SinoPac Securities Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are the same as those required to be included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINOPAC SECURITIES CORPORATION

March 11, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
SinoPac Securities Corporation

Opinion

We have audited the accompanying consolidated financial statements of SinoPac Securities Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of SinoPac Securities Corporation and its subsidiaries as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC), endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of SinoPac Securities Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of SinoPac Securities Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2025 is stated as follows:

<u>Recognition of Brokerage Handling Fee Revenue</u>

SinoPac Securities Corporation and its subsidiaries' brokerage handling fee revenue mainly arises from the trading of securities. It is calculated by multiplying the trading value by a standard rate or special rate agreed upon with clients. For the year ended December 31, 2025, the handling fee revenue from brokered trading of domestic securities was $6,375,648 thousand, representing 29% of total revenue; therefore, the amount has a material impact on the consolidated financial statements. As a result, the accuracy of the recognition of handling fee revenue from brokered trading of domestic securities based on the fee rate has been identified as a key audit matter.

Our key audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We obtained an understanding of and evaluated the design and implementation of the internal controls over the revenue recognition of handling fee revenues from brokered trading of domestic securities and tested its operating effectiveness and the fee rates in individual client contracts had been approved by management.

2. We selected samples of the various transaction reports of the domestic securities and recalculated the brokerage handling fee revenue to determine its accuracy.

Refer to Notes 4 and 25(a) for the related accounting policies and balances of SinoPac Securities Corporation and its subsidiaries' handling fee revenues from brokered trading.

Other Matter

We have also audited the parent company only financial statements of SinoPac Securities Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, IFRS, IAS, IFRIC, and SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing SinoPac Securities Corporation and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SinoPac Securities Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of SinoPac Securities Corporation and its subsidiaries' audit work performed. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Suei-Chin Lee and Yi-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2026

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Notes 6 and 29)	$ 8,032,808	3	$ 8,365,807	3
Current financial assets at fair value through profit or loss (Notes 7, 12 and 29)	92,191,260	29	79,883,865	29
Current financial assets at fair value through other comprehensive income (Note 8)	5,342,045	2	13,396,974	5
Bond investments under resale agreements (Notes 7, 9 and 29)	13,940,856	4	14,951,093	5
Margin loans receivable (Note 10)	35,899,551	11	34,860,412	13
Receivable of securities business money lending	105,215	-	12,890	-
Receivables of money lending - any use (Note 10)	28,711,326	9	24,271,442	9
Customer margin account (Notes 11, 29 and 36)	59,055,474	18	42,286,608	15
Security borrowing collateral price	308,039	-	154,238	-
Security borrowing margin	9,704,234	3	9,365,208	3
Notes and accounts receivable (Notes 10 and 29)	36,792,828	11	22,875,004	8
Prepayments (Note 29)	137,871	-	232,449	-
Other receivables (Notes 10 and 29)	685,070	-	1,294,634	1
Other current financial assets (Notes 6 and 29)	5,192,696	2	4,047,206	1
Current tax assets (Notes 26 and 29)	350,996	-	330,469	-
Other current assets (Notes 29 and 30)	16,264,514	5	13,548,754	5
Total current assets	312,714,783	97	269,877,053	97
NON-CURRENT ASSETS (Note 4)				
Non-current financial assets at fair value through profit or loss (Notes 7 and 29)	124,688	-	124,916	-
Non-current financial assets at fair value through other comprehensive income (Notes 8 and 29)	3,789,416	1	3,812,763	1
Property and equipment (Notes 13, 29 and 30)	2,230,177	1	2,207,808	1
Right-of-use assets (Notes 14 and 29)	682,715	-	525,689	-
Investment property (Notes 15 and 30)	147,114	-	148,637	-
Intangible assets (Notes 16 and 29)	954,676	-	482,114	-
Deferred tax assets (Note 26)	517,124	-	355,498	-
Other non-current assets (Notes 13, 16, 17 and 29)	2,669,239	1	2,010,235	1
Total non-current assets	11,115,149	3	9,667,660	3
TOTAL	$ 323,829,932	100	$ 279,544,713	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Current borrowings (Note 18)	$ 2,924,528	1	$ 1,698,838	1
Commercial paper payable (Notes 19 and 29)	72,071,127	22	49,957,325	18
Current financial liabilities at fair value through profit or loss (Notes 7 and 29)	40,002,657	12	40,940,757	15
Liabilities for bonds with attached repurchase agreements (Notes 7, 8, 21 and 29)	31,791,076	10	44,211,495	16
Securities financing refundable deposits	2,407,527	1	2,701,171	1
Deposits payable for securities financing	2,640,325	1	3,089,511	1
Securities lending refundable deposits	9,332,543	3	8,315,600	3
Futures traders' equity (Notes 11 and 29)	59,046,570	18	42,277,084	15
Equity for each customer in the account	4,857,027	2	949,756	-
Accounts payable (Notes 22 and 29)	45,884,680	14	27,088,046	10
Other payables (Note 29)	3,626,756	1	3,562,171	1
Other current financial liabilities	788,357	-	398,208	-
Current tax liabilities (Notes 26 and 29)	541,890	-	632,759	-
Long-term liabilities - current portion (Note 20)	-	-	2,000,000	1
Current lease liabilities (Notes 14 and 29)	236,864	-	206,010	-
Other current liabilities (Note 29)	1,310,998	1	3,264,510	1
Total current liabilities	277,462,925	86	231,293,241	83
NON-CURRENT LIABILITIES (Note 4)				
Bonds payable (Note 20)	4,000,000	1	3,000,000	1
Long-term borrowings (Note 18)	943,575	1	5,981,346	2
Non-current provision for employee benefits (Note 25)	84,059	-	72,816	-
Non-current lease liabilities (Notes 14 and 29)	457,456	-	331,443	-
Deferred tax liabilities (Note 26)	430,115	-	245,101	-
Other non-current liabilities (Notes 15 and 23)	221,313	-	344,573	-
Total non-current liabilities	6,136,518	2	9,975,279	3
Total liabilities	283,599,443	88	241,268,520	86
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Notes 4, 8 and 24)				
Capital stock	16,892,430	5	16,647,986	6
Capital surplus	522,986	-	522,986	-
Retained earnings				
Legal reserve	4,380,139	1	3,762,111	1
Special reserve	10,806,467	3	9,570,411	4
Unappropriated retained earnings	5,731,386	2	6,180,281	2
Total retained earnings	20,917,992	6	19,512,803	7
Other equity interest				
Exchange differences on translation of foreign financial statements	(275,741)	-	(159,411)	-
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	2,172,822	1	1,751,829	1
Total other equity interest	1,897,081	1	1,592,418	1
Total equity	40,230,489	12	38,276,193	14
TOTAL	$ 323,829,932	100	$ 279,544,713	100

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

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
REVENUE (Note 4)				
Brokerage handling fee revenue (Notes 25 and 29)	$ 11,222,856	51	$ 10,670,307	51
Income from securities lending	774,057	3	752,000	4
Revenues from underwriting business (Notes 25 and 29)	516,429	2	455,661	2
Gains on wealth management (Note 29)	340,276	2	251,328	1
Gains (losses) on sale of operating securities (Note 25)	8,456,421	39	8,058,833	39
Revenue from providing agency service for stock affairs (Note 29)	177,688	1	159,749	1
Interest revenue (Notes 25 and 29)	3,863,396	18	4,366,304	21
Dividend revenue (Notes 8 and 29)	1,366,773	6	1,238,495	6
Valuation gains (losses) on operating securities at fair value through profit or loss (Note 25)	3,253,091	15	(872,225)	(4)
Losses on covering of borrowed securities and bonds with resale agreements - short sales	(4,634,045)	(21)	(1,231,462)	(6)
Valuation gains (losses) on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss	(1,202,180)	(6)	210,538	1
Realized gains (losses) on financial assets measured at fair value through other comprehensive income - debt instruments (Note 24)	214,662	1	(54,002)	-
Valuation gains on securities for futures margin at fair value through profit or loss	133,018	1	7,800	-
Gains (losses) from issuance of call (put) warrants (Note 25)	(587,397)	(3)	188,414	1
Losses from derivatives - futures (Note 25)	(531,308)	(2)	(2,621,661)	(12)
Losses from derivatives - OTC (Notes 25 and 29)	(1,777,792)	(8)	(1,758,969)	(9)
Expected credit impairment (loss) and gain on reversal (Notes 8, 10 and 17)	5,235	-	(9,228)	-
Foreign exchange gains (loss)	(161,780)	(1)	683,343	3
Other operating income - other (Notes 25 and 29)	357,480	2	352,239	1
Total revenue	21,786,880	100	20,847,464	100

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SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
EXPENDITURE AND EXPENSE (Note 4)				
Brokerage handling fee expense (Note 29)	$ (1,084,075)	(5)	$ (963,929)	(5)
Proprietary handling fee expense (Note 29)	(103,846)	-	(121,187)	-
Finance costs (Notes 25 and 29)	(2,659,118)	(12)	(3,480,591)	(17)
Loss from securities borrowing transactions	(1,353,515)	(6)	(870,406)	(4)
Futures commission expense	(129,931)	(1)	(132,269)	(1)
Other operating expenditure (Note 29)	(235,556)	(1)	(246,772)	(1)
Employee benefits expense (Notes 23, 25 and 29)	(7,559,803)	(35)	(7,167,981)	(34)
Depreciation and amortization expense (Notes 13, 14, 15, 16 and 25)	(558,843)	(3)	(567,859)	(3)
Other operating expense (Notes 25 and 29)	(2,688,639)	(12)	(2,465,554)	(12)
Total expenditure and expense	(16,373,326)	(75)	(16,016,548)	(77)
NET OPERATING INCOME	5,413,554	25	4,830,916	23
OTHER GAINS AND LOSSES (Notes 4, 15, 25 and 29)	1,947,279	9	1,934,781	9
PROFIT BEFORE TAX	7,360,833	34	6,765,697	32
INCOME TAX EXPENSE (Notes 4 and 26)	(873,918)	(4)	(934,614)	(4)
NET PROFIT	6,486,915	30	5,831,083	28
OTHER COMPREHENSIVE INCOME (Notes 4, 23, 24 and 26)				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	31,695	-	(68,905)	(1)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(389,768)	(2)	612,613	3
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(24,599)	-	(6,817)	-
After-tax items that will not be reclassified to profit or loss	(382,672)	(2)	536,891	2

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SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	$ (149,428)	-	$ 265,462	1
Unrealized gains from investments in debt instruments measured at fair value through other comprehensive income	48,136	-	146,618	1
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	33,098	-	(56,003)	-
After-tax items that will be reclassified to profit or loss	(68,194)	-	356,077	2
Other comprehensive income for the year, net of income tax	(450,866)	(2)	892,968	4
TOTAL COMPREHENSIVE INCOME	$ 6,036,049	28	$ 6,724,051	32
PROFIT ATTRIBUTABLE TO:				
Owners of the parent company	$ 6,486,915	30	$ 5,831,083	28
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent company	$ 6,036,049	28	$ 6,724,051	32
EARNINGS PER SHARE (Note 27)				
Basic	$ 3.84		$ 3.45	

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

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Capital Stock			Retained Earnings			Other Equity Interest		
	Shares (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE ON JANUARY 1, 2024	1,621,224	$ 16,212,238	$ 522,986	$ 3,346,524	$ 8,950,780	$ 4,155,876	$ (368,870)	$ 1,417,518	$ 34,237,052
Appropriation of 2023 earnings									
Legal reserve	-	-	-	415,587	-	(415,587)	-	-	-
Special reserve	-	-	-	-	619,631	(619,631)	-	-	-
Cash dividends	-	-	-	-	-	(2,684,910)	-	-	(2,684,910)
Stock dividends	43,575	435,748	-	-	-	(435,748)	-	-	-
Profit for the year ended December 31, 2024	-	-	-	-	-	5,831,083	-	-	5,831,083
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	(55,124)	209,459	738,633	892,968
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	5,775,959	209,459	738,633	6,724,051
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	404,322	-	(404,322)	-
BALANCE ON DECEMBER 31, 2024	1,664,799	16,647,986	522,986	3,762,111	9,570,411	6,180,281	(159,411)	1,751,829	38,276,193
Appropriation of 2024 earnings									
Legal reserve	-	-	-	618,028	-	(618,028)	-	-	-
Special reserve	-	-	-	-	1,236,056	(1,236,056)	-	-	-
Cash dividends	-	-	-	-	-	(4,081,753)	-	-	(4,081,753)
Stock dividends	24,444	244,444	-	-	-	(244,444)	-	-	-
Profit for the year ended December 31, 2025	-	-	-	-	-	6,486,915	-	-	6,486,915
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	25,356	(116,330)	(359,892)	(450,866)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	6,512,271	(116,330)	(359,892)	6,036,049
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(780,885)	-	780,885	-
BALANCE ON DECEMBER 31, 2025	1,689,243	$ 16,892,430	$ 522,986	$ 4,380,139	$ 10,806,467	$ 5,731,386	$ (275,741)	$ 2,172,822	$ 40,230,489

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

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 7,360,833	$ 6,765,697
Adjustments to reconcile profit (loss)		
Depreciation and amortization expense	560,366	569,383
Expected credit impairment loss (gain)	(4,487)	13,838
Valuation losses (gains) on operating securities at fair value through profit or loss	(3,253,091)	872,225
Valuation losses (gains) on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss	1,202,180	(210,538)
Finance costs	2,659,118	3,480,591
Interest revenue and financial income	(5,111,108)	(5,663,780)
Dividend revenue	(1,533,915)	(1,412,963)
Loss on disposal of property and equipment	1	3,570
Net losses (gains) on non-operating financial instruments at fair value	(18,996)	52,346
Unrealized losses (gains) on issuance of call or put warrants	343,747	(483,481)
Prepayments for business facilities transferred to expenses	32	1,248
Losses (gains) from lease modification	(32)	73
Losses (gains) from reversal of decommissioning costs	23	(550)
Changes in provision for non-current employee benefits liabilities	29,316	(73)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(9,035,080)	(13,560,311)
Bond investments under resale agreements	1,010,237	(3,836,525)
Margin loans receivable	(1,033,599)	(10,037,105)
Refinancing margin	24,616	(21,159)
Refinancing collateral receivable	20,435	(17,540)
Receivable of securities business money lending	(92,323)	(8,636)
Receivables of money lending - any use	(4,436,714)	(10,471,209)
Customer margin account	(16,768,866)	(11,416,318)
Futures exchanges margins receivable	213	(103)
Security borrowing collateral price	(153,801)	(130,529)
Security borrowing margin	(339,026)	(683,936)
Notes and accounts receivable	(5,293,892)	(618,549)
Prepayments	101,462	(141,681)
Net defined benefit assets	(1,712)	(862)
Other receivables	613,053	(191,565)
Financial assets at fair value through other comprehensive income	(14,525,439)	(13,946,906)
Other current assets	(2,760,874)	(3,341,099)
Overdue receivables	(1,460)	607
Liabilities for bonds with attached repurchase agreements	(12,420,419)	1,666,380
Financial liabilities at fair value through profit or loss	(2,484,027)	7,484,909
Securities financing refundable deposits	(293,644)	530,253
Deposits payable for securities financing	(449,186)	543,927
Refundable deposits	1,016,943	231,612
Futures traders' equity	16,769,486	11,406,794

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SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Accounts payable	$ 9,966,754	$ 2,822,292
Other payables	44,703	1,012,847
Non-current net defined benefit liabilities	(58,624)	(99,928)
Other financial liabilities	390,149	398,208
Equity for each customer in the account	3,907,271	184,003
Other current liabilities	(1,986,010)	1,694,871
Cash used in operations	(36,035,387)	(36,559,672)
Interest received	5,350,031	5,518,443
Dividends received	1,536,198	1,386,989
Interest paid	(2,756,927)	(3,734,672)
Income tax paid	(933,090)	(443,233)
Net cash used in operating activities	(32,839,175)	(33,832,145)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(10,195,904)	(5,215,094)
Proceeds from disposal of financial assets at fair value through other comprehensive income	32,461,387	18,721,204
Acquisition of property and equipment	(158,452)	(181,496)
Proceeds from disposal of property and equipment	-	24
Decrease (increase) in refundable deposits	(440,519)	111,203
Acquisition of other intangible assets	(95,274)	(70,640)
Net cash outflows from business combination	(676,185)	-
Decrease (increase) in other current financial assets	(1,145,490)	139,216
Increase in restricted assets	-	(100,000)
Decrease (increase) in other non-current assets - others	82	(129)
Increase in prepayments for business facilities	(64,746)	(34,965)
Net cash generated from investing activities	19,684,899	13,369,323
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,225,690	347,966
Increase in commercial paper payables	18,113,802	18,903,191
Proceeds from issuing bonds	1,000,000	-
Repayment of bonds	(2,000,000)	-
Proceeds from long-term debt	11,229,293	16,560,269
Repayments of long-term debt	(12,226,919)	(11,562,642)
Payments of lease liabilities	(249,704)	(260,465)
Cash dividends paid	(4,081,753)	(2,684,910)
Net cash generated from financing activities	13,010,409	21,303,409
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(189,132)	326,351

(Continued)

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (332,999)	$ 1,166,938
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8,365,807	7,198,869
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,032,808	$ 8,365,807

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

1. GENERAL INFORMATION

SinoPac Securities Corporation (the "Corporation") was established on October 11, 1988 and started operations on November 8 of the same year. The Corporation is an integrated securities firm licensed by the government and is engaged in the underwriting, proprietary trading and brokerage of securities, margin trading and short selling of marketable securities, trading of foreign securities, futures introducing broker services, proprietary trading of futures, short-term bills financing, trust services in its wealth management business and other businesses as approved by the relevant authorities.

Its shares began trading on the Taipei Exchange (the over-the-counter securities exchange of the Republic of China, or the "TPEx") in December 1994. Effective May 9, 2002, the Corporation's shares ceased trading on the TPEx because of the incorporation of the Corporation into SinoPac Financial Holdings Company Limited ("SinoPac Holdings") through a share swap.

