220
Off-balance-sheet transactions	0
Asset securitization (originator)	0
Non-scheduled settlement	0
Total	872

3. Approximate Amount of Operational Risks

December 31, 2024 Unit: NT\$ Millions			
Item	2021	2022	2023
Gross profit	11,989	7,534	9,558
Risk factor	18%	18%	18%
Approximate amount of risks	1,745		

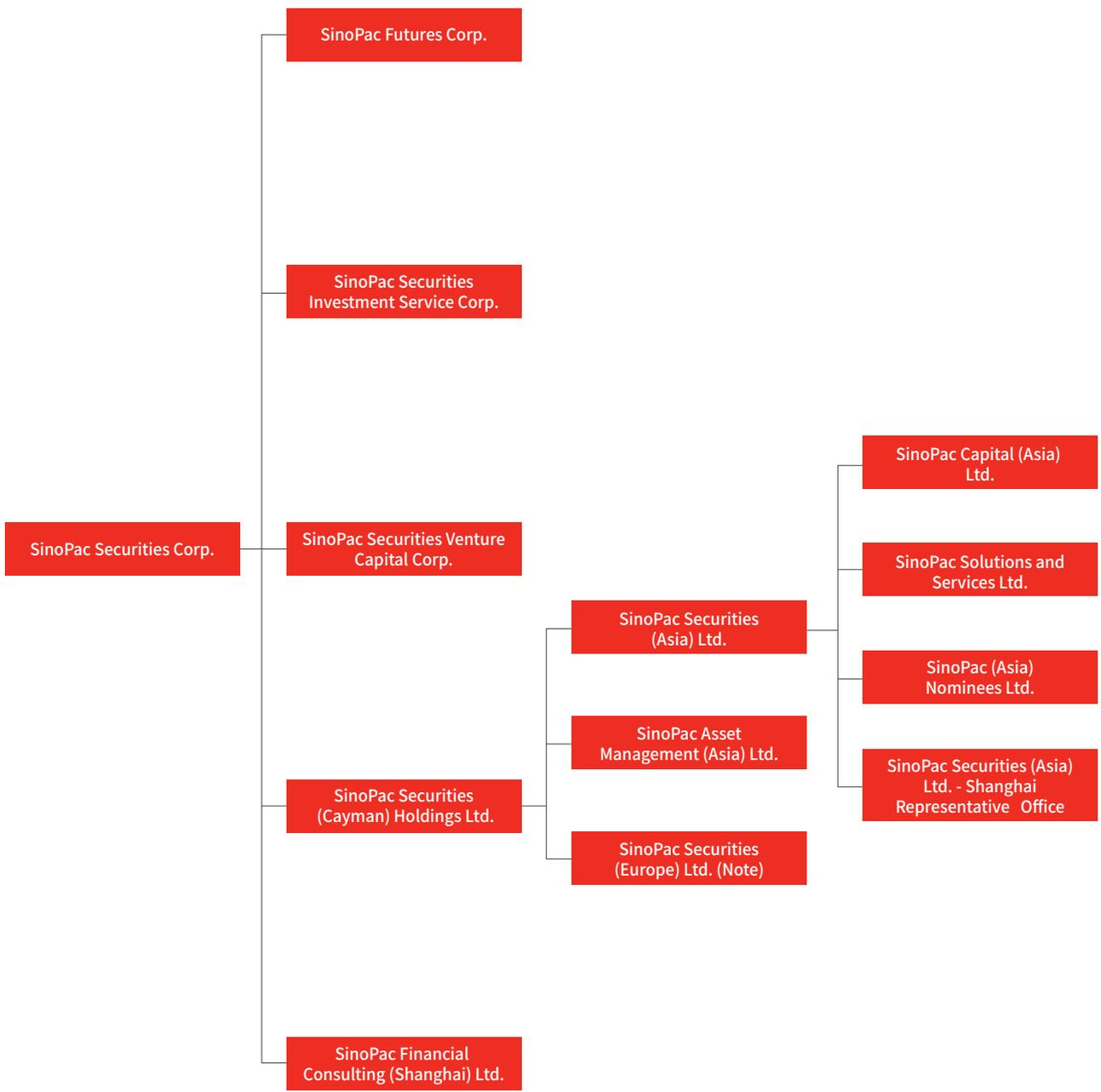
4. Approximate Amount of Business Risks

December 31, 2024 Unit: NT\$ Millions	
Item	Amount
Approximate amount of market risks (1)	4,790
Approximate amount of credit risks (2)	872
Approximate amount of operational risks (3)	1,745
Approximate amount of business risks (4)=(1)+(2)+(3)	7,407

5. Capital Adequacy Ratio

At the end of 2024, SinoPac Securities capital adequacy ratio of credit risk, market risk, and operational risk was 372%, far above the 200% requirement set by the authorities.

Subsidiaries and Affiliated Companies December 31, 2024



Note: On June 26, 2024, The Board approved subsidiary SinoPac Securities (Europe) Ltd.'s liquidation and dissolution (Approved per 15 July 2024 Letter No. Financial-Supervisory-Securities-Firms-1130349937 of the Financial Supervisory Commission). The liquidation and dissolution remain in process.

Profiles of Affiliated Enterprises			December 31, 2024; Expressed in millions of NTD, USD, HKD, or GBP	
Company	Date of Incorporation	Address	Capital	Main Business
SinoPac Securities Corp.	1998.10	7F., 18F.&20F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	16,648	Securities brokerage, dealing, and underwriting
SinoPac Futures Corp.	1994.01	8F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	1,675	Futures brokerage, dealing, advisory and managed enterprise, as well as securities investment consulting services
SinoPac Securities Investment Service Corp.	1995.06	14F., No. 80, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	150	Securities investment consulting and offshore fund master agent business
SinoPac Securities Venture Capital Corp.	2020.03	17F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	702	Venture capital
SinoPac Financial Consulting (Shanghai) Ltd.	2013.12	Room 2103B, Kirin Plaza Building, NO. 666 Gubei Road, Changning District, Shanghai, P.R.C.	USD 2	Enterprise management consulting, investment consulting and information consulting
SinoPac Securities (Cayman) Holdings Ltd.	1998.04	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands	USD 137.753	Investment holding company
SinoPac Securities (Asia) Ltd.	1994.04	Room 601, 6th Floor & 7th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong	HKD 821.06	Securities and futures brokerage and dealing
SinoPac Capital (Asia) Ltd.	1995.10	7th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong	HKD 218	Proprietary Trading
SinoPac Solutions and Services Ltd.	2013.09	7th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong	HKD 46.8	Fund administration and middle office service
SinoPac (Asia) Nominees Ltd.	1995.10	7th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong	HKD 0.000002	Trust accounts on overseas stocks
SinoPac Asset Management (Asia) Ltd.	1994.10	Room 601, 6th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong	HKD 95.55	Asset management, investment consulting
SinoPac Securities (Europe) Ltd. (Note)	1999.05	6 Lloyd's Avenue, London EC3N 3AX, United Kingdom	GBP 2	Agency service

Note: On June 26, 2024, The Board approved subsidiary SinoPac Securities (Europe) Ltd.'s liquidation and dissolution (Approved per 15 July 2024 Letter No. Financial-Supervisory-Securities-Firms-1130349937 of the Financial Supervisory Commission). The liquidation and dissolution remain in process.



Directors, Supervisors, and Presidents December 31, 2024; Expressed in millions of NTD, USD, HKD, or GBP