As of December 31, 2025, the Corporation had 44 branches and one offshore securities unit in addition to its head office.

The consolidated financial statements of the Corporation and its subsidiaries (collectively, the "Group") are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the board of directors on March 11, 2026.

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

a. Initial application of the new accounting policies

Liability classification of funds raised through the revolving commercial paper issuances

The Group has entered into a multi-year revolving commercial paper issuance agreement with a financial institution. Under this agreement, commercial papers are issued with maturities of 30 days and are reissued on a revolving basis upon maturity, with interest payments made each cycle but no principal repayment required at maturity. As the Group does not have the right at the end of the reporting period to defer settlement of these liabilities for at least twelve months after the reporting date, and as given that the substance of the transaction is the repayment of maturing commercial papers through the issuance of new ones, such liabilities shall be classified as current liabilities in accordance with the Q&A issued by the Accounting Research and Development Foundation (ARDF). In accordance with the Q&A issued by the FSC, the Group applies these requirements to commercial papers issued on a revolving basis on or after September 1, 2025. Commercial papers issued prior to September 1, 2025, continue to be classified as non-current liabilities. See Note 18 for the details.

b. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

1) Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

2) Identification of related parties

In accordance with the Q&A “Identification of Related Parties” issued by the ARDF in June 2025, the Group has reassessed its relationship with the funds managed by related entities to determine whether it exercises control or significant influence, or if it solely provides key management services to them. Since the related entities only provide key management services to certain managed funds, the previous identification of related parties based on the Q&A issued by the ARDF in July 2013 was revised. Accordingly, these funds are no longer identified as related parties of the Group, effective from January 1, 2025. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

c. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of the above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments</u>

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

- To classify items of income and expenses presented included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

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

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

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

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulation Governing the Preparation of Financial Reports by Futures Commission Merchants and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, liabilities for cash-settled share-based payment transaction and net defined benefit assets and liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities to be settled within 12 months after the reporting period; and

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

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation.

2) Subsidiaries included in the consolidated financial statements were as follows:

			% of Ownership		
			December 31		
Investor	**Investee**	**Main Business**	**2025**	**2024**	**Remark**
The Corporation	SinoPac Futures Corporation ("SinoPac Futures")	Futures brokering, dealing, advisory, managed enterprise and securities investment consulting services	100.00	100.00	
The Corporation	SinoPac Securities Investment Service Corporation ("SinoPac Securities Investment Service")	Securities investment consulting and offshore fund distributor business	100.00	100.00	
The Corporation	SinoPac Securities Venture Capital Corporation ("SinoPac Securities Venture Capital")	Venture capital investment	100.00	100.00	
The Corporation	SinoPac Securities (Cayman) Holdings Ltd. ("SinoPac Securities (Cayman)")	Investment holding company	100.00	100.00	
The Corporation	SinoPac Financial Consulting (Shanghai) Ltd. ("SinoPac Financial Consulting (Shanghai)")	Management consulting, investment and information consulting	100.00	100.00	
SinoPac Securities (Cayman)	SinoPac Securities (Europe) Ltd. ("SinoPac Securities (Europe)")	Brokerage agency service	-	100.00	Note
SinoPac Securities (Cayman)	SinoPac Asset Management (Asia) Ltd. ("SinoPac Asset Management (Asia)")	Asset management and investment consulting	100.00	100.00	
SinoPac Securities (Cayman)	SinoPac Securities (Asia) Ltd. ("SinoPac Securities (Asia)")	Stock and futures contract brokerage and dealing business	100.00	100.00	
SinoPac Securities (Asia)	SinoPac (Asia) Nominees Ltd.	Trust account on overseas stock	100.00	100.00	
SinoPac Securities (Asia)	SinoPac Capital (Asia) Ltd. ("SinoPac Capital (Asia)")	Proprietary trading	100.00	100.00	
SinoPac Securities (Asia)	SinoPac Solutions and Services Ltd. ("SinoPac Solutions and Services")	Fund administration services	100.00	100.00	

Note: The board of directors of SinoPac Securities (Europe) Ltd. resolved in June 2024 to liquidate, and was approved by the FSC under Jin-Guan-Zheng-Chuan Letter No. 1130349937 in July 2024. The liquidation procedure was completed in June 2025.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period, except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated; they are translated at the rates of exchange prevailing at the dates of the transactions.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (“CGU”) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a CGU was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a CGU and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property and equipment, right-of-use assets, investment property and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use asset, investment property and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Corporate assets are allocated to the individual CGU on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount less amortization or depreciation that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instrument

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

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

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 34.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost etc., are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits, short-term notes and excess margin of futures with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than allotted days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and any associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings and will not be reclassified as profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

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

<u>Financial liabilities at FVTPL</u>

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

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on such financial liability.

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

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. Except for the interest incurred which is recognized in finance costs, the remaining amount of changes in the fair value of that liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 34.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

Derivative financial instruments which include futures, option, warrant, interest rate swap, forward exchange, currency swap, cross currency swap, convertible bond asset swap, structured instrument and equity derivatives contract are used to diversify its range of investments, to develop various services aggressively and to use working capital more efficiently.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

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

5) Modification of financial instruments

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

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

m. Repurchase and resale transactions

Transactions involving the resale and repurchase of bonds with a financing nature are accounted for as bond investments under resale agreements and liabilities for bonds with attached repurchase agreements, respectively; and the related interest income and expense are accounted for on the basis of the interest rate stated in the contract.

n. Margin loans and stock loans

"Margin loans receivable" represents the amount financed to customers to buy securities, and the securities are then used to secure these loans. The collateral is recorded under "collateral securities" using memo entries. The collateral securities are returned to the customers when the margin loans are repaid.

When the Corporation refinances the aforementioned margin loans with securities finance companies ("SFCs"), the loans are recorded under "refinancing borrowings," which are collateralized by securities bought by customers.

The collateral securities are sold by the Corporation when their market values fall below a pre-agreed level and the customer fails to maintain this level. If the proceeds of the disposal of collateral securities cannot cover the balance of the loan and the customer cannot timely settle the deficiency, the balance of the margin loan is reclassified to "overdue receivables." If a collateral security cannot be sold in the open market, the balance of the loan is reclassified to "other receivables" or "overdue receivables."

Stock loans are securities lent to customers for short sales. The deposits received from customers on securities lent out are credited to "securities financing refundable deposits." The securities sold short are recorded as "stock loans" using memo entries. The proceeds of disposal of stock loans less any dealer's commission, financing charges and securities exchange tax are recorded under "deposits payable for securities financing." The deposits received and the proceeds of disposal of stock loans are returned to the customers when the stock loans are repaid.

When the Corporation refinances the aforementioned stock loans, the margins deposited by the Corporation to SFCs are recorded as "refinancing margin." The refinancing securities delivered to the Corporation are recorded as "refinancing stock collateral" using memo entries. A portion of the proceeds of the short-sale of securities borrowed from SFCs is retained by the SFCs as collateral and is recorded under "refinancing collateral receivable."

o. Securities business money lending, money lending - any use and securities lending

The Corporation's sources of lending securities for the securities lending business are from (1) securities owned, (2) securities borrowed from the Taiwan Stock Exchange Corporation (TWSE) through its Securities Borrowing and Lending ("SBL") system, (3) collateral securities acquired from margin loans and stock loans, (4) securities borrowed from customers, and (5) securities borrowed from other security firms or SFCs. When using its self-owned securities for the lending business, the Corporation should reclassify the securities to "securities lending" and measured them at fair value on the valuation date. The gains or losses from the valuation are recognized in the valuation account from which the securities are reclassified. When conducting the securities lending business, the Corporation sets up a separate account for each customer and makes daily entries for details of loan balances, details of collateral received (including values), and payments for collateral shortfalls and disposals.

When conducting the money lending business, the amount is limited to payables by each customer after netting the prices of securities bought and sold by that customer on that trading day, the related fees and taxes; the amount is recorded under "receivable of securities business money lending." When conducting the money lending - any use business, the amount is limited to the collateral received; the amount is recorded under "receivable of money lending - any use." The interests and fees earned are recorded under "interest revenue" and "Handling fee revenues from securities business money lending." In addition, the Corporation sets up a separate account for each customer and makes daily entries for details of money lending balances, details of collateral received and payments for collateral shortfalls and disposals.

The collateral securities obtained through securities lending are recorded through memo entries. Cash collateral is recorded as "securities lending refundable deposits." Deposits for securities borrowed from TWSE using the SBL system are recorded as "securities borrowing margin." Securities lending refundable deposits (or securities borrowing margin) will be repaid (or collected) on the return of borrowed securities. Revenues and service fee from securities lending are recognized as income from securities lending.

p. Customer margin accounts and futures traders' equity

SinoPac Futures and SinoPac Securities (Asia) engage in futures brokerage and receive margin deposits from customers as required under existing regulations. The proceeds are deposited in a bank and recorded under "customer margin accounts" and "futures traders' equity." Gains or losses from daily marking to market of the carrying amounts of the contracts and related commission are charged to the customers' margin accounts and futures traders' equity. Futures traders' equity accounts cannot offset each other, except when they are of the same kind and belong to the same investor. The debit balance of futures traders' equity, which results from losses on futures transactions in excess of the margin deposited, is recorded under "futures exchanges margins receivable." and presented under other current assets.

q. Leasing

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

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

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

Pursuant to the lease agreement, the Group has an obligation, at the end of the respective lease terms, to restore the leased buildings assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

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

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

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

s. Share-based payment

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

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

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

3) Current and deferred tax for the period

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

4) In the filing of returns, the linked-tax system is used, i.e., the Corporation, its parent company (SinoPac Holdings) and the qualified subsidiaries of SinoPac Holdings (the "SinoPac Group") "linked" their taxes in filing their returns. The accounting procedure applied by the SinoPac Group to the income tax is to adjust in SinoPac Holdings' book the difference between the combined current/deferred taxes and the total of each SinoPac Group member's ones. Related payables and receivables are recorded in each of the SinoPac Group members' books when estimating the income tax.

u. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. Service income is recognized when services are provided.

The Group's brokerage handling fee revenue is recognized on the trade date of securities and stock loans.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash		
Petty cash and cash on hand	$ 1,488	$ 1,462
Demand deposits	2,524,735	2,938,404
Checking accounts	532,717	438,265
Cash equivalents		
Short-term notes	3,220,767	2,137,545
Time deposits with original maturities of less than three months	402,000	1,308,675
Excess margin of futures	1,351,101	1,541,456
	$ 8,032,808	$ 8,365,807

The interest rate ranges of the time deposits and short-term notes were as follows:

	December 31	
	2025	2024
Interest rates of the time deposits with original maturities of less than three months	1.225%-1.62%	1.275%-1.72%
Discount rate of the short-term notes	1.38%-1.53%	1.40%-1.63%
Due date of the short-term notes	January 2026	January 2025

As of December 31, 2025 and 2024, time deposits with original maturities more than three months, which were classified as other current financial assets, were $5,192,696 thousand and $4,047,206 thousand, respectively. The interest rate ranges were 0.795%-4.2% and 0.555%-4.81%, respectively.

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31		
	2025	2024	Note
Current financial assets at FVTPL			
Financial assets mandatorily measured at FVTPL			
Lent securities	$ 46,618	$ 99,419	a.
Open-end funds and other securities	563,504	601,539	b.
Operating securities - proprietary	70,401,678	61,339,519	c.
Operating securities - underwriting	970,906	1,204,467	c.
Operating securities - hedging	10,196,335	8,687,571	c.
Buy options - futures	2,742	114,963	d.
Futures margin - own funds	3,740,427	1,582,060	d.
Futures margin - securities	1,366,794	1,060,466	d.
Derivative assets - OTC	4,902,256	5,193,861	h.
	$ 92,191,260	$ 79,883,865	
Non-current financial assets at FVTPL			
Financial assets mandatorily measured at FVTPL			
Operating securities - proprietary	$ 100,326	$ 99,968	i.
Stocks other than listed and traded over the counter	24,362	24,948	i.
	$ 124,688	$ 124,916	

(Continued)

	December 31		
	2025	2024	Note
Current financial liabilities at FVTPL			
Financial liabilities held for trading			
Sell options - futures	$ 5,034	$ 4,016	d.
Liabilities on sale of borrowed securities - hedged	424,046	184,118	e.
Liabilities on sale of borrowed securities - non-hedged	17,659,181	22,205,677	e.
Bond investments under resale agreements - short sales	-	276,200	f.
Warrant liabilities	18,184,081	12,704,129	g.
Warrant redeemed	(16,626,500)	(12,013,618)	g.
Derivative liabilities - OTC	6,273,552	6,617,503	h.
	25,919,394	29,978,025	
Financial liabilities designated as at FVTPL	14,083,263	10,962,732	h.
	$ 40,002,657	$ 40,940,757	

(Concluded)

a. Lent securities

	December 31	
	2025	2024
Listed stocks	$ 2,076	$ 1,992
Stocks traded over the counter	30,348	93
Exchange traded funds and bond funds	-	106,905
	32,424	108,990
Valuation adjustment	14,194	(9,571)
	$ 46,618	$ 99,419

b. Open-end funds and other securities

	December 31	
	2025	2024
Open-end funds	$ 44,950	$ 139,899
Other securities		
Stocks traded over the counter	15,680	39,860
Emerging stocks	99,753	65,600
Stocks other than listed and traded over the counter	403,859	367,300
Other securities total	519,292	472,760
	564,242	612,659
Valuation adjustment	(738)	(11,120)
	$ 563,504	$ 601,539

Other securities are securities purchased by the Group who is entrusted by investors under systematic investment plans (“SIPs”) (investments made in periodic fixed amounts into SIPs trading accounts). For each individual security, a reconciliation account is used to reconcile the number of securities, and investing in securities with development potential and investment benefits based on venture capital business.

c. Securities held for operations

	December 31 2025	December 31 2024
Operating securities - proprietary		
Bonds		
Corporate bonds	$ 6,653,763	$ 8,330,388
Financial bonds	4,680,526	7,362,676
Government bonds	261,741	778,151
Bonds total	11,596,030	16,471,215
Listed stocks	24,797,660	14,206,301
Stocks and convertible bonds traded over the counter	18,352,298	15,626,030
Exchange traded funds and bond funds	11,827,351	13,372,134
Emerging stocks	1,267,787	1,395,632
Open-end funds	196,878	345,882
Others	47	47
	68,038,051	61,417,241
Valuation adjustment	2,363,627	(77,722)
	$ 70,401,678	$ 61,339,519
Operating securities - underwriting		
Listed stocks	$ 136,898	$ 59,949
Stocks and convertible bonds traded over the counter	868,879	1,131,327
	1,005,777	1,191,276
Valuation adjustment	(34,871)	13,191
	$ 970,906	$ 1,204,467
Operating securities - hedging		
Warrants - hedging		
Listed stocks	$ 4,666,834	$ 4,684,146
Stocks traded over the counter	845,862	651,459
Exchange traded funds and bond funds	633,775	983,271
Warrants	160,215	24,160
Structured instruments - hedging		
Listed stocks	218,588	505,706
Stocks traded over the counter	30,574	15,159
Exchange traded funds and bond funds	150,812	504,138
Equity derivatives - hedging		
Listed stocks	995,425	644,829
Stocks traded over the counter	847,029	144,946
Convertible bonds traded over the counter	705,858	411,636
	9,254,972	8,569,450
Valuation adjustment	941,363	118,121
	$ 10,196,335	$ 8,687,571

As of December 31, 2025 and 2024, bonds held by the Group's dealing department and underwriting department and invested under resale agreements were sold with attached repurchase agreements for the aggregate face amounts of $27,730,002 thousand and $33,803,230 thousand, respectively.

d. Futures and options

1) Objectives for holding futures and options and the strategies for meeting the objectives

The Group held futures and options for trading purposes, to expand the channels for investment and effectively utilize working capital. The Group also engages in futures transactions to hedge against the risk of price fluctuations in its trading positions.

2) The outstanding futures and option contracts amount and fair value were as follows:

		December 31, 2025			
		Open Position		Contract Amount/ Premium Paid	
Item	Instrument Type	Long/ Short	Volume	(Received)	Fair Value
Futures	Stock index futures contracts	Long	117	$ 486,102	$ 486,746
	Single stock futures contracts	Long	10,474	2,192,094	2,235,429
	Currency futures contracts	Long	71	180,737	179,362
	Commodity futures contracts	Long	5	8,014	8,203
	Interest rate futures contracts	Long	83	314,222	308,607
	Stock index futures contracts	Short	1,223	5,253,710	5,343,563
	Single stock futures contracts	Short	106,434	25,847,097	27,412,181
	Currency futures contracts	Short	47	128,366	132,958
	Commodity futures contracts	Short	133	437,456	434,956
	Interest rate futures contracts	Short	719	2,472,888	2,474,216
Options	Option contracts - call	Long	96	1,275	2,555
	Option contracts - put	Long	85	833	187
	Option contracts - call	Short	57	(593)	(1,382)
	Option contracts - put	Short	1,042	(16,061)	(3,652)

		December 31, 2024			
		Open Position		Contract Amount/ Premium Paid	
Item	Instrument Type	Long/ Short	Volume	(Received)	Fair Value
Futures	Stock index futures contracts	Long	450	$ 916,804	$ 920,824
	Single stock futures contracts	Long	15,452	3,245,442	3,246,017
	Currency futures contracts	Long	29	76,402	76,752
	Commodity futures contracts	Long	14	2,529	2,613
	Interest rate futures contracts	Long	385	1,595,284	1,587,538
	Stock index futures contracts	Short	903	2,307,630	2,291,277
	Single stock futures contracts	Short	62,568	14,253,918	14,250,062
	Currency futures contracts	Short	63	233,749	229,377
	Commodity futures contracts	Short	191	517,781	519,592
	Interest rate futures contracts	Short	619	2,142,113	2,112,312
Options	Option contracts - call	Long	566	99,842	96,375
	Option contracts - put	Long	351	19,295	18,588
	Option contracts - call	Short	585	(5,284)	(1,788)
	Option contracts - put	Short	1,184	(4,761)	(2,228)

The fair value of futures and options was based on the closing price at the end of December 2025 and 2024 multiplied by the number of open contracts and calculated with each contract of futures and option, respectively.

3) For gains (losses) resulting from futures and options transactions, refer to Note 25.

e. Borrowing security payable

	December 31	
	2025	**2024**
Borrowing security payable - hedged		
Warrants - hedging		
Listed stocks	$ 39,561	$ 58,362
Stocks traded over the counter	49,821	19,958
Exchange traded funds	31,399	25,662
Equity derivatives - hedging		
Listed stocks	26,647	34,511
Stocks traded over the counter	201,732	19,806
Exchange traded funds and bond funds	32,086	34,202
	381,246	192,501
Valuation adjustment	42,800	(8,383)
	$ 424,046	$ 184,118
Borrowing security payable - non-hedged		
Listed stocks	$ 8,659,809	$ 9,276,824
Stocks traded over the counter	1,139,500	1,284,611
Exchange traded funds and bond funds	6,095,464	11,013,029
	15,894,773	21,574,464
Valuation adjustment	1,764,408	631,213
	$ 17,659,181	$ 22,205,677

f. Bond investments under resale agreements - short sales

	December 31	
	2025	**2024**
Government bonds	$ -	$ 193,612
Financial bonds	-	100,186
	-	293,798
Valuation adjustment	-	(17,598)
	$ -	$ 276,200

g. Warrants

1) Objective of the issuance of warrants and the strategies for meeting the objectives

The Group issued warrants for trading purposes and held related hedging positions to hedge against the warrant holders' exercise of the warrants and the risk of price fluctuations in the warrant positions.

2) Warrant liabilities and warrant redeemed were as follows:

	December 31	
	2025	2024
Warrant liabilities	$ 15,945,419	$ 18,815,457
Add: Losses (gains) on changes in fair value of warrant liabilities	2,238,662	(6,111,328)
	18,184,081	12,704,129
Warrant redeemed	14,688,367	16,737,304
Add: Gains (losses) on changes in fair value of warrant redeemed	1,938,133	(4,723,686)
	16,626,500	12,013,618
Net of warrant liabilities	$ 1,557,581	$ 690,511

The fair value of warrants was calculated at the last closing price at the end of December 31, 2025 and 2024, respectively.

3) For gains (losses) resulting from issuance of warrants, refer to Note 25.

h. Derivative

1) Derivative assets and liabilities

	December 31	
	2025	2024
Financial assets mandatorily measured at FVTPL		
Derivative assets - OTC		
Interest rate swap contracts	$ 3,378,617	$ 4,314,242
Currency swap contracts	2,072	26,257
Asset swap IRS contracts	7	2,005
Asset swap option contracts	1,459,864	805,586
Bond forwards	296	-
Equity derivatives contracts	61,400	45,771
	$ 4,902,256	$ 5,193,861
Financial liabilities held for trading		
Derivative liabilities - OTC		
Interest rate swap contracts	$ 3,238,076	$ 4,106,098
Currency swap contracts	1,257	21,547
Asset swap IRS contracts	278,419	200,502
Asset swap option contracts	2,280,736	2,224,362
Bond forwards	385	210
Equity derivatives contracts	474,679	64,784
	$ 6,273,552	$ 6,617,503
Financial liabilities designated as at FVTPL		
Structured instruments	$ 14,083,263	$ 10,962,732

2) Outstanding derivative nominal were as follows:

	December 31	
	2025	2024
Interest rate swap contracts	$ 876,018,936	$ 562,303,093
Currency swap contracts	2,563,880	4,676,110
Asset swap IRS contracts	5,612,300	4,310,600
Asset swap option contracts	16,616,900	15,366,000
Bond forwards	559,679	423,816
Equity derivatives contracts	2,328,821	1,252,856
Structured instruments	14,053,887	10,934,068

3) For gains (losses) arising from derivative transactions, refer to Note 25.

i. Non-current financial assets at FVTPL

	December 31	
	2025	2024
Operating securities - proprietary	$ 99,274	$ 99,995
Stocks other than listed and traded over the counter	46,154	55,353
	145,428	155,348
Valuation adjustment	(20,740)	(30,432)
	$ 124,688	$ 124,916

The Group deposited government bonds with the Central Bank of Republic of China ("CBC") as guarantee deposits and reserve funds for indemnity obligations for the bills finance business and trust business. The fair value of the bonds was calculated based on the reference price in hundreds on the last day of December 2025 and 2024.

8. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2025	2024
Current		
Debt instrument investments	$ 5,342,045	$ 13,396,974
Non-current		
Equity instrument investments	$ 3,789,416	$ 3,812,763

a. Equity instrument investments

	December 31	
	2025	2024
Non-current		
Listed stocks and stocks traded over the counter	$ 1,313,502	$ 1,774,566
Stocks other than listed and traded over the counter	2,475,914	2,038,197
	$ 3,789,416	$ 3,812,763

To meet the objective of generating steady dividend income and distribution of dividends, the Group invested in equity instruments which are high yield, and held for medium to long-term strategic purposes instead of trading purposes. The management believes that recognition of the short-term changes in the fair value of these investments in profit or loss would be inconsistent with the Corporation's strategy to hold these investments for strategic purposes; therefore, the Corporation elected to designate these investments as at FVTOCI.

The Group regularly assesses the dividend policies and changes in yield of the issuing companies, in order to adjust the amount of investment and decided whether to dispose of the stock. For the years ended December 31, 2025 and 2024, the fair values on the date of disposal was $9,854,166 thousand and $8,538,801 thousand, respectively, and the cumulative gain (loss) transferred from other equity to retained earnings was a loss of $766,729 thousand and a gain of $406,464 thousand, respectively. Dividends that the Group still held and derecognized during the year were as follows:

	For the Year Ended December 31	
	2025	2024
Dividends		
Held at the end of the reporting period	$ 149,321	$ 173,347
Derecognized during the reporting period	371,087	294,928
	$ 520,408	$ 468,275

b. Debt instrument investments

	December 31	
	2025	2024
Current		
Financial bonds	$ 1,933,167	$ 7,005,412
Corporate bonds	3,125,717	6,258,618
Government bonds	283,161	132,944
	$ 5,342,045	$ 13,396,974

The relevant impairment assessment information for the above-mentioned debt instrument investments was as follows:

	December 31	
	2025	2024
Gross carrying amount	$ 5,432,483	$ 13,886,796
Loss allowance	(1,967)	(5,367)
Amortized cost	5,430,516	13,881,429
Fair value adjustments	(88,471)	(484,455)
Total carrying amount	$ 5,342,045	$ 13,396,974

The Group's current credit risk rating mechanism, gross carrying amounts of the debt instrument investments of different credit ratings and the applicable expected credit loss (ECL) rates are as follows:

Description	Basis for Recognizing ECLs	ECL Rate	Gross Carrying Amount at December 31, 2025
The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-months ECL	0.00000%-0.07049%	$ 5,432,483
There has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit - impaired	-	-
The asset is credit - impaired	Lifetime ECL - credit - impaired	-	-
			$ 5,432,483

Description	Basis for Recognizing ECLs	ECL Rate	Gross Carrying Amount at December 31, 2024
The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-months ECL	0.00000%-0.11472%	$ 13,886,796
There has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit - impaired	-	-
The asset is credit - impaired	Lifetime ECL - credit - impaired	-	-
			$ 13,886,796

Changes in the Group's loss allowance assessed based on the ECLs were as follows:

For the year ended December 31, 2025

	Credit Rating		
	Normal (12-months ECLs)	**Abnormal (Lifetime ECLs - Not Credit Impaired)**	**Default (Lifetime ECLs - Credit Impaired)**
Beginning balance	$ 5,367	$ -	$ -
Recognized in the current year	5,584	-	-
Derecognized in the current year	(9,081)	-	-
Foreign exchange rates and other changes	97	-	-
Ending balance	$ 1,967	$ -	$ -

For the year ended December 31, 2024

	Credit Rating		
	Normal (12-months ECLs)	**Abnormal (Lifetime ECLs - Not Credit Impaired)**	**Default (Lifetime ECLs - Credit Impaired)**
Beginning balance	$ 2,930	$ -	$ -
Recognized in the current year	5,556	-	-
Derecognized in the current year	(3,121)	-	-
Foreign exchange rates and other changes	2	-	-
Ending balance	$ 5,367	$ -	$ -

As of December 31, 2025 and 2024, the face value of the Group's debt instruments measured at fair value through other comprehensive income which were used for the bonds with attached repurchase agreements were $5,447,675 thousand and $13,243,469 thousand, respectively.

9. BOND INVESTMENTS UNDER RESALE AGREEMENTS

	December 31	
	2025	**2024**
Financial bonds	$ 5,029,670	$ 7,429,221
Corporate bonds	5,459,015	5,347,557
Government bonds	3,452,171	2,174,315
	$ 13,940,856	$ 14,951,093
Contracted resell price	$ 13,991,260	$ 15,007,822
Interest rate range	1.93%-4.90%	1.97%-5.01%

The above bond investments under resale agreements will all due within one year, and were contracted to be repurchased at the agree-upon price plus interest charge on a specific date after the transaction.

10. MARGIN LOANS RECEIVABLE, RECEIVABLE OF MONEY LENDING-ANY USE, NOTES AND ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	December 31	
	2025	**2024**
Margin loans receivable	$ 35,926,080	$ 34,892,481
Less: Loss allowance	(26,529)	(32,069)
	$ 35,899,551	$ 34,860,412
Receivable of money lending - any use	$ 28,711,331	$ 24,274,617
Less: Loss allowance	(5)	(3,175)
	$ 28,711,326	$ 24,271,442
Notes receivable	$ 1,710	$ 1,012
Accounts receivable		
Accounts receivable for settlement	25,031,972	17,705,934
Accounts receivable for sale of securities	2,168,396	3,183,812
Settlement price	7,684,207	480,500
Margin loans interest receivable	322,996	426,156
Bonds interest receivable	165,070	311,151
Others	1,422,708	770,854
Gross carrying amount	36,795,349	22,878,407
Less: Loss allowance	(4,231)	(4,415)
	36,791,118	22,873,992
	$ 36,792,828	$ 22,875,004
Other receivables	$ 685,070	$ 1,296,752
Less: Loss allowance	-	(2,118)
	$ 685,070	$ 1,294,634

Margin loans receivable was secured by securities bought by customers in financing transactions. As of December 31, 2025 and 2024, the annual interest rates of securities financing were 6.35%-7.25% and 6.35%-8.125%, respectively.

The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. For accounts receivable whose credit risk have increased significantly since initial recognition, the expected credit loss is measured based on lifetime expected credit losses. For margin loans receivable whose credit risk did not increase significantly since initial recognition, the expected credit loss is measured based on 12 months expected credit losses by reference to the historical default records and the industrial and economic trends, at the same time taking into consideration the current observable and forward-looking economic information which includes the economic growth rate of Taiwan, the Taiwan capitalization weighted stock index (TAIEX), the Taiwan central bank’s discount rate and the Hang Seng Hong Kong 35 index.

The gross carrying amounts of margin loans receivable assessed based on ECLs were as follows:

Description	Basis for Recognizing ECLs	ECL Rate	Gross Carrying Amount at December 31, 2025
There has been no significant increase in credit risk since initial recognition	12-months ECL	0.00001636%-0.12%	$ 35,747,330
There has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit - impaired	2.67%	159,528
The asset is credit - impaired	Lifetime ECL - credit - impaired	100.00%	19,222
			$ 35,926,080

Description	Basis for Recognizing ECLs	ECL Rate	Gross Carrying Amount at December 31, 2024
There has been no significant increase in credit risk since initial recognition	12-months ECL	0.01299997%-0.23%	$ 34,678,324
There has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit - impaired	1.13%	192,405
The asset is credit - impaired	Lifetime ECL - credit - impaired	100.00%	21,752
			$ 34,892,481

The aging of accounts receivable was as follows:

	December 31	
	2025	2024
Up to 180 days	$ 36,791,556	$ 22,872,674
More than 180 days	3,793	5,733
	$ 36,795,349	$ 22,878,407

The above aging schedule was based on the number of past due days from the record date.

The information on the allowance loss of the Group based on the ECL assessment was as follows:

	For the Year Ended December 31, 2025					
	Margin Loans Receivable			Receivables of Money Lending - Any Use	Accounts Receivable	Other Receivable
	12-Months ECL	Lifetime ECL - Not Credit-impaired	Lifetime ECL - Credit-impaired	12-Months ECL	Lifetime ECL - Credit-impaired	Lifetime ECL - Credit-impaired
Beginning balance	$ 8,152	$ 2,165	$ 21,752	$ 3,175	$ 4,415	$ 2,118
Recognized (reversed)	(4,935)	2,167	(1,574)	(3,170)	-	-
Write-offs	-	-	-	-	-	(2,030)
Translation adjustments	(170)	(72)	(956)	-	(184)	(88)
Ending balance	$ 3,047	$ 4,260	$ 19,222	$ 5	$ 4,231	$ -

	For the Year Ended December 31, 2024					
	Margin Loans Receivable			Receivables of Money Lending - Any Use	Accounts Receivable	Other Receivable
	12-Months ECL	Lifetime ECL - Not Credit-impaired	Lifetime ECL - Credit-impaired	12-Months ECL	Lifetime ECL - Credit-impaired	Lifetime ECL - Credit-impaired
Beginning balance	$ 7,086	$ 1,030	$ 17,736	$ 2	$ 4,329	$ 23,641
Recognized	649	1,033	2,661	3,173	3	-
Write-offs	-	-	-	-	(200)	(22,131)
Translation adjustments	417	102	1,355	-	283	608
Ending balance	$ 8,152	$ 2,165	$ 21,752	$ 3,175	$ 4,415	$ 2,118

11. CUSTOMER MARGIN ACCOUNTS AND FUTURES TRADERS' EQUITY

	December 31	
	2025	2024
Customer margin accounts		
Bank deposits	$ 34,187,886	$ 22,131,369
Clearing house	22,852,815	16,122,226
Other futures commission merchants	2,014,773	4,033,013
	59,055,474	42,286,608
Adjustments		
Temporary receipts	(675)	(1,985)
Handling fee pending for transfer, etc.	(8,229)	(7,539)
	(8,904)	(9,524)
Futures traders' equity	$ 59,046,570	$ 42,277,084

12. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. The unconsolidated structured entities in which the Group had an interest at the reporting date were as follows:

Type of Structured Entity	Nature and Purpose	The Group's Ownership
Funds	Funds under management by the third party The issuance of units to investors for raising fund	a. The Group invests in those funds under management by the third party. b. The Group is entitled to receive management fee based on the assets under management.

b. The total assets of the funds unrecognized in the consolidated balance sheets were as follows:

	December 31	
	2025	2024
Funds	$ 8,064,230	$ 6,629,767

c. The carrying amounts recognized in the consolidated balance sheets of funds in respect of the Group's involvement with structured entities were as follows:

	December 31	
	2025	2024
Current financial assets at FVTPL	$ 206,333	$ 218,594

The maximum exposure to loss was the carrying amount of the funds.

d. As of December 31, 2025 and 2024, the Group did not provide any financial support to those unconsolidated structured entities.

13. PROPERTY AND EQUIPMENT

	Land	Buildings	Equipment	Leasehold Improvements	Properties and Equipment - Others	Total
Cost						
Balance on January 1, 2025	$ 1,388,772	$ 775,875	$ 623,724	$ 228,555	$ 106,959	$ 3,123,885
Additions	-	-	141,763	8,600	8,089	158,452
Disposals	-	-	(131,991)	(9,976)	(20,059)	(162,026)
Acquisition from business combinations (Note 28)	-	-	22,822	3,745	-	26,567
Translation adjustments	-	-	(5,163)	(2,445)	-	(7,608)
Transfer from other non-current assets for business facilities	-	-	14,794	19,413	10,676	44,883
Balance on December 31, 2025	$ 1,388,772	$ 775,875	$ 665,949	$ 247,892	$ 105,665	$ 3,184,153
Accumulated depreciations						
Balance on January 1, 2025	$ -	$ 391,071	$ 350,458	$ 118,786	$ 55,762	$ 916,077
Depreciation expense	-	15,178	132,754	41,495	17,415	206,842
Disposals	-	-	(131,990)	(9,976)	(20,059)	(162,025)
Translation adjustments	-	-	(4,761)	(2,157)	-	(6,918)
Balance on December 31, 2025	$ -	$ 406,249	$ 346,461	$ 148,148	$ 53,118	$ 953,976
Carrying amounts on December 31, 2025	$ 1,388,772	$ 369,626	$ 319,488	$ 99,744	$ 52,547	$ 2,230,177
Cost						
Balance on January 1, 2024	$ 1,388,772	$ 775,875	$ 561,059	$ 197,076	$ 76,292	$ 2,999,074
Additions	-	-	125,366	22,286	33,844	181,496
Disposals	-	-	(76,197)	(31,703)	(3,177)	(111,077)
Translation adjustments	-	-	8,023	3,771	-	11,794
Transfer from other non-current assets for business facilities	-	-	5,473	37,125	-	42,598
Balance on December 31, 2024	$ 1,388,772	$ 775,875	$ 623,724	$ 228,555	$ 106,959	$ 3,123,885
Accumulated depreciations						
Balance on January 1, 2024	$ -	$ 375,894	$ 303,964	$ 98,706	$ 44,413	$ 822,977
Depreciation expense	-	15,177	115,102	45,278	14,503	190,060
Disposals	-	-	(76,039)	(28,290)	(3,154)	(107,483)
Translation adjustments	-	-	7,431	3,092	-	10,523
Balance on December 31, 2024	$ -	$ 391,071	$ 350,458	$ 118,786	$ 55,762	$ 916,077
Carrying amounts on December 31, 2024	$ 1,388,772	$ 384,804	$ 273,266	$ 109,769	$ 51,197	$ 2,207,808

For the years ended December 31, 2025 and 2024, the Group assessed that there was no objective evidence that properties and equipments have been impaired, and thus no impairment indication need to be tested.