Company	Titles	Name	Nominating Legal Entity	Number of Shares Held by the Legal Entity		Shares Held by the Directors, Supervisors, or Presidents	
				No. of Shares	Percentage	No. of Shares	Percentage
SinoPac Securities Corp.	Chairman	Stanley CHU	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Independent Director	Ling-lan LIN	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Independent Director	Gen-yu FONG	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Independent Director	Tsai-ching LIU	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Director	Chang-lung CHANG LEE	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Director	Chia-wen SHYU	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Director	Sheng-wu LIEN	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Director	Tsung-lin HO	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	Director	Hung-shien TSAI	SinoPac Financial Holdings Company Ltd.	1,664,798,630 shares	100%	—	—
	President	Chang-lung CHANG LEE	—	—	—	—	—
SinoPac Futures Corp.	Chairman	Michelle LIN	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	Deputy Chairman	Chia-ching LIN	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	Director	Chang-lung CHANG LEE	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	Director	Justin HSIAO	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	Director	Chao-yuan YU	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	Supervisor	Li-wen KAO	SinoPac Securities Corp.	167,525,053 shares	100%	—	—
	President	Chia-ching LIN	-	—	—	—	—

Company	Titles	Name	Nominating Legal Entity	Number of Shares Held by the Legal Entity		Shares Held by the Directors, Supervisors, or Presidents	
				No. of Shares	Percentage	No. of Shares	Percentage
SinoPac Securities Investment Service Corp.	Chairman	Jack HUANG	SinoPac Securities Corp.	15,000,000 shares	100%	—	—
	Director	Poem LEE	SinoPac Securities Corp.	15,000,000 shares	100%	—	—
	Director	Po-tang HUANG	SinoPac Securities Corp.	15,000,000 shares	100%	—	—
	Supervisor	Ally HSIEH	SinoPac Securities Corp.	15,000,000 shares	100%	—	—
	President	Poem LEE	-	—	—	—	—
SinoPac Securities Venture Capital Corp.	Chairman	Chang-lung CHANG LEE	SinoPac Securities Corp.	70,154,042 shares	100%	—	—
	Director	Wen-hsiung LIN	SinoPac Securities Corp.	70,154,042 shares	100%	—	—
	Director	Tony TSAI	SinoPac Securities Corp.	70,154,042 shares	100%	—	—
	Supervisor	Michelle LIN	SinoPac Securities Corp.	70,154,042 shares	100%	—	—
	President	Wen-hsiung LIN	—	—	—	—	—
SinoPac Financial Consulting (Shanghai) Ltd.	Chairman	Tony TSAI	SinoPac Securities Corp.	USD 2	100%	—	—
	Director	Yu CHEN	SinoPac Securities Corp.	USD 2	100%	—	—
	Director	Jong-chee BAIR	SinoPac Securities Corp.	USD 2	100%	—	—
	Supervisor	Michelle LIN	SinoPac Securities Corp.	USD 2	100%	—	—
	President	Yu CHEN	—	—	—	—	—
SinoPac Securities (Cayman) Holdings Ltd.	Director	Chang-lung CHANG LEE	SinoPac Securities Corp.	USD 137.753	100%	—	—
	Director	Michelle LIN	SinoPac Securities Corp.	USD 137.753	100%	—	—
SinoPac Securities (Asia) Ltd.	Managing Director	Kuan-hsun CHU	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—
	Director	Chang-lung CHANG LEE	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—
	Director	Anson CHEN	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—
	Director	Chia-ching LIN	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—



Company	Titles	Name	Nominating Legal Entity	Number of Shares Held by the Legal Entity		Shares Held by the Directors, Supervisors, or Presidents	
				No. of Shares	Percentage	No. of Shares	Percentage
	Director	Jong-chee BAIR	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—
	Director	Cheng-yung KAO	SinoPac Securities (Cayman) Holdings Ltd.	HKD 821.06	100%	—	—
SinoPac Capital (Asia) Ltd.	Director	Kuan-hsun CHU	SinoPac Securities (Asia) Ltd.	HKD 218	100%	—	—
	Director	Chang-lung CHANG LEE	SinoPac Securities (Asia) Ltd.	HKD 218	100%	—	—
	Director	Grace CHANG	SinoPac Securities (Asia) Ltd.	HKD 218	100%	—	—
SinoPac Solutions and Services Ltd.	Managing Director	Hon-kei LEUNG	SinoPac Securities (Asia) Ltd.	HKD 46.8	100%	—	—
	Director	Kuan-hsun CHU	SinoPac Securities (Asia) Ltd.	HKD 46.8	100%	—	—
SinoPac (Asia) Nominees Ltd.	Director	Kuan-hsun CHU	SinoPac Securities (Asia) Ltd.	HKD 0.000002	100%	—	—
	Director	William SU	SinoPac Securities (Asia) Ltd.	HKD 0.000002	100%	—	—
SinoPac Asset Management (Asia) Ltd.	Chairman	Sean LEE	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
	Managing Director	Chih-yung CHEN	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
	Director	Kuan-hsun CHU	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
	Director	Chang-lung CHANG LEE	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
	Director	Kerry HSU	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
	Director	Leon HUANG	SinoPac Securities (Cayman) Holdings Ltd.	HKD 95.55	100%	—	—
SinoPac Securities (Europe) Ltd. (Note)	-	-	SinoPac Securities (Cayman) Holdings Ltd.	GBP 2	100%	—	—