For the partial land and buildings pledged as collateral to financial institutions for short-term borrowings and overdraft credit facilities, refer to Note 30.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	29-56 years
Equipment	2-6 years
Leasehold improvements	3-7 years
Property and equipment - others	5-6 years

14. LEASE AGREEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Buildings	$ 669,625	$ 519,059
Office and transportation equipment	13,090	6,630
	$ 682,715	$ 525,689

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 379,401	$ 165,527
Depreciation expense for right-of-use assets		
Buildings	$ 246,002	$ 249,609
Office and transportation equipment	5,564	5,456
	$ 251,566	$ 255,065

Except for the addition in assets and recognition of depreciation expense, the Group had no material sublease and impairment loss on its right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amounts		
Current	$ 236,864	$ 206,010
Non-current	$ 457,456	$ 331,443

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2025	2024
Buildings	0.35%-8.00%	0.35%-8.00%
Office and transportation equipment	2.54%-5.60%	5.50%-5.60%

c. Material lease activities and terms

The Group leases certain buildings for use as operating locations and office location with lease terms of 1 year to 15 years and 7 months from the date of initial application. The lease contracts for major premises are with fixed lease payments and without bargain purchase options to acquire the premises at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 538	$ 510
Expenses relating to low-value asset leases	$ 820	$ 854
Total cash outflow for leases	$ (267,360)	$ (270,863)

The Group has elected to apply the recognition exemption for leases which qualified as short-term or low-value leases, and thus did not recognize right-of-use assets and lease liabilities for these leases.

Lease agreements for the leasing out of investment properties under operating leases is set out in Note 15.

15. INVESTMENT PROPERTY

	Land	Buildings	Total
Cost			
Balance on January 1 and December 31, 2025	$ 109,291	$ 92,907	$ 202,198
Accumulated depreciations			
Balance on January 1, 2025	$ -	$ 53,561	$ 53,561
Depreciation expense	-	1,523	1,523
Balance on December 31, 2025	$ -	$ 55,084	$ 55,084
Carrying amounts on December 31, 2025	$ 109,291	$ 37,823	$ 147,114
Cost			
Balance on January 1 and December 31, 2024	$ 109,291	$ 92,907	$ 202,198

(Continued)

	Land	Buildings	Total
Accumulated depreciations			
Balance at January 1, 2024	$ -	$ 52,037	$ 52,037
Depreciation expense	-	1,524	1,524
Balance at December 31, 2024	$ -	$ 53,561	$ 53,561
Carrying amounts at December 31, 2024	$ 109,291	$ 39,346	$ 148,637

(Concluded)

The lease term for the leasing out of investment properties is 5 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

For the years ended December 31, 2025 and 2024, the Group assessed that there was no objective evidence that investment properties have been impaired, and thus no impairment indication need to be tested.

As of December 31, 2025 and 2024, the maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2025	2024
Year 1	$ 5,557	$ 5,299
Year 2	5,580	-
Year 3	17,325	442
	$ 28,462	$ 5,741

As of December 31, 2025 and 2024, the Group received rental deposits were both $883 thousand (recorded as other non-current liabilities).

The investment properties are depreciated on a straight-line basis over their estimated useful lives of 61 years.

As of December 31, 2025 and 2024, the fair values of the investment property were $220,740 thousand and $243,380 thousand, respectively. The fair values were based on the prices and appraisal value from 2024 and 2023 of similar properties in the vicinity. Without the valuations of independent experts, the fair value were estimated by referring to unobservable inputs (Level 3).

For the part of investment property pledged as collateral to financial institutions for short-term borrowings and overdraft credit facilities, refer to Note 30.

16. INTANGIBLE ASSETS

	Goodwill	Computer Software	Client Relationship	Membership Fee	Others	Total
Cost						
Balance on January 1, 2025	$ 412,070	$ 410,033	$ 711,028	$ 41,413	$ 247	$ 1,574,791
Additions	-	95,274	-	-	-	95,274
Acquisition from business combinations (Note 28)	183,689	1,109	262,400	-	-	447,198
Transfer from other non-current assets for business facilities	-	31,680	-	-	-	31,680
Disposals	-	(65,440)	-	-	-	(65,440)
Translation adjustments	(7,266)	(2,319)	(6,714)	-	-	(16,299)
Balance on December 31, 2025	$ 588,493	$ 470,337	$ 966,714	$ 41,413	$ 247	$ 2,067,204
Accumulated amortizations						
Balance on January 1, 2025	$ 200,544	$ 209,578	$ 682,555	$ -	$ -	$ 1,092,677
Amortization expense	-	78,717	21,718	-	-	100,435
Disposals	-	(65,440)	-	-	-	(65,440)
Translation adjustments	(7,266)	(2,133)	(5,745)	-	-	(15,144)
Balance on December 31, 2025	$ 193,278	$ 220,722	$ 698,528	$ -	$ -	$ 1,112,528
Carrying amounts at December 31, 2025	$ 395,215	$ 249,615	$ 268,186	$ 41,413	$ 247	$ 954,676
Cost						
Balance on January 1, 2024	$ 401,002	$ 370,228	$ 700,801	$ 41,413	$ 247	$ 1,513,691
Additions	-	70,640	-	-	-	70,640
Transfer from other non-current assets for business facilities	-	11,844	-	-	-	11,844
Disposals	-	(46,181)	-	-	-	(46,181)
Translation adjustments	11,068	3,502	10,227	-	-	24,797
Balance on December 31, 2024	$ 412,070	$ 410,033	$ 711,028	$ 41,413	$ 247	$ 1,574,791
Accumulated amortizations						
Balance on January 1, 2024	$ 189,476	$ 180,041	$ 623,979	$ -	$ -	$ 993,496
Amortization expense	-	72,421	50,313	-	-	122,734
Disposals	-	(46,181)	-	-	-	(46,181)
Translation adjustments	11,068	3,297	8,263	-	-	22,628
Balance on December 31, 2024	$ 200,544	$ 209,578	$ 682,555	$ -	$ -	$ 1,092,677
Carrying amounts on December 31, 2024	$ 211,526	$ 200,455	$ 28,473	$ 41,413	$ 247	$ 482,114

The above intangible assets are amortized on a straight-line basis over the following estimated useful lives:

Items	Years
Computer software	5 years
Client relationship	8-15 years

As of December 31, 2025, the Group's goodwill consisted of the following:

a. The carrying amount of $147,944 thousand was from the Corporation's mergers with the securities brokerage businesses of Pacific Securities Co., Ltd. and East Asia Securities.

b. The carrying amount of $63,582 thousand was from the Corporation's equity transactions with SinoPac Futures' non-controlling interests and from SinoPac Futures' merger with the futures brokerage business of Pacific Securities.

c. The carrying amount of $183,689 thousand was from the Corporation's merger with CL Securities Taiwan Company Limited in October 2025, based on the draft purchase price allocation (PPA) report obtained by the Corporation as of December 31, 2025. Please refer to Note 28.

The Group tests goodwill for impairment annually and whenever there is an indication that it may be impaired. In assessing whether goodwill is impaired, the Group considers the Corporation and its investee (SinoPac Futures) as CGUs and estimates individually their recoverable amounts based on their value in use. When calculating the value in use of each CGU, the Group projects future cash flows based on objective evidence such as actual profitability, operation and business cycle under the going concern assumption; the Group estimates future cash inflows for the next 5 years and the salvage value of the assets and discounts them at the weighted average cost of capital. The Group's most recent impairment tests of goodwill were carried out on October 31, 2025 and 2024.

For the years ended December 31, 2025 and 2024, the Corporation's actual net profits excluding share of profit or loss from subsidiaries were $5,171,379 thousand and $4,702,320 thousand, respectively, and the forecast net profits used in the goodwill impairment tests were $4,610,169 thousand and $3,187,513 thousand, respectively. Due to the fact that the actual operating results were better than expected, the recoverable amount was expected to be higher than the carrying amount, and thus no impairment occurred.

For the years ended December 31, 2025 and 2024, SinoPac Futures' actual net profits were $721,382 thousand and $735,185 thousand, respectively, and the 2025 and 2024 forecast net profits used in the goodwill impairment tests were $571,556 thousand and $550,356 thousand, respectively. Due to the fact that the actual operating results were better than expected, the recoverable amount was expected to be higher than the carrying amount, and thus no impairment occurred.

The membership fee is an intangible asset without estimated useful life because it is considered to have a cash flow with indefinite useful life. The membership fee will not be amortized until its useful life is determined to be finite. Instead, it will be tested for impairment annually regardless of whether there is an indication of impairment. There was no significant impairment for the years ended December 31, 2025 and 2024. For other intangible assets, the Group assessed that there was no objective evidence that they have been impaired as of for the years ended December 31, 2025 and 2024, and thus no impairment indication need to be tested.

17. OTHER NON-CURRENT ASSETS

	December 31	
	2025	**2024**
Operating guarantee deposits	$ 1,353,117	$ 1,043,050
Clearing and settlement funds	765,607	523,613
Guarantee deposits paid		
Performance bond	425,973	316,473
Others	72,697	73,626
Overdue receivables	1,560	100
Others	50,285	53,373
	$ 2,669,239	$ 2,010,235

Overdue receivables

	December 31	
	2025	2024
Overdue receivables	$ 9,898	$ 13,742
Less: Loss allowance	(8,338)	(13,642)
	$ 1,560	$ 100

The movements of loss allowance were as follows:

	For the Year Ended December 31	
	2025	2024
Beginning balance	$ 13,642	$ 87,650
Recognized	6,508	3,880
Written off	(11,206)	(77,477)
Recovered	(606)	(411)
Ending balance	$ 8,338	$ 13,642

18. BORROWINGS

a. Current borrowings

	December 31	
	2025	2024
Credit borrowings	$ 2,924,528	$ 1,698,838
Interest rate range	2.11%-8.10%	1.99%-9.70%
Maturity date	2026.01.09	2025.03.07

For the collateral for the credit line of current borrowings, refer to Note 30.

b. Long-term bank borrowings

To meet the funding requirements, SinoPac Securities (Cayman) obtained syndicated loans with financial institutions on December 2024 in the amounts of US$45,000 thousand. The terms of the syndicated loans were both three years start from the date of first drawdowns or contract date. The loans could be taken on revolving basis. SinoPac Securities (Cayman) could not pledge its ownership interest to others during the terms of the loans. The amounts of the credit line used were as follows:

	December 31	
	2025	2024
Credit borrowings	$ 943,575	$ 983,719
Interest rate range	4.76%-4.90%	5.68%-5.78%
Maturity date	2026.01.12	2025.01.20

c. Revolving issuance commercial paper payable

To meet the funding requirements, the Corporation issued unsecured commercial paper with finance companies in August and September 2024. The total face value is $5,000,000 thousand, and the agreement has a term of three years from the signing date, during which the issue must be revolving. The issuance amounts under these agreements were as follows:

	December 31	
	2025	2024
Revolving issuance commercial paper payable	$ -	$ 5,000,000
Less: Discount on commercial paper payable	-	(2,373)
	$ -	$ 4,997,627
Annual discount rate	-	1.65%-1.92%
Maturity date	-	2025.01.02-2025.01.21

In accordance with the Q&A "Transition Requirements of the ARDF IFRS Q&A - Liability Classification of Funds Raised Through The Revolving Issuance of Commercial Papers" issued by the FSC on August 15, 2025, these commercial papers shall be classified as current liabilities from the date of the revolving issuance in September 2025, refer to Note 19.

19. COMMERCIAL PAPER PAYABLE

	December 31	
	2025	2024
Commercial paper payable	$ 67,350,000	$ 50,150,000
Revolving issuance Commercial paper payable	5,000,000	-
Less: Discount on commercial paper payable	(278,873)	(192,675)
	$ 72,071,127	$ 49,957,325
Annual discount rate	1.50%-1.9050%	1.65%-1.94%
Maturity date	2026.01.05-2026.09.22	2025.01.06-2025.06.06

The above commercial papers were published by financial institutions.

20. BONDS PAYABLE

	December 31 2025	December 31 2024
The first unsecured domestic bonds in 2020	$ -	$ 2,000,000
The first unsecured subordinated domestic bonds in 2022 (A bonds)	400,000	400,000
The first unsecured subordinated domestic bonds in 2022 (B bonds)	600,000	600,000
The second unsecured subordinated domestic bonds in 2022 (A bonds)	1,450,000	1,450,000
The second unsecured subordinated domestic bonds in 2022 (B bonds)	550,000	550,000
The first unsecured subordinated domestic bonds in 2025	1,000,000	-
	4,000,000	5,000,000
Less: Current portions (Note)	-	(2,000,000)
	$ 4,000,000	$ 3,000,000

Note: The repayment date is shorter than 12 months after the balance sheet date, the first unsecured domestic bonds in 2020 have been reclassified as the long-term liabilities - current portion.

	The First Unsecured Domestic Bonds in 2022		The Second Unsecured Domestic Bonds in 2022	
Issue denomination	A bonds: $400,000	B bonds: $600,000	A bonds: $1,450,000	B bonds: $550,000
Issue date	2022.5.27	2022.5.27	2022.8.26	2022.8.26
Issue period	7 years	10 years	7 years	10 years
Coupon rate	Fixed interest rate 2.00%	Fixed interest rate 2.20%	Fixed interest rate 2.40%	Fixed interest rate 2.50%
Repayment method	One-time repayment	One-time repayment	One-time repayment	One-time repayment

	The First Unsecured Domestic Bonds in 2020	The First Unsecured Domestic Bonds in 2025
Issue denomination	$2,000,000	$1,000,000
Issue date	2020.1.8	2025.1.8
Issue period	5 years	10 years
Coupon rate	Fixed interest rate 0.80%	Fixed interest rate 2.51%
Repayment method	One-time repayment	One-time repayment

21. LIABILITIES FOR BONDS WITH ATTACHED REPURCHASE AGREEMENTS

	December 31 2025	December 31 2024
Corporate bonds	$ 13,888,694	$ 18,941,372
Financial bonds	10,628,697	19,692,441
Convertible bonds	3,227,000	2,452,000
Government bonds	4,046,685	2,925,682
Others	-	200,000
	$ 31,791,076	$ 44,211,495
Contracted repurchase price	$ 31,886,814	$ 44,404,802
Interest rate range	0.62%-4.22%	0.45%-5.00%

Liabilities for bonds with attached repurchase agreements will all mature within one year and were contracted to be repurchased at the agree-upon price plus interest charge on a specific date after the transaction.

22. ACCOUNTS PAYABLE

	December 31	
	2025	2024
Accounts payable for settlement	$ 41,707,590	$ 22,785,846
Accounts payable for securities purchased	2,553,621	557,013
Settlement price	37,121	2,655,987
Others	1,586,348	1,089,200
	$ 45,884,680	$ 27,088,046

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Corporation and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (the "LPA"), which is a defined contribution plan. Based on the LPA, the Corporation and its domestic subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The pension plans of subsidiaries operating in other countries also belong to defined contribution plans and are based on the relevant regulations in their respective countries.

b. Defined benefit plan

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government. The following employees of the Corporation are entitled to receive retirement benefits under this plan: (a) those who have served either 10 years and 60 years old; (b) those who have served either 25 years or have served over 15 years and are 55 years old; and (c) those hired on or before May 19, 1997 and with more than 20 service years. In addition, employees hired on or before March 15, 1996 and have served at least 5 years are eligible to receive severance benefits. The pension and severance benefits are based on the average of one month's basic salary before retirement or termination. The provision of the employee's pension is calculated at 6% of the salary (bonus excepted). The defined benefit pension fund, which is deposited in separate accounts administered by the employees' pension plan committee and the employees' pension plan supervisory committee.

The subsidiaries, SinoPac Futures and SinoPac Securities Investment Service, adopt a pension plan under the Labor Standards Act, which is also categorized as a defined benefit plan. The employee's pension is scrutinized based on the years of service and the average one month fixed salary before retirement. The defined benefit pension fund, which is deposited in separate accounts, is administered by the employees' pension plan committee and the employees' pension plan supervisory committee.

Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of funded defined benefit obligation	$ 891,435	$ 923,921
Fair value of plan assets	(677,188)	(584,702)
Net defined benefit liabilities (included in other non-current liabilities)	$ 214,247	$ 339,219

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2025	$ 923,921	$ (584,702)	$ 339,219
Service cost			
Current service cost	4,471	-	4,471
Net interest expenses (income)	14,500	(9,327)	5,173
Recognized in profit or loss	18,971	(9,327)	9,644
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(38,001)	(38,001)
Actuarial loss - changes in demographic assumptions	10	-	10
Actuarial loss - experience adjustments	(9,878)	-	(9,878)
Actuarial gain - changes in financial assumptions	16,174	-	16,174
Recognized in other comprehensive income	6,306	(38,001)	(31,695)
Effect of personnel integration through business combinations	22,393	(55,334)	(32,941)
Contributions from the employer	-	(69,976)	(69,976)
Benefits paid	(80,156)	80,152	(4)
Balance on December 31, 2025	$ 891,435	$ (677,188)	$ 214,247
Balance on January 1, 2024	$ 915,141	$ (544,037)	$ 371,104
Service cost			
Current service cost	7,023	-	7,023
Net interest expenses (income)	10,747	(6,490)	4,257
Recognized in profit or loss	17,770	(6,490)	11,280
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(49,056)	(49,056)
Actuarial gain - changes in demographic assumptions	(1)	-	(1)
Actuarial loss - experience adjustments	75,143	-	75,143
Actuarial loss - changes in financial assumptions	42,819	-	42,819
Recognized in other comprehensive income	117,961	(49,056)	68,905

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	$ -	$ (112,069)	$ (112,069)
Benefits paid	(126,951)	126,950	(1)
Balance on December 31, 2024	$ 923,921	$ (584,702)	$ 339,219

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate(s)	1.35%	1.60%
Expected rate(s) of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate(s)		
0.25% increase	$ (16,445)	$ (18,233)
0.25% decrease	$ 16,917	$ 18,777
Expected rate(s) of salary increase		
0.25% increase	$ 16,694	$ 18,593
0.25% decrease	$ (16,315)	$ (18,151)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
The expected contributions to the plan for the next year	$ 20,468	$ 31,766
The average duration of the defined benefit obligation	6-9 years	6-9 years

24. EQUITY

a. Capital stock

	December 31	
	2025	2024
Number of shares authorized (in thousands)	1,900,000	1,900,000
Shares authorized	$ 19,000,000	$ 19,000,000
Number of shares issued and fully paid (in thousands)	1,689,243	1,664,799
Shares issued	$ 16,892,430	$ 16,647,986

The outstanding shares' par value is $10, and each share has voting rights and right to receive dividends.

On May 28, 2025 and May 29, 2024, the Corporation, in accordance with the Financial Holding company Act, resolved to issue 24,444 thousand and 43,575 thousand common shares, respectively, with earnings reallocated as capital at a par value of $10 each through the resolution of the board of directors acting on behalf of the shareholders in a shareholders' meeting. And then increasing the share capital issued and fully paid to $16,892,430 thousand and $16,647,986 thousand, respectively. The above transaction was approved by the FSC on July 24, 2025 and June 26, 2024 and set August 15, 2025 and August 28, 2024 as the ex-dividend and record date.

b. Capital surplus

	December 31	
	2025	2024
Additional paid-in capital	$ 84,747	$ 84,747
Treasury stock transactions	31,358	31,358
Net assets from merger	329,379	329,379
Employee share options	77,502	77,502
	$ 522,986	$ 522,986

The capital surplus arising from issuance of common stock, treasury stock transaction and net assets from merger may be used to offset a deficit. In addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital at a limited percentage of the Corporation's paid-in capital once a year.

In connection with the cash capital increase of the parent company SinoPac Holdings, certain shares were reserved for subscription by the Group's employees and its subsidiaries. The grant date is defined as the date on which the number of shares to be subscribed by employees is determined. The fair value of the subscription rights at the grant date is recognized as employee compensation expense, with a corresponding credit to capital surplus. The capital surplus from employee share options only used to offset a deficit.

c. Appropriation of earnings and dividend policy

Under the appropriation of as set forth in the amended Articles, when the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing as special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends and bonus to stockholders. Based on the Corporation's operation development business plan, long-term financial plan and the interest of stockholders, the principle of distributing dividends is 70% cash dividends and 30% stock dividends; however, the Corporation may lower the cash dividend ratio depending on its needs for the capital. For the policies on distribution of compensation of employees and remuneration of directors, refer to Note 25(k) Compensation of employees and remuneration of directors.

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

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

Under Jin-Guan-Zheng-Chuan Letter No. 10500278285 issued by the FSC, the Corporation should set aside 0.5% of net income after tax as a special reserve, upon the distribution of earning from 2016 to 2018 to develop the financial technology ("Fintech") and to protect the interest of securities brokers. Starting from 2017, the same amount of special reserve can be reversed based on the amount of employee transformation training expenditures, employee transfer and settlement expenditures arising from the development of Fintech. Under Jin-Guan-Zheng-Chuan Letter No. 1080321644 issued by the FSC, since 2019, the special surplus reserve method is no longer used for the aforementioned purposes. However, a certain amount should still be included in the annual budget to support employee transformation and training expenditures to protect employee rights.

Under Jin-Guan-Zheng-Chuan (fa) Letter No. 1090150022 issued by the FSC, when distributing earnings, the Corporation shall recognize the net amount of other equity deductions in the current period, and the same amount is set aside to special reserve from the current after-tax net profit plus the items other than the current after-tax net profit which are included in the undistributed retained earnings of the current period. If there is a shortage, it shall be set aside from the undistributed retained earnings of the previous period. The special reserve could be distributed, and any special reserve may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings for 2024 and 2023 were resolved in the board of directors' meetings on behalf of the shareholders' meetings on May 28, 2025 and May 29, 2024, respectively, pursuant to the Financial Holding Company Act are as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2024	2023	2024	2023
Legal reserve	$ 618,028	$ 415,587		
Special reserve	1,236,056	619,631		
Cash dividends	4,081,753	2,684,910	$ 2.4517	$ 1.6561
Stock dividends	244,444	435,748	0.1468	0.2687
	$ 6,180,281	$ 4,155,876		

The appropriation and distribution of 2025 earnings proposed by the Corporation's Board on March 11, 2026 were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 573,139	
Special reserve	1,146,277	
Cash dividends	3,582,750	$ 2.1209
Stock dividends	429,220	0.2540
	$ 5,731,386	

The appropriation and distribution of 2025 earnings are subject to the Corporation's Board's meeting (on the behalf of the stockholder) in 2026.

d. Other equity

1) Exchange differences on translation of foreign financial statements

	For the Year Ended December 31	
	2025	2024
Beginning balance	$ (159,411)	$ (368,870)
Recognized during the year		
Exchange differences on translation of foreign financial statements	(149,428)	265,462
Related income tax	33,098	(56,003)
Ending balance	$ (275,741)	$ (159,411)

2) Unrealized gains (losses) on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Beginning balance	$ 1,751,829	$ 1,417,518
Recognized during the year		
Unrealized gains (losses)		
Debt instruments	266,198	90,179
Loss allowance for debt instruments	(3,400)	2,437
Equity instruments	(389,768)	612,613
Related income tax	(18,260)	(20,598)
Reclassification adjustments		
Disposal of debt instruments	(214,662)	54,002
Other comprehensive income recognized during the year	(359,892)	738,633
Cumulative unrealized gains (losses) of equity instruments transferred to retained earnings due to disposal	780,885	(404,322)
Ending balance	$ 2,172,822	$ 1,751,829

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

a. Brokerage handling fee revenue

	For the Year Ended December 31	
	2025	2024
Handling fee revenues from brokered trading	$ 11,192,291	$ 10,638,827
Handling fees from securities financing	30,400	31,280
Others	165	200
	$ 11,222,856	$ 10,670,307

b. Revenues from underwriting business

	For the Year Ended December 31	
	2025	2024
Processing fee revenues from underwriting operations	$ 307,600	$ 271,867
Revenues from underwriting securities on a firm commitment basis	159,096	126,464
Revenues from underwriting consultation	45,239	51,700
Handling fee revenues from underwriting securities on best-efforts basis	4,494	5,630
	$ 516,429	$ 455,661

c. Gains (losses) on sale of operating securities

	For the Year Ended December 31	
	2025	2024
Proprietary		
Listed securities	$ 4,976,627	$ 5,429,601
Over-the-counter (OTC) securities	3,083,359	2,197,538
	$ 8,059,986	$ 7,627,139
Underwriting		
Listed securities	$ 30,079	$ 88,142
Over-the-counter (OTC) securities	87,221	96,304
	$ 117,300	$ 184,446
Hedging		
Listed securities	$ 172,410	$ 338,926
Over-the-counter (OTC) securities	106,426	(91,678)
Offshore market	299	-
	$ 279,135	$ 247,248

d. Interest revenue

	For the Year Ended December 31	
	2025	2024
Margin loans interest revenue	$ 1,316,296	$ 1,420,637
Bond interest revenue	1,115,826	1,609,746
Unrestricted loan interest income	725,351	533,181
Bond investments under resale agreements interest revenue	622,953	695,887
Others	82,970	106,853
	$ 3,863,396	$ 4,366,304

e. Valuation gains (losses) on operating securities at FVTPL

	For the Year Ended December 31	
	2025	2024
Operating securities:		
Proprietary	$ 2,477,911	$ (977,961)
Underwriting	(48,062)	(11,537)
Hedging	823,242	117,273
	$ 3,253,091	$ (872,225)

f. Gains (losses) from issuance of call (put) warrants

	For the Year Ended December 31	
	2025	2024
Gains on changes in fair value of call (put) warrant liabilities	$ 498,715	$ 4,495,434
Losses on changes in fair value for redeem of call (put) warrants	(842,462)	(4,011,953)
Gains on exercise of call (put) warrants before expiry	21,518	3
Expenses arising from issuance of call (put) warrants	(265,168)	(295,070)
	$ (587,397)	$ 188,414

g. Gains (losses) from derivatives

	For the Year Ended December 31	
	2025	2024
Gains (losses) from derivatives - futures		
Futures	$ (559,213)	$ (2,778,904)
Options	27,905	157,243
	$ (531,308)	$ (2,621,661)
Gains (losses) from derivatives - OTC		
Interest rate swap	$ (4,310)	$ (56,077)
Convertible bond asset swap	(968,086)	(906,207)
Equity swap	(580,358)	(17,172)
Structured instruments	(173,146)	(463,722)
Currency swap	(51,991)	(315,576)
Bond forwards	99	(215)
	$ (1,777,792)	$ (1,758,969)

h. Other operating income

	For the Year Ended December 31	
	2025	2024
Management service revenue	$ 188,244	$ 175,458
Revenue from advisory services	53,868	43,953
Processing fee revenue from operations	31,260	31,428
Funds performance revenue	26,112	41,551
Others	57,996	59,849
	$ 357,480	$ 352,239

i. Finance costs

	For the Year Ended December 31	
	2025	2024
Bond with attached repurchase agreement interest expenses	$ 1,447,238	$ 2,078,846
Borrowing costs	491,285	632,585
Securities financing interest expenses	500,744	525,064
Lease liability interest	16,298	9,034
Others	203,553	235,062
	$ 2,659,118	$ 3,480,591

j. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Salaries expense	$ 6,840,042	$ 6,493,771
Insurance expense	339,724	306,571
Pension expense		
Defined contribution plan	172,219	167,199
Defined benefit plan (Note 23)	9,644	11,280
Share-based payment		
Cash-settle	38,386	40,534
Other employee benefits expense	159,788	148,626
	$ 7,559,803	$ 7,167,981

In order to balance short-term and long-term rewards, the parent company SinoPac Holdings has established a long-term incentive reward plan, designed for the deferred distribution of performance bonuses for senior executives of the group, and is designed to link both future SinoPac Holdings stock value and long-term performance indicators. The Corporation's employee benefits expense and provisions for employee benefits are calculated based on the number of virtual shares and the future stock price and recognized under cash-settled share-based method.

k. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates no less than 0.5% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

For the years ended December 31, 2025 and 2024, the Corporation accrued the compensation of employees and remuneration of directors, based on the aforementioned rates as follows:

	For the Year Ended December 31			
	2025		2024	
	Estimated Amounts	Estimated Rates	Estimated Amounts	Estimated Rates
Compensation of employees	$ 32,450	0.50%	$ 33,308	0.50%
Remuneration of directors	$ 39,600	0.61%	$ 39,600	0.60%

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

The Corporation's resolution to distribute in cash the compensation of employees of $32,450 thousand and the remuneration of directors of $39,600 thousand for the year ended December 31, 2025 was passed in the board of directors' meetings held on February 4, 2026 and March 11, 2026, respectively. The amounts of the compensation of employees and the remuneration of directors passed in the board of directors' meetings mentioned above were the same as that recognized in the financial statements for the year ended December 31, 2025.

The Corporation's resolution to distribute in cash the compensation of employees of $33,308 thousand and the remuneration of directors of $39,600 thousand for the year ended December 31, 2024 was passed in the board of directors' meetings held on January 22, 2025 and March 5, 2025, respectively. The actual amounts of the compensation of employees and the remuneration of directors paid were the same as that recognized in the financial statements for the year ended December 31, 2024.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's Board (on the behalf of the stockholder) is available on the Market Observation Post System website of the TWSE.

l. Depreciation and amortization expense

	For the Year Ended December 31	
	2025	**2024**
Right-of-use assets	$ 251,566	$ 255,065
Property and equipment	206,842	190,060
Other intangible assets	100,435	122,734
	558,843	567,859
Investment property (included in other gains and losses)	1,523	1,524
	$ 560,366	$ 569,383

m. Other operating expense

	For the Year Ended December 31	
	2025	**2024**
Information technology expense	$ 785,949	$ 681,037
Stock borrowing fees	458,804	419,661
Taxes	315,246	302,407
Depository service expense	227,497	221,914
Others	901,143	840,535
	$ 2,688,639	$ 2,465,554

n. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Financial income	$ 1,247,712	$ 1,297,476
Gain on disposal of fund investments	322,834	370,824
Dividend income	167,142	174,468
Cross-selling income	126,561	76,514
Others	83,030	15,499
	$ 1,947,279	$ 1,934,781

26. INCOME TAX

Under a Ministry of Finance Tai-Cai-Shui Letter No. 910458039 dated February 12, 2003, a financial holding company ("FHC") and its domestic subsidiaries in which the FHC holds interest of 90% or above for 12 months within a tax year may choose to adopt the linked-tax system for income tax filings.

The Corporation uses the linked-tax system for income tax filings with its parent company SinoPac Holdings and the subsidiaries of SinoPac Holdings. Thus, these companies jointly file the tax returns and the returns on undistributed retained earnings, with SinoPac Holdings as the taxpayer. The Corporation, SinoPac Holdings and the subsidiaries of SinoPac Holdings adopted the linked-tax system to reduce the income tax liabilities and maximize the synergy.

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 799,713	$ 811,004
In respect of prior years	20,041	9,557
	819,754	820,561
Deferred tax		
In respect of the current year	34,546	104,533
In respect of prior years	19,618	9,520
	54,164	114,053
Income tax expense recognized in profit or loss	$ 873,918	$ 934,614

Reconciliations of accounting profit and income tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax of continuing operations	$ 7,360,833	$ 6,765,697
Income tax expense calculated at the statutory rate	$ 1,472,167	$ 1,353,139
Nondeductible expenses in determining taxable income	101,765	112,102
Securities trading profit and loss and tax-exempt income	(797,656)	(831,443)
Additional income tax under the Alternative Minimum Tax Act	35,270	266,656
Unrecognized deductible temporary differences	29,514	9,324
Utilisation of loss carryforwards	(55,929)	(37,942)
Adjustments for prior years' current and deferred tax	39,659	19,077
Effect of different tax rate of group entities operating in other jurisdictions	(6,879)	(4,315)
Nondeductible loss carryforwards	1,686	4,040
Overseas investment income temporary differences	54,321	43,976
Income tax expense recognized in profit or loss	$ 873,918	$ 934,614

The applicable tax rate used by subsidiaries located in Hong Kong is 16.5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in equity

	For the Year Ended December 31	
	2025	2024
Current tax		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	$ (14,156)	$ (2,141)
Deferred tax		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	$ 14,156	$ 2,141

c. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year		
Exchange differences on translation of foreign financial statements	$ 33,098	$ (56,003)
Remeasurement of defined benefit plans	(6,339)	13,781
Unrealized losses on financial assets measured at FVTOCI	(18,260)	(20,598)
	$ 8,499	$ (62,820)

d. Current tax assets and liabilities

	December 31 2025	December 31 2024
Current tax assets		
Receivable from the linked-tax system	$ 330,555	$ 330,302
Tax refund receivable	20,441	167
	$ 350,996	$ 330,469
Current tax liabilities		
Payable to the linked-tax system	$ 485,110	$ 566,316
Income tax payable	56,780	66,443
	$ 541,890	$ 632,759

e. Deferred tax assets and liabilities:

The variations of deferred tax assets and liabilities were as follow:

For the year ended December 31, 2025

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Reclassification	Other	Ending Balance
Deferred tax assets							
Temporary differences							
Share of loss of foreign subsidiaries	$ 109,166	$ (16,594)	$ -	$ -	$ -	$ -	$ 92,572
Exchange differences on translation of foreign financial statements	34,971	-	33,098	-	-	-	68,069
Unrealized losses on foreign exchange	47,052	54,702	-	-	(69)	-	101,685
Pension expense	56,904	(12,024)	(6,039)	-	-	-	38,841
Client relationship	60,118	(11,284)	-	-	-	-	48,834
Unrealized valuation losses from financial instruments	15,880	151,842	-	-	(29,956)	-	137,766
Others	31,407	(2,050)	-	-	-	-	29,357
	$ 355,498	$ 164,592	$ 27,059	$ -	$ (30,025)	$ -	$ 517,124
Deferred tax liabilities							
Temporary differences							
Unrealized gains on financial assets measured at FVTOCI	$ (20,237)	$ -	$ (3,877)	$ -	$ -	$ -	$ (24,114)
Share of gain of foreign subsidiaries	(28,375)	-	(14,383)	14,156	-	-	(28,602)
Unrealized valuation gain from financial instruments	(192,623)	(220,146)	-	-	29,956	8,121	(374,692)
Others	(3,866)	1,390	(300)	-	69	-	(2,707)
	$ (245,101)	$ (218,756)	$ (18,560)	$ 14,156	$ 30,025	$ 8,121	$ (430,115)

For the year ended December 31, 2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Reclassification	Other	Ending Balance
Deferred tax assets							
Temporary differences							
Share of loss of foreign subsidiaries	$ 103,860	$ 5,306	$ -	$ -	$ -	$ -	$ 109,166
Exchange differences on translation of foreign financial statements	90,974	-	(56,003)	-	-	-	34,971
Unrealized losses on foreign exchange	104,482	(57,430)	-	-	-	-	47,052
Pension expense	63,109	(20,157)	13,952	-	-	-	56,904
Client relationship	64,982	(4,864)	-	-	-	-	60,118
Unrealized valuation losses from financial instruments	10,674	23,180	-	-	(17,974)	-	15,880
Others	26,191	5,216	-	-	-	-	31,407
	$ 464,272	$ (48,749)	$ (42,051)	$ -	$ (17,974)	$ -	$ 355,498
Deferred tax liabilities							
Temporary differences							
Unrealized gains on financial assets measured at FVTOCI	$ (15,648)	$ -	$ (4,589)	$ -	$ -	$ -	$ (20,237)
Share of gain of foreign subsidiaries	(14,507)	-	(16,009)	2,141	-	-	(28,375)
Unrealized valuation gain from financial instruments	(154,213)	(65,420)	-	-	17,974	9,036	(192,623)
Others	(3,811)	116	(171)	-	-	-	(3,866)
	$ (188,179)	$ (65,304)	$ (20,769)	$ 2,141	$ 17,974	$ 9,036	$ (245,101)

f. Related information on unused loss carryforwards

As of December 31, 2025, SinoPac Securities Investment Service had $17,605 thousand of unused loss carryforwards. The amount can be used through 2035.

g. Unused loss carryforwards for which no deferred tax assets was recognized in the consolidated balance sheets were as follows:

	December 31	
	2025	2024
Unused loss carryforwards	$ 2,211,429	$ 2,472,157

h. Income tax assessments

The income tax returns of the Corporation through 2019 had been examined by the tax authorities, of which the 2015 to 2019 tax returns were disallowed items, such as the amortization and issuance of call (put) warrants; therefore, the Corporation filed appeals for the authorities' reconsideration of the assessments. Even if this matter was still unresolved, the Corporation accrued and paid $116,912 thousand assessed by the tax authorities as additional income tax expenses.