Note: On June 26, 2024, The Board approved subsidiary SinoPac Securities (Europe) Ltd.'s liquidation and dissolution (Approved per 15 July 2024 Letter No. Financial-Supervisory-Securities-Firms-1130349937 of the Financial Supervisory Commission). The liquidation and dissolution remain in process.

Operation Information December 31, 2024; Expressed in NT\$ Thousands, except EPS in NT\$

Company	Paid-in Capital	Total Assets	Total Liabilities	Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (After Tax)	Earnings Per Share (After Tax)
SinoPac Securities Corp.	16,647,986	220,497,786	182,221,593	38,276,193	18,307,149	5,017,227	5,831,083	3.50
SinoPac Futures Corp.	1,675,251	44,478,012	39,899,752	4,578,260	1,357,939	142,626	735,185	4.39
SinoPac Securities Investment Service Corp.	150,000	202,577	53,419	149,158	106,196	(32,814)	(15,127)	(1.01)
SinoPac Securities Venture Capital Corp.	701,541	1,028,571	64,816	963,755	320,274	292,698	254,380	3.63
SinoPac Financial Consulting (Shanghai) Ltd. (Note 3)	65,581	34,421	5,101	29,320	8,738	443	746	-
SinoPac Securities (Cayman) Holdings Ltd.	4,516,997	5,509,777	1,177,969	4,331,808	204,954	127,351	192,190	1.40
SinoPac Securities (Asia) Ltd.	3,467,443	20,913,942	16,631,968	4,281,974	1,383,238	267,965	272,406	3,317.72
SinoPac Capital (Asia) Ltd.	920,642	5,806,488	4,808,556	997,932	250,834	5,152	5,152	0.02
SinoPac Solutions and Services Ltd.	197,642	194,513	5,002	189,511	63,565	(738)	(738)	(0.02)
SinoPac (Asia) Nominees Ltd.	0.008	0	0	0	0	0	0	0.00
SinoPac Asset Management (Asia) Ltd.	403,520	270,838	50,778	220,060	158,837	(23,644)	(23,644)	(0.25)
SinoPac Securities (Europe) Ltd. (Note 4)	82,342	0	0	0	12,224	(28,198)	(27,691)	(13.85)

Note 1: For balance sheets, 2024/12/31 exchange rates were used (USD\$: 32.79065; HKD\$: 4.22313; GBP\$: 41.17086; CNY\$: 4.47758); for income statements, average 2024 exchange rates were used (USD\$: 32.11845; HKD\$: 4.11616; GBP\$: 41.05138; CNY\$: 4.45569.)

Note 2: All of the information is disclosed according to the IFRSs and entity-based.

Note 3: SinoPac Financial Consulting (Shanghai) Ltd. do not issue stocks; EPS is not applicable.

Note 4: The Board of Directors of SinoPac Securities (Europe) Ltd. resolved in June 2024 to liquidate, and was approved by the FSC under letter No. 1130349937 in July 2024, as of the date the consolidated financial statements were authorized for issue, the liquidation procedures have not been completed.

SinoPac Securities Corporation

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