CL Securities Taiwan Company Limited was dissolved following its merger with the Corporation. The income tax returns of CL Securities Taiwan Company Limited through 2023 had been examined by the tax authorities.

The income tax returns of SinoPac Futures through 2023 had been examined by the tax authorities.

The income tax returns of SinoPac Securities Investment Service through 2023 had been examined by the tax authorities.

The income tax returns of SinoPac Securities Venture Capital through 2023 had been examined by the tax authorities.

i. Pillar Two income taxes Act

The subsidiaries of the Group in the UK and Hong Kong have legislated the Pillar Two Income Tax Act, which took effect on January 1, 2024 and January 1, 2025, respectively.

The Group will continue to monitor the impact of the Pillar Two Income Tax Act on its future financial performance.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	**2024**
Basic earnings per share	$ 3.84	$ 3.45

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

Net Profit for the Year

	For the Year Ended December 31	
	2025	**2024**
Earnings used in the computation of basic earnings per share	$ 6,486,915	$ 5,831,083

Shares

Unit: Thousand Share

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,689,243	1,689,243

When calculating earnings per share, the impact of the stock dividend on August 15, 2025, has been retrospectively adjusted. After the adjustment, the basic earnings per share for the year 2024 decreased from $3.50 to $3.45.

28. BUSINESS COMBINATIONS

a. Absorption merger

To strengthen the market share in Taiwan’s securities brokerage business, the Corporation pursuant to a resolution adopted by its board of directors exercising the authority of the shareholders’ meeting on May 29, 2025, resolved to merge with CL Securities Taiwan Company Limited through an acquisition valued at NT$1.628 billion. The merger record date is October 20, 2025, with the Corporation as the surviving entity and CL Securities Taiwan Company Limited as the dissolved entity. As of the merger record date, all assets, liabilities, and valid rights and obligations of CL Securities Taiwan Company Limited will be fully assumed by the Corporation. The merger plan was approved by the FSC under Jin-Guan-Zheng-Chuan Letter No. 1140383744, dated August 7, 2025.

b. Consideration transferred

	CL Securities
Cash	$ 1,551,932

c. Assets acquired and liabilities assumed at the acquisition date

	CL Securities
Current assets	
Cash and cash equivalents	$ 875,747
Accounts receivables	8,872,173
Prepayments	6,884
Other receivables	2,690
Current tax assets	20,337
Other current assets - others	150
Non-current assets	
Property and equipment	26,567
Right-of-use assets	36,697
Intangible assets - client relationship	262,400
Intangible assets - others	1,109
Other non-current assets	260,186
Current liabilities	
Accounts payables	(8,829,880)
Receipts under custody	(32,498)
Other payables	(97,622)
Current lease liabilities	(8,465)
Non-current liabilities	
Non-current lease liabilities	(28,232)
	$ 1,368,243

The initial accounting for the acquisition was only provisionally determined at the balance sheet date.

d. Goodwill recognized on acquisitions

	CL Securities
Consideration transferred	$ 1,551,932
Less: Fair value of identifiable net assets acquired	(1,368,243)
Goodwill arising from acquisitions	$ 183,689

The goodwill arising from the acquisition of CL Securities Taiwan Company Limited primarily stems from the control premium. In addition, the consideration paid for the merger included the anticipated synergies, revenue growth, future market development and employee value. However, these benefits do not meet the criteria for recognition as identifiable intangible assets and, therefore, are not recognized separately.

e. Impact of business combinations on the operating results

Since the acquisition date, the operating results from the acquired company, were as follows:

	CL Securities
Operating revenue	$ 202,198
Profit from continuing operations before tax of this year	$ 24,606

If the CL Securities Taiwan Company Limited's business combination had occurred at the beginning of the fiscal year of the acquisition date, the pro forma revenue and pro forma net profit for the year ended December 31, 2025 for the Group would have been $22,651,789 thousand, and $6,585,305 thousand, respectively. These amounts do not reflect the actual revenues, and operating results that would have been generated by the consolidated entity had the business combination been completed at the beginning of the acquisition year and should not be used as a basis for forecasting future operating results.

29. RELATED-PARTY TRANSACTIONS

The parent company, ultimate parent entity and ultimate controlling party is SinoPac Holdings who wholly owned the Corporation as of December 31, 2025 and 2024.

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note.

a. Name of related parties and their relationships with the Group

Name of Related Party	Relationship with the Group
SinoPac Financial Holdings Company Limited ("SinoPac Holdings")	Parent company
Bank SinoPac Co., Ltd. ("Bank SinoPac")	Fellow subsidiaries
SinoPac Securities Investment Trust Co., Ltd.	Fellow subsidiaries
SinoPac Leasing Corp. ("SinoPac Leasing")	Fellow subsidiaries
SinoPac Venture Capital Corp.	Fellow subsidiaries
YFY Inc. ("Yuen Foong Yu")	Others
Elite Material Co., Ltd. ("Elite Material")	Others
Sinbon Electronics Company Ltd. ("Sinbon Electronics")	Others (Note 1)
Global Unichip Corp. ("Global Unichip")	Others
Chunghwa Telecom Co., Ltd. ("Chunghwa Telecom")	Others (Note 1)
Foundation of SinoPac	Others
IP Fund Six Co., Ltd. ("IP Fund Six")	Others
Taiwan Futures Exchange Corp. ("TAIFEX")	Others (Note 4)
Chunghwa Precision Test Tech. Co., Ltd. ("Chunghwa Precision Test")	Others
Integrated Solutions Technology, Inc ("Integrated Solutions Technology")	Others
E Ink Holdings Inc. ("E Ink")	Others
President Chain Store Corporation ("President Chain Store")	Others (Note 2)
Novatek Microelectronics Corp. ("Novatek Microelectronics")	Others
China Airlines Ltd. ("China Airlines")	Others (Note 1)
Chipbond Technology Corp. ("Chipbond Technology")	Others
Macronix International Co., Ltd ("Macronix International")	Others (Note 3)

(Continued)

Name of Related Party	Relationship with the Group
SinoPac Multi Strategy Quant Fund Limited	Others
SinoPac Multi-Series Fund II Limited	Others
SinoPac Multi-Series Fund SPC	Others
SinoPac Nucopia SPC	Others (Note 5)
Others	SinoPac Holdings' substantial related parties, subsidiaries managers' fund (Note 6), related party, management personnel and their relatives and related enterprise.

(Concluded)

Note 1: Non-related parties since July 2025.

Note 2: Non-related parties since May 2025.

Note 3: Related parties since May 2025.

Note 4: Non-related parties since July 2024.

Note 5: Related parties since September 2025.

Note 6: Non-related parties since January 2025.

b. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties were as follows:

	December 31	
	2025	2024
1) Cash and cash equivalents		
Cash in banks		
Fellow subsidiaries		
Bank SinoPac	$ 1,871,180	$ 1,808,375
Others	8,657	3,054
	$ 1,879,837	$ 1,811,429
Short-term notes		
Others	$ -	$ 698,216

As of December 31, 2025 and 2024, the amounts of other current financial assets, other current assets - amounts held for settlement, cash and cash equivalents - receipts under custody from customers' security subscription and amounts held for each customer in the account, which were recorded as bank deposits, are as below:

	December 31	
	2025	2024
Fellow subsidiaries		
Bank SinoPac	$ 7,323,228	$ 5,104,502
Others	1	-
	$ 7,323,229	$ 5,104,502

2) Customer margin account

	December 31	
	2025	2024
Fellow subsidiaries	$ 41,080	$ 31,737

3) Derivative assets - OTC

	December 31	
	2025	2024
Others	$ -	$ 47,218
Derivative liabilities - OTC		
Others	$ -	$ 7,278

	For the Year Ended December 31	
	2025	2024
Gains (losses) from derivatives - OTC		
Fellow subsidiaries	$ -	$ 195
Others	(34,108)	(44,127)
	$ (34,108)	$ (43,932)

	December 31	
	2025	2024
4) Current financial assets at FVTPL		
Securities held for operations (non-equity investment)		
Others	$ 121,183	$ 717,216
5) Bond investments under resale agreements		
Others	$ -	$ 980,733

	December 31	
	2025	2024
6) Notes and accounts receivable		
Parent company	$ 1,262	$ -
Fellow subsidiaries	768	$ 576
Others	18,376	18,152
	$ 20,406	$ 18,728
7) Other receivables		
Fellow subsidiaries	$ 12,373	$ 6,311
8) Current tax assets		
Parent company		
SinoPac Holdings	$ 330,555	$ 330,302
9) Prepayments (does not include leases)		
Fellow subsidiaries	$ 110	$ 173
Others	166	526
	$ 276	$ 699
10) Other current assets		
Fellow subsidiaries		
Bank SinoPac	$ 1,205,560	$ 1,205,560

11) Property and equipment

The Group purchased equipment in the amount of $3,252 thousand and $4,919 thousand from other related parties for the years ended December 31, 2025 and 2024, respectively.

12) Intangible assets

The Group purchased computer software in the amount of $1,150 thousand from other related parties for the year ended December 31, 2024.

	December 31	
	2025	2024
13) Other non-current assets		
Operating guarantee deposits		
Fellow subsidiaries		
Bank SinoPac	$ 685,000	$ 680,000
Guarantee deposits paid - other		
Fellow subsidiaries	14	14
Other	2,160	2,204
	$ 687,174	$ 682,218
14) Commercial paper payable		
Others	$ -	$ 2,388,705
15) Futures traders' equity		
Fellow subsidiaries	$ 246,187	$ 98,575
Others	4,254	13,267
	$ 250,441	$ 111,842
16) Accounts payable		
Fellow subsidiaries	$ 61	$ 63
17) Other payables (does not include leases)		
Fellow subsidiaries	$ 3,109	$ 1,796
Others	887	1,646
	$ 3,996	$ 3,442
18) Current tax liabilities		
Parent company		
SinoPac Holdings	$ 485,110	$ 566,316
19) Other current liabilities		
Parent company	$ 1,267	$ -
Fellow subsidiaries	267	267
	$ 1,534	$ 267

	For the Year Ended December 31	
	2025	2024
20) Brokerage handling fee revenue		
Parent company	$ 41	$ -
Fellow subsidiaries	9,788	7,812
Others	63,921	79,619
	$ 73,750	$ 87,431
21) Revenues from underwriting business		
Fellow subsidiaries	$ 2,490	2,551
Others	12	799
	$ 2,502	$ 3,350
22) Gains on wealth management		
Fellow subsidiaries	$ 4,101	$ 6,140
23) Revenues from providing agency service for stock affairs		
Parent company	$ 17,607	$ 13,758
Fellow subsidiaries	254	120
Others	19,966	18,716
	$ 37,827	$ 32,594
24) Interest revenue		
Others	$ 16,191	$ 140,725
25) Dividend revenue		
Others	$ 42,259	$ 84,478
26) Other operating income		
Revenue from advisory services		
Fellow subsidiaries	$ 20,900	$ 14,733
Others		
Fellow subsidiaries	2,758	$ 2,284
Others	89,180	108,415
	$ 112,838	$ 125,432

	For the Year Ended December 31	
	2025	2024
27) Brokerage handling fee expense		
Fellow subsidiaries	$ 3,322	$ 5,057
Others		
TAIFEX	-	129,588
Others	1,121	1,057
	$ 4,443	$ 135,702
28) Proprietary handling fee expense		
Others	$ 852	$ 4,729
29) Other operating expenditure		
Expense of clearing and settlement		
Others		
TAIFEX	$ -	$ 90,447
Others		
Others	2,433	2,071
	$ 2,433	$ 92,518
30) Finance costs (does not include leases)		
Fellow subsidiaries	$ 459	$ 1,281
Others	19,265	36,408
	$ 19,724	$ 37,689
31) Other operating expenses		
Information technology expense		
Fellow subsidiaries	$ 997	$ 1,624
Others	56,696	104,418
	$ 57,693	$ 106,042
Donation expenses		
Others		
Foundation of SinoPac	$ 8,000	$ 6,000

	For the Year Ended December 31	
	2025	2024
Others		
Fellow subsidiaries	$ 22,462	$ 22,974
Others	42,000	49,165
	$ 64,462	$ 72,139

32) Other gains and losses

	For the Year Ended December 31	
	2025	2024
Other gains		
Dividend income		
Others	$ 6,512	$ 12,945
Financial income (does not include leases)		
Fellow subsidiaries	$ 77,442	$ 78,960
Others	5,946	29,837
	$ 83,388	$ 108,797
Cross-selling income		
Fellow subsidiaries	$ 38,263	$ 40,467
Others		
Fellow subsidiaries	$ 692	$ 1,950
Others	169	3,823
	$ 861	$ 5,773
Other losses		
Others		
Others	$ -	$ 141

33) Notes and bonds transaction

	For the Year Ended December 31			
	2025		2024	
	Purchase of Notes and Bonds	Sell of Notes and Bonds	Purchase of Notes and Bonds	Sell of Notes and Bonds
Fellow subsidiaries	$ 1,911,278	$ -	$ 600,000	$ -
Others	68,139,507	115,117,163	144,573,565	144,792,925

All transactions with related parties were carried at arm’s length.

c. Lease

1) Right-of-use assets

The Group added right-of-use assets in the amount of $10,190 thousand and $22,800 thousand from fellow subsidiaries for the years ended December 31, 2025 and 2024, respectively.

	December 31	
	2025	**2024**
2) Prepayments		
Fellow subsidiaries	$ 193	$ 256
Others	-	4
	$ 193	$ 260
3) Other non-current assets		
Guarantee deposits paid - other		
Fellow subsidiaries	$ 5,193	$ 5,131
Others	-	154
	$ 5,193	$ 5,285
4) Current lease liabilities		
Fellow subsidiaries	$ 19,071	$ 17,331
Others	-	997
	$ 19,071	$ 18,328
5) Non-current lease liabilities		
Fellow subsidiaries		
Bank SinoPac	$ 39,826	$ 46,504
Others	5,667	2,709
Others	-	1,421
	$ 45,493	$ 50,634

	For the Year Ended December 31	
	2025	**2024**
6) Finance costs		
Fellow subsidiaries	$ 1,499	$ 908
Others	5	14
	$ 1,504	$ 922

	For the Year Ended December 31	
	2025	2024
7) Other operating expense		
Fellow subsidiaries	$ 84	$ 75
Others	1	2
	$ 85	$ 77
8) Other gains and losses		
Other gains		
Financial income		
Fellow subsidiaries	$ 83	$ 74
Others	1	2
	$ 84	$ 76
Others		
Fellow subsidiaries	$ -	$ 29

The operating lease contracts signed by the Corporation with the related parties were as follows:

Lessor	Lease Term	Lease Target	Payment Terms
Fellow subsidiaries			
SinoPac Leasing	Till November 2028	Transportation equipment	Monthly
Bank SinoPac	Till November 2030	Offices and branch locations	Monthly

Rental prices are determined based on negotiations between the counterparties with reference to the market rental prices of office buildings in the vicinity.

d. Status of acquiring stocks from related-parties

Besides information disclosed in Table 4 and Table 6, the Group held stocks of other related-parties as follows:

1) Financial assets at FVTPL

	December 31, 2025		
	Number of Shares (In Thousands)	Costs	Carrying Amount
Listed stocks and stocks traded over the counter			
Global Unichip	369	$ 741,086	$ 783,677
Elite Material	363	539,242	597,946
Macronix International	13,664	511,035	539,041

(Continued)

	December 31, 2025		
	Number of Shares (In Thousands)	Costs	Carrying Amount
Listed stocks and stocks traded over the counter			
Chunghwa Precision Test	94	$ 189,173	$ 214,747
E Ink	698	147,084	138,283
Novatek Microelectronics	243	92,535	91,065
Chipbond Technology	338	18,105	18,237
Yuen Foong Yu	439	11,739	11,484
Other (individual payments do not reach more than $10,000 thousands)	979	43,096	42,446
Stocks other than listed and traded over the counter			
IP Fund Six	1,462	14,625	16,833
Other (individual payments do not reach more than $10,000 thousands)	463	4,625	7,519
		$ 2,312,345	$ 2,461,278

(Concluded)

	December 31, 2024		
	Number of Shares (In Thousands)	Costs	Carrying Amount
Listed stocks and stocks traded over the counter			
Elite Material	474	$ 280,356	$ 292,859
E Ink	652	181,019	177,877
Novatek Microelectronics	316	154,409	158,581
China Airlines	6,030	146,831	154,670
Chunghwa Telecom	807	99,401	99,690
Chunghwa Precision Test	74	62,774	65,340
President Chain Store	152	41,438	39,888
Global Unichip	29	39,426	39,301
Integrated Solutions Technology	194	19,167	15,397
Chipbond Technology	192	12,359	12,361
Sinbon Electronics	39	10,563	10,153
Other (individual payments do not reach more than $10,000 thousands)	1,342	45,093	42,553
Stocks other than listed and traded over the counter			
IP Fund Six	2,239	22,393	16,190
Other (individual payments do not reach more than $10,000 thousands)	606	6,060	8,752
		$ 1,121,289	$ 1,133,612

2) Financial assets at FVTOCI (December 31, 2025: None)

	December 31, 2024		
	Number of Shares (In Thousands)	**Costs**	**Carrying Amount**
Listed stocks and stocks traded over the counter			
Chunghwa Telecom	885	$ 109,791	$ 109,298

e. The Group acquired management shares of SinoPac Multi Strategy Quant Fund Limited and three other companies established in the Cayman Islands in the amount of $10 thousand. The management shares were issued to the investment manager in compliance with specific legal procedures, and the holders did not have the rights to participate in profit, assets, and surplus distributions of funds.

f. Compensation of key management personnel

The compensation of key management personnel were as follows:

	For the Year Ended December 31	
	2025	**2024**
Short-term employee benefits	$ 213,395	$ 252,513
Retirement benefits	24,004	11,588
Share-based payment	27,702	33,408
	$ 265,101	$ 297,509

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged to financial institutions as the collateral for commercial paper issued, short-term borrowings and a bank overdraft line obtained at the balance sheet dates:

	December 31	
	2025	**2024**
Time deposits (included in other current assets)	$ 1,745,560	$ 1,745,560
Property and equipment, net	1,717,013	1,731,799
Investment property, net	147,114	148,637
	$ 3,609,687	$ 3,625,996

The above assets pledged to Bank SinoPac were as follows:

	December 31	
	2025	**2024**
Time deposits (included in other current assets)	$ 1,205,560	$ 1,205,560
Property and equipment, net	1,130,397	1,142,050
	$ 2,335,957	$ 2,347,610

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Bank SinoPac and the Corporation had applied for tax concessions to the Ministry of Finance regarding their technical support service expenditure relating to their financial transaction system. They jointly signed a letter of indemnity to the system manufacturer for which the total compensation was not more than US$1,300 thousand, to obtain a proxy of the manufacturer thereof to apply for the aforesaid tax concession. The compensation distributable to the Corporation was US$433 thousand. The deadline for compensation guarantee period is December 31, 2027 or the later date between the expiration of the tax refund application and the effective deadline.

32. CAPITAL RISK MANAGEMENT

The Corporation's capital adequacy assessment needs to consider the business scale, key operational plans, risk status, capital structure and future capital projects and other company consideration, the Corporation complies with the Regulations Governing Securities Firms on the calculation of a capital adequacy ratio and formulate management procedures. Thus, for maintaining stable operations, the Corporation's capital adequacy ratio, in principle, is at least 250% for its capital adequacy management objectives.

The Corporation's capital adequacy management procedures are as follows:

a. The risk management division should calculate, monitor and analyze its regulatory capital adequacy ratio on a regular monthly basis and obtain approval from the chairman of the board of directors.

b. The risk management division simulates the capital adequacy ratio based on the Corporation's business plan, policy direction, investment strategy and important event and provides the result to the relevant units.

c. If the Corporation's capital adequacy ratio seems to fell below the target, the risk management division should report to the management, discuss responsive actions as listed below to be taken and executed after the board of directors' approval.

    1) Issuance debt instruments that qualify as eligible capital.

    2) Capital increase.

    3) Adjustment of business strategies.

As of December 31, 2025 and 2024, the Corporation's capital adequacy ratios were as follows:

Items	December 31 2025	2024
Net eligible capital		
Tier 1 Capital	$ 38,057,667	$ 36,524,364
Tier 2 Capital	4,237,770	3,418,323
Tier 3 Capital	-	-
Deductible assets	(14,782,718)	(12,386,092)
	$ 27,512,719	$ 27,556,595

(Continued)

Items	December 31 2025	2024
Equivalent operating risk		
Market risk equivalent	$ 4,789,335	$ 4,790,215
Credit risk equivalent	950,347	872,111
Operating risk equivalent	1,844,435	1,744,868
	$ 7,584,117	$ 7,407,194
Capital adequacy ratio	363%	372%

(Concluded)

Note 1: Capital adequacy ratio = Net eligible capital/Equivalent operating risk.

Note 2: Net eligible capital = Tier 1 capital + Tier 2 capital + Tier 3 capital - Deductible assets.

Note 3: Equivalent operating risk = Market risk equivalent + Credit risk equivalent + Operating risk equivalent.

33. TRUST BUSINESS UNDER THE TRUST ENTERPRISE ACT

The Corporation offers wealth management, asset allocation or financial planning under Jin-Guan-Zheng-Chuan Letter No. 1030023199 approved by FSC on July 30, 2014.

Under Enforcement Rules of the Trust Enterprise Act No. 17 indicated that the Corporation should disclose the balance sheet, income statement and trust properties of trust accounts as follows:

a. Balance sheets of trust accounts

Trust Assets	December 31 2025	2024	Trust Liabilities	December 31 2025	2024
Bank deposits	$ 1,491,319	$ 1,293,390	Trust capital	$ 42,274,965	$ 37,788,669
Funds	34,028,571	28,404,079	Net profit (loss)	1,933,370	(31,336)
Stocks	2,005,485	1,323,619	Cumulative loss	(4,695,420)	(4,128,802)
Bonds	1,949	-			
Structured instruments	1,985,414	2,607,243			
Accounts receivable	177	200			
Total trust assets	$ 39,512,915	$ 33,628,531	Total trust liabilities	$ 39,512,915	$ 33,628,531

b. Income statement of trust accounts

	For the Year Ended December 31 2025	2024
Trust income		
Interest revenue	$ 1,475,058	$ 1,295,617
Dividends revenue	72,196	27,541
Rent revenue from securities lending	14	5
Realized investment gains	493,220	83,667

(Continued)

	For the Year Ended December 31	
	2025	2024
Trust expenses		
Commission and fees	$ (39,590)	$ (29,991)
Administrative expenses	(93)	(149)
Other expenses	(10)	(2)
Unrealized investment losses	(66,664)	(1,407,105)
Gains (losses) before tax	1,934,131	(30,417)
Income tax expense	(761)	(919)
Gains (losses) after tax	$ 1,933,370	$ (31,336)

(Concluded)

c. Properties of trust accounts

	December 31	
	2025	2024
Bank deposits	$ 1,491,319	$ 1,293,390
Funds	34,028,571	28,404,079
Stocks	2,005,485	1,323,619
Bonds	1,949	-
Structured instruments	1,985,414	2,607,243
Accounts receivable	177	200
Total (Note)	$ 39,512,915	$ 33,628,531

Note: As of December 31, 2025 and 2024, the above properties of trust accounts included the amount of $139,571 thousand and $97,315 thousand, respectively, under the Offshore Securities Unit ("OSU") "Wealth Management Business Involving Non-discretionary Money Trust".

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Financial assets mandatorily measured at FVTPL				
Bonds	$ 21,131,221	$ 4,262,988	$ 1,146,964	$ 26,541,173
Listed stocks, stocks traded over the counter and emerging stocks	40,303,422	367,349	1,154,098	41,824,869
Stocks other than listed and traded over the counter	-	-	311,176	311,176
Mutual funds	13,374,053	252,458	-	13,626,511
Derivative assets	5,109,963	4,902,256	-	10,012,219
	$ 79,918,659	$ 9,785,051	$ 2,612,238	$ 92,315,948

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instruments				
Listed stocks and stocks traded over the counter	$ 1,313,502	$ -	$ -	$ 1,313,502
Stocks other than listed and traded over the counter	-	-	2,475,914	2,475,914
Debt instruments	4,662,105	370,931	309,009	5,342,045
	$ 5,975,607	$ 370,931	$ 2,784,923	$ 9,131,461
Financial liabilities at FVTPL				
Financial liabilities held for trading	$ 18,083,227	$ -	$ -	$ 18,083,227
Derivative liabilities	1,562,615	6,273,552	-	7,836,167
Financial liabilities designated at FVTPL	-	13,378,491	704,772	14,083,263
	$ 19,645,842	$ 19,652,043	$ 704,772	$ 40,002,657

(Concluded)

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Financial assets mandatorily measured at FVTPL				
Bonds	$ 25,063,495	$ 5,607,314	$ 850,461	$ 31,521,270
Listed stocks, stocks traded over the counter and emerging stocks	23,069,632	447,214	1,080,830	24,597,676
Stocks other than listed and traded over the counter	-	-	282,825	282,825
Mutual funds	15,273,369	382,291	-	15,655,660
Derivative assets	2,757,489	5,193,861	-	7,951,350
	$ 66,163,985	$ 11,630,680	$ 2,214,116	$ 80,008,781
Financial assets at FVTOCI				
Equity instruments				
Listed stocks and stocks traded over the counter	$ 1,774,566	$ -	$ -	$ 1,774,566
Stocks other than listed and traded over the counter	-	-	2,038,197	2,038,197
Debt instruments	12,729,505	251,950	415,519	13,396,974
	$ 14,504,071	$ 251,950	$ 2,453,716	$ 17,209,737
Financial liabilities at FVTPL				
Financial liabilities held for trading	$ 22,665,995	$ -	$ -	$ 22,665,995
Derivative liabilities	694,527	6,617,503	-	7,312,030
Financial liabilities designated at FVTPL	-	9,993,499	969,233	10,962,732
	$ 23,360,522	$ 16,611,002	$ 969,233	$ 40,940,757

For the years ended December 31, 2025 and 2024, the Group transferred part of the debt instruments from Level 1 to 2 because the Group determined these investments were not in an active market based on market quotation and liquidity.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the Year Ended December 31, 2025				
	Financial Assets at FVTPL		Financial Assets at FVTOCI		
Financial Assets	Equity Instruments	Debt Instruments	Equity Instruments	Debt Instruments	Total
Beginning balance	$ 1,363,655	$ 850,461	$ 2,038,197	$ 415,519	$ 4,667,832
Recognized in profit or loss	106,316	30,294	-	-	136,610
Recognized in other comprehensive income	-	-	437,717	5,645	443,362
Purchases	1,064,111	376,201	-	7,191	1,447,503
Sales/settlements/amortization of discount and premium	(1,129,052)	(40,031)	-	(107,206)	(1,276,289)
Transfers into Level 3	500,171	-	-	-	500,171
Transfers out of Level 3	(439,927)	-	-	-	(439,927)
Additional amounts recognized from currency rate	-	(69,961)	-	(12,140)	(82,101)
Ending balance	$ 1,465,274	$ 1,146,964	$ 2,475,914	$ 309,009	$ 5,397,161
Recognized in gains - unrealized	$ 14,499	$ 27,531	$ 437,717	$ 5,645	$ 485,392

Financial Liabilities	Financial Liabilities at FVTPL
Beginning balance	$ 969,233
Recognized in profit or loss	19,991
Purchases	2,051,342
Sales/settlements	(2,335,794)
Ending balance	$ 704,772
Recognized in losses - unrealized	$ (19,991)

	For the Year Ended December 31, 2024				
	Financial Assets at FVTPL		Financial Assets at FVTOCI		
Financial Assets	Equity Instruments	Debt Instruments	Equity Instruments	Debt Instruments	Total
Beginning balance	$ 1,021,396	$ 1,406,305	$ 1,282,107	$ 867,762	$ 4,577,570
Recognized in profit or loss	(193,930)	27,732	-	-	(166,198)
Recognized in other comprehensive income	-	-	756,090	(3,751)	752,339
Purchases	1,057,455	95,282	-	7,077	1,159,814
Sales/settlements/amortization of discount and premium	(641,185)	(741,429)	-	(493,804)	(1,876,418)
Transfers into Level 3	357,474	-	-	-	357,474
Transfers out of Level 3	(237,555)	-	-	-	(237,555)
Additional amounts recognized from currency rate	-	62,571	-	38,235	100,806
Ending balance	$ 1,363,655	$ 850,461	$ 2,038,197	$ 415,519	$ 4,667,832
Recognized in gains (losses) - unrealized	$ (199,867)	$ 27,734	$ 756,090	$ 6,575	$ 590,532

Financial Liabilities	Financial Liabilities at FVTPL
Beginning balance	$ 66,788
Recognized in profit or loss	(3,818)
Purchases	2,891,461
Sales/settlements	(1,985,198)
Ending balance	$ 969,233
Recognized in gains - unrealized	$ 3,818

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

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

a) With standard terms and conditions on active market trading of financial assets and financial liabilities at fair value, respectively, of the quoted market price decision. If quoted market prices are not available, then using a valuation technique. The Group adopts valuation techniques and assumptions used in the estimates and assumptions, as well as the market participants to price financial instruments when used as estimates and assumptions consistent.

b) If derivatives have quoted market price, then the quoted market price as fair value. If quoted market prices are not available, non-option derivative using derivatives during the existence applicable the yield curve to calculate the discounted cash flow analysis of the fair value, and option derivatives using option pricing model to calculate fair value. The Group adopts valuation techniques used in the estimates and assumptions, as well as the market participants to price financial instruments when used as estimates and assumptions consistent.

c) Other financial assets and financial liabilities (except to the above) in accordance with the fair value of the discounted cash flow analysis based on the generally accepted pricing models decisions.

4) Credit risk valuation adjustment is set out below:

Credit risk valuation consists of credit valuation adjustment and debit valuation adjustment.

Credit valuation adjustment adopts for derivative contracts trading in other than exchange market, over the counter, and reflects the non-performance risk of counter party on fair value.

Debit valuation adjustment adopts for derivative contracts trading in other than exchange market, over the counter, and reflects the non-performance risk of the Group on fair value.

The Group calculated credit valuation adjustment based on models with inputs of Probability of Default (PD) and Loss Given Default (LGD) multiplying Exposure at Default (EAD).

The Group calculates counterparties' EAD based on mark-to-market fair value of OTC derivative instruments.

The Group takes 60% as the PD of counterparties, and subject to change under the risk nature and data feasibility.

The Group takes credit risk valuation adjustment into valuation of the fair value of financial instruments, thus reflect the credit quality of counterparties.

5) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement

December 31, 2025

Financial Instruments Measured at Fair Value	Fair Value at December 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Current financial assets at FVTPL					
Operating securities - Emerging stocks	$ 1,154,098	Market value with liquidity valuation discount	Discount for lack of liquidity	0%-20%	The higher discount for lack of liquidity, the lower fair value
Operating securities - foreign currency denominated bonds	1,146,964	OTC quotes/quotes from Bloomberg's model or providing reference quotes	Discount for lack of liquidity	Could not be estimated	No disclosures have been made because zero coupon callable bonds and foreign currency denominated bonds lack liquidity in the OTC market, resulting in the inability to obtain observable market liquidity reduction factors.
Stocks other than listed and traded over the counter	286,814	Market approach or asset approach	Other shareholder and Discount for lack of liquidity	10%-30%	The higher other shareholder and discount for lack of liquidity the lower fair value
Non-current financial assets at FVTPL					
Stocks other than listed and traded over the counter	24,362	Market approach or asset approach	Other shareholder and Discount for lack of liquidity	10%-30%	The higher other shareholder and discount for lack of liquidity the lower fair value
Non-current financial assets at FVTOCI					
Stocks other than listed and traded over the counter	2,475,914	Market approach	Discount for lack of liquidity	10%-30%	The higher discount for lack of liquidity, the lower fair value
Operating securities - foreign currency denominated bonds	309,009	OTC quotes/quotes from Bloomberg's model or providing reference quotes	Discount for lack of liquidity	Could not be estimated	No disclosures have been made because zero coupon callable bonds and foreign currency denominated bonds lack liquidity in the OTC market, resulting in the inability to obtain observable market liquidity reduction factors.
Derivative financial liabilities					
Financial liabilities designated as at FVTPL					
Structured instruments	704,772	Self-built option pricing model	Volatility	3%-53% (Note)	The higher the volatility, the higher fair value

Note: The volatility of structured instruments ranged from 3% to 53%.

December 31, 2024

Financial Instruments Measured at Fair Value	Fair Value at December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	The Relationship Between Inputs and Fair Value
Non-derivative financial assets					
Current financial assets at FVTPL					
Operating securities - Emerging stocks	$ 1,080,830	Market value with liquidity valuation discount	Discount for lack of liquidity	0%-20%	The higher discount for lack of liquidity, the lower fair value
Operating securities - foreign currency denominated bonds	850,461	OTC quotes/quotes from Bloomberg's model or providing reference quotes	Discount for lack of liquidity	Could not be estimated	No disclosures have been made because zero coupon callable bonds and foreign currency denominated bonds lack liquidity in the OTC market, resulting in the inability to obtain observable market liquidity reduction factors.
Stocks other than listed and traded over the counter	257,877	Market approach or asset approach	Other shareholder and Discount for lack of liquidity	10%-30%	The higher other shareholder and discount for lack of liquidity the lower fair value
Non-current financial assets at FVTPL					
Stocks other than listed and traded over the counter	24,948	Market approach or asset approach	Other shareholder and Discount for lack of liquidity	10%-30%	The higher other shareholder and discount for lack of liquidity the lower fair value
Non-current financial assets at FVTOCI					
Stocks other than listed and traded over the counter	2,038,197	Market approach	Discount for lack of liquidity	10%-30%	The higher discount for lack of liquidity, the lower fair value
Operating securities - foreign currency denominated bonds	415,519	OTC quotes/quotes from Bloomberg's model or providing reference quotes	Discount for lack of liquidity	Could not be estimated	No disclosures have been made because zero coupon callable bonds and foreign currency denominated bonds lack liquidity in the OTC market, resulting in the inability to obtain observable market liquidity reduction factors.
Derivative financial liabilities					
Financial liabilities designated as at FVTPL					
Structured instruments	969,233	Self-built option pricing model	Volatility	3%-64% (Note)	The higher the volatility, the higher fair value

Note: The volatility of structured instruments ranged from 3% to 64%.

6) Valuation processes for fair value measurements categorized within Level 3

The Group's Risk Management Division (the "Division") is responsible for independently verifying fair value, confirming that the information needed is correct and consistent before valuing the financial instruments with the use of models, calibrating measurement models in relation to market prices, and updating the inputs required for models so that the model results will closely approximate market status. In addition to maintaining the accuracy of measurement models, the Division also examines periodically the reasonableness of prices.

7) The sensitivity analysis of reasonable and possible alternative hypotheses for Level 3 fair value measurement

The Group's measurement of the fair value of financial instruments is considered reasonable; however, the valuation results may be different if different valuation models or inputs were used. For debt instruments classified as Level 3 and whose fair value sources lack observable market liquidity reduction factors, if changes in the estimated liquidity cost (based on the historical data of the market price spread in the past two years, estimated at a 99% confidence interval) is included in the estimation, the impact on profit and loss would be as follows:

Project	December 31, 2025		December 31, 2024	
	Unfavorable Change	**Favorable Change**	**Unfavorable Change**	**Favorable Change**
Assets				
Financial assets at FVTPL				
Operating securities - foreign currency denominated bonds	$ (75,967)	$ 75,967	$ (70,661)	$ 70,661

b. Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
Financial assets at amortized cost (Note 1)	$ 202,794,140	$ 166,233,757
Financial assets at FVTPL		
Financial assets mandatorily measured at FVTPL	92,315,948	80,008,781
Financial assets at FVTOCI		
Equity instrument investments	3,789,416	3,812,763
Debt instrument investments	5,342,045	13,396,974
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	240,314,974	195,231,434
Financial liabilities at FVTPL		
Financial liabilities held for trading	25,919,394	29,978,025
Financial liabilities designated as at FVTPL	14,083,263	10,962,732

Note 1: Financial assets at amortized cost include cash and cash equivalents, bond investments under resale agreements, margin loans receivable, receivable of securities business money lending, receivable of money lending - any use, customer margin account, security borrowing collateral price, security borrowing margin, notes and accounts receivable, other receivables, other current financial assets, other current assets included refinancing margin, refinancing collateral receivable, futures exchanges margins receivable, and restricted current assets, other non-current assets included operating guarantee deposits, clearing and settlement funds, guarantee deposits paid and overdue receivables.

Note 2: Financial liabilities measured at amortized cost include current borrowings, commercial paper payable, liabilities for bonds sold with attached agreements, securities financing refundable deposits, deposits payable for securities financing, securities lending refundable deposits, futures trader's equity, equity for each customer in the account, accounts payable, other payables, other current financial liabilities, long-term liabilities-current portion, bonds payable, long-term borrowings and guarantee deposits received (included in other non-current liabilities).

Financial liabilities designated at FVTPL, were as follows:

	December 31	
	2025	2024
The difference between carrying amount and contract expiry amount		
Structured instruments at fair value	$ 14,083,263	$ 10,962,732
Amount payable at maturity	(14,051,464)	(10,913,153)
	$ 31,799	$ 49,579

There is no impact from credit risk on the changes in fair values of the Group's financial liabilities designated as at FVTPL.

c. Financial risk management objective and policy

1) Risk management organization

The Corporation has a risk management committee under the chairman who is the committee convener. The committee is in charge of deliberating risk management policies, regulations and overall risk limitation. It helps the board of directors fully supervise the risk management and related operations. Further, it set up a risk management division that is guided by the manager and is responsible for planning, managing, assessing and executing daily risk management procedures. The committee deliberates each policy, principle and regulation, which are presented to the board of directors for final approval and executed by the risk management division. The risk management division reviews the results and performance of the risk management committee.

2) Goal and policy of risk management

The Group's objectives and policies of risk management are based on the concept of capital allocation to define the overall total exposure limit. Under this concept and risk management principles, the Group pursues steady growth within a certain level of risk.

a) Market risk

Market risk refers to the possible loss due to the change in market interest rates, equity instruments, foreign exchange rates and market value change in derivatives which resulted from trading commodity, such as forwards, options, futures, swaps and other composition transactions.

The Group applies the concept of risk capital allocation in use to set the overall operating limit and market risk limit through the monitoring of limits, loss advisories and statistical measures to keep an eye on and control market risk in time. Moreover, for the efficient management of market risk, a regular assessment should be presented to the managerial level and the board of directors.

The Group uses value-at-risk (VaR), a statistical measure to estimate and manage market risk. Through a regular stress test, sensitivity test and feedback test, the Group will be able to verify the validity of the risk management system. The Group uses a risk managing tool, risk manager, designed by an internationally renowned institution, MSCI. The system provides more solid, precise quantitative indices and other tools for a more effective risk evaluation.

i. Value-at-risk (VaR)

VaR is a statistical measure that estimates potential losses and is defined as the predicted worst-scenario case due to changes in risk factors under normal circumstances over a specified period and at a specific level of statistical confidence. The VaR is calculated at a 99% confidence level for a one-day holding period, using changes in historical rates and prices.

The Group's VaR values were as follows:

	December 31	
	2025	**2024**
Equities	$ 65,540	$ 59,858
Interest rate	$ 111,273	$ 92,833
Overall market risk value	$ 151,525	$ 133,136
Percentage of net value	0.38%	0.35%

	For the Year Ended December 31					
	2025			**2024**		
	Average	**Minimum**	**Maximum**	**Average**	**Minimum**	**Maximum**
Equities	$ 91,355	$ 45,374	$ 273,304	$ 86,345	$ 40,036	$ 268,628
Interest rate	166,057	82,233	620,947	80,843	45,948	140,650

Foreign exchange rate risk is mainly due to the purchase of foreign currency-denominated assets. The Group uses certain agreed-upon proximal and distal exchanging points on currency swap contracts to manage foreign exchange risk, so the risk is rather low. For information on its foreign currency denominated monetary assets and monetary liabilities at the balance sheet date, refer to Note 40.

The table below shows the VaR for derivatives owned by the Group:

	December 31	
	2025	**2024**
Futures and options	$ 502,726	$ 220,786
Warrants	95,924	105,001
Interest rate swaps	317	951
Currency swaps	588	1,701
Asset swap options	64,526	104,957
Equity-linked notes	1,932	17,820
Credit-linked notes	14,382	18,190
Principal-guaranteed notes	960	566
Equity derivative financial instruments	1,079	546
Bond forwards	209	259
Offshore Structured FCN	93	-

ii. Sensitivity analysis

Aside from using VaR, the Group also uses several different sensitivity interest index (ex. DVP and DV01) and Greeks (ex. Delta, Gamma, and Vega) for risk assessment.

b) Credit risk

Credit risk is the risk of financial loss resulting from an issuer, a contract recipient or a borrower's change in credit ratings or failure to meet obligations.

The Group uses risk-based asset allocation to set its caps for total credit risk exposure. Through risk diversification, it monitors and manages the credit limits by single client, single entity, and single corporation. Based on credit ratings, the establishment of credit limits, and the assessment of credit risk as the foundation, through the internal rating system, the Group gives out an exposure limit corresponding to its trading object and reviews regularly. It also sets trading and exposure limits by type of product and department. At the same time, the credit rating of the trading object and counterparty should be above the acceptable level set by the Group. Besides managing by product, the Group should also consider the risk involved when of different departments handle the same financial instruments as well as the types of commodities being transacted.

The Group has set a credit risk limit monitoring panel to keep track of trading opponents and prepare credit risk limit usage statistical table daily and regularly prepare credit risk reports for the managerial level and Board's review.

The maximum credit risk exposures to financial loss arises principally from the financial assets recognized in the consolidated balance sheets. Except those listed below, the credit risk amounts of financial assets held by the Group approximated their carrying amount.

	December 31			
	2025		2024	
	Carrying Amount	Max. Credit Exposure Amount	Carrying Amount	Max. Credit Exposure Amount
Interest rate swaps	$ 3,378,617	$ 1,678,325	$ 4,314,242	$ 3,239,648
Asset swap options	1,459,864	1,745,314	805,586	1,014,679
Bond forwards	296	296	-	-
	$ 4,838,777	$ 3,423,935	$ 5,119,828	$ 4,254,327

The Group's credit risk of major financial assets are as follows:

i. Cash and cash equivalents

Cash and cash equivalents are mainly bank deposits and short-term notes whose counterparties are financial institutions with good credit. The Group not only complies with the Regulations Governing Securities Firms when uses its funds but also set transaction limits for short-term notes based on counterparties credit ratings.

ii. Accounts receivable

Receivables are accounts receivable, payments on behalf of others, temporary payments, and default-settlement receivables, arising from various types of business operations and transactions. The Group's receivables are covered by a large number of customers, scattered in different industries and geographical areas. The Group has a provisional policy for impaired assets, and for receivable overdue for more than 6 months, except for those that have been paid in accordance with the agreement, that debt recovery should be conducted one by one, and be recognized as appropriate expected credit losses.

iii. Debt instruments and derivatives instruments trading

Of the overall transactions of the Group as of December 31, 2025, were 42% in the financial service sector and 18% in the electronic industry. In addition, the transaction amounts for trading objects with credit ratings of TWA+ and above has a market share of 70%.

The investment targets of the Group's debt instruments at fair value through other comprehensive income are limited to the domestic and foreign currency bonds approved by the authorities, and should have a rating of at least BBB+ from the latest external credit rating agency or a minimum of H3 from the internal financial holding department. The risk management department includes the investment positions in the control and management of the credit risk limits on a daily basis to ensure the debt security of the investment positions in the debt instruments measured at FVTOCI.

iv. Brokerage business, financing business and the related credit business

The Group uses the financing concentration system and the Merton's probability default (PD) model to monitor individual stock that has a higher default risk in finance, and analyze any abnormal conditions to control the default risk. The controls of the financing business and the brokerage related credit business (including securities business money lending, securities lending, money lending - any use, etc.) are as follows:

i) Concentration control: In addition to risk grading individual stock and setting the number of individual stock financing (accommodation) and credit limit of individual stock in the whole company, credit limits for the counterparties and related accounts are also set.

ii) High-risk stock control: Regularly review the list of high-risk stock and dynamically adjust the number of high-risk stock financing, financing purchase quota and individual credit limits.

v. Security borrowing collateral price and security borrowing margin

Security borrowing margin deposits refer to the transaction margin deposits placed with the TWSE and creditworthy domestic and foreign financial institutions; hence, the loss from credit risk is very low. Security borrowing collateral price refers to the transaction deposits placed by creditworthy securities firms for hedging transactions involving warrants and margin trading.

vi. Guarantee deposits paid (included in other non-current assets)

Guarantee deposits paid mainly serves as the operating guarantee deposits and clearing and settlement fund. The operating guarantee deposits are the statutory deposit deposited with financial institution designated by the local authorities. The clearing and settlement funds are the statutory deposit with domestic and foreign stock and futures exchange. The risk for both operating guarantee deposits and clearing and settlement fund are rather low.

vii. Restricted assets (included in other current assets)

Restricted assets are mainly the bank deposits used as collateral for loans obtained by the Group. The financial institutions holding these restricted assets all have good credit rating.

c) Liquidity risk

Liquidity risk refers to the risk that assets cannot be realized or sufficient capital cannot be obtained, so that the due obligations cannot be fulfilled (called "capital liquidity risk"), and due to insufficient market depth or disorder, the risk of significant changes of the market price when dealing with or offsetting the position held (called "market liquidity risk").

The Group has multiple sources of funding besides its own equity fund. It can also get the funding through borrowing from banks or, issuing commercial papers and corporate bonds. For any emergencies financial responsibility department should report to the general manager and the chairman immediately and general manager hold a immediately meeting to discuss the emergency plan for cash flow gap. If there will be material extensions, general manager should submit a project report to the risk management committee.

For ensuring capital needs for business development of the subsidiary of the Corporation, mid-term and long-term capital was fulfilled with credit lines from financial institutions and will be approved by authorized person on demand.

Each trading authority of the Group shall set market liquidity risk control indicators in various business management rules, and the risk management unit shall perform control in accordance with each business management rule. The risk management unit should regularly review the overall position of the Group and review their liquidity. When there is an abnormal liquidity or an early warning, the general manager and related business units will be notified, and the business unit will propose an explanation or a response plan, and the risk management unit will continue to track the follow-up improvement.

As of December 31, 2025 and 2024, the credit lines unused were $24,439,204 thousand and $26,717,332 thousand, respectively.

The table below shows the analysis of the remaining contractual maturities for financial liabilities as of December 31, 2025 and 2024:

	Payment Period				
December 31, 2025	**Current Period**	**First 3 to 12 Months**	**1 Year to 5 Years**	**Over 5 Years**	**Total**
Current borrowings	$ 2,925,548	$ -	$ -	$ -	$ 2,925,548
Commercial paper payable	29,950,000	42,400,000	-	-	72,350,000
Current financial liabilities at FVTPL	31,534,002	2,173,061	6,263,795	-	39,970,858
Liabilities for bonds with attached repurchase agreements	31,807,020	79,794	-	-	31,886,814
Securities financing refundable deposits	2,407,527	-	-	-	2,407,527
Deposits payable for securities financing	2,640,325	-	-	-	2,640,325
Securities lending refundable deposits	9,332,543	-	-	-	9,332,543
Futures traders' equity	59,046,570	-	-	-	59,046,570
Equity for each customer in the account	4,857,027	-	-	-	4,857,027
Accounts payable	45,884,680	-	-	-	45,884,680

(Continued)

December 31, 2025	Payment Period Current Period	 First 3 to 12 Months	 1 Year to 5 Years	 Over 5 Years	 Total
Other payables	$ 3,626,756	$ -	$ -	$ -	$ 3,626,756
Other current financial liabilities	788,357	-	-	-	788,357
Bonds payable	77,752	71,463	319,595	4,142,040	4,610,850
Long-term borrowings	945,096	-	-	-	945,096
Lease liabilities	67,511	183,061	424,283	49,414	724,269
	$ 225,890,714	$ 44,907,379	$ 7,007,673	$ 4,191,454	$ 281,997,220

(Concluded)

December 31, 2024	Payment Period Current Period	 First 3 to 12 Months	 1 Year to 5 Years	 Over 5 Years	 Total
Current borrowings	$ 1,701,640	$ -	$ -	$ -	$ 1,701,640
Commercial paper payable	49,950,000	200,000	-	-	50,150,000
Current financial liabilities at FVTPL	31,403,596	1,985,706	7,501,876	-	40,891,178
Liabilities for bonds with attached repurchase agreements	44,404,802	-	-	-	44,404,802
Securities financing refundable deposits	2,701,171	-	-	-	2,701,171
Deposits payable for securities financing	3,089,511	-	-	-	3,089,511
Securities lending refundable deposits	8,315,600	-	-	-	8,315,600
Futures traders' equity	42,277,084	-	-	-	42,277,084
Equity for each customer in the account	949,756	-	-	-	949,756
Accounts payable	27,088,046	-	-	-	27,088,046
Other payables	3,562,171	-	-	-	3,562,171
Other current financial liabilities	398,208	-	-	-	398,208
Long-term liabilities - current portion	16,000	2,000,000	-	-	2,016,000
Bonds payable	46,945	52,551	261,996	3,068,108	3,429,600
Long-term borrowings	986,850	-	5,000,000	-	5,986,850
Lease liabilities	66,839	146,247	321,708	18,819	553,613
	$ 216,958,219	$ 4,384,504	$ 13,085,580	$ 3,086,927	$ 237,515,230

As of December 31, 2025 and 2024, none of the Group's lease contracts had remaining lease terms exceeding 10 years.

The analysis of the remaining contractual maturities of financial liabilities is based on the earliest due date and prepared on the basis of undiscounted cash flows.

d. Transfers of financial assets

The transferred financial assets of the Group that do not qualify for derecognition in the daily operation are mainly bonds with attached repurchase agreements. The transaction transfers the contractual rights to receive the cash flows of the financial assets but the Group retains the liabilities to repurchase the transferred financial assets at fixed price in the future period. The Group cannot use, sell, or pledge these transferred financial assets within the validity period of the transaction. However, the Group still bears the interest rate risk and credit risk; thus, it does not derecognize it. Analysis of financial assets and related liabilities not completely meet derecognizing condition is shown in following table:

Category of Financial Asset	December 31, 2025				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at FVTPL	$ 12,642,467	$ 12,708,135	$ 12,642,467	$ 12,708,135	$ (65,668)
Financial assets at FVTOCI	5,168,915	5,024,557	5,168,915	5,024,557	144,358
Bond investments under resale agreements	13,765,063	14,058,384	13,765,063	14,058,384	(293,321)

Category of Financial Asset	December 31, 2024				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at FVTPL	$ 16,775,487	$ 16,455,187	$ 16,775,487	$ 16,455,187	$ 320,300
Financial assets at FVTOCI	13,028,797	12,652,071	13,028,797	12,652,071	376,726
Bond investments under resale agreements	14,770,139	15,104,237	14,770,139	15,104,237	(334,098)

e. Offsetting of financial assets and financial liabilities

The Group has partial of receivables from securities sale and payables from securities purchase which meeting offsetting condition, and then offset them on the balance sheets.

The Group engages in transactions with net settlement contracts or similar agreements with counterparties, when net settlement of financial assets and financial liabilities by the choice of both parties. If not, the settlement will be based on the total amount. And if one party defaulted, the other one may choose to net settlement.

The offsetting information of financial assets and financial liabilities were as follows:

December 31, 2025

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements						
Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	$ 4,902,256	$ -	$ 4,902,256	$ 3,115,881	$ -	$ 1,786,375
Bond investments under resale agreements	13,940,856	-	13,940,856	13,940,856	-	-
Accounts receivable for sale of securities	7,690,824	5,522,428	2,168,396	-	-	2,168,396
Total	$ 26,533,936	$ 5,522,428	$ 21,011,508	$ 17,056,737	$ -	$ 3,954,771

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	$ 6,273,552	$ -	$ 6,273,552	$ 3,115,881	$ -	$ 3,157,671
Liabilities for bonds with attached repurchase agreements	31,791,076	-	31,791,076	27,482,377	-	4,308,699
Accounts payable for securities purchased	8,076,049	5,522,428	2,553,621	-	-	2,553,621
Total	$ 46,140,677	$ 5,522,428	$ 40,618,249	$ 30,598,258	$ -	$ 10,019,991

December 31, 2024

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	$ 5,193,861	$ -	$ 5,193,861	$ 3,630,160	$ -	$ 1,563,701
Bond investments under resale agreements	14,951,093	-	14,951,093	14,951,093	-	-
Accounts receivable for sale of securities	6,482,204	3,298,392	3,183,812	-	-	3,183,812
Total	$ 26,627,158	$ 3,298,392	$ 23,328,766	$ 18,581,253	$ -	$ 4,747,513

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	$ 6,617,503	$ -	$ 6,617,503	$ 3,630,160	$ -	$ 2,987,343
Liabilities for bonds with attached repurchase agreements	44,211,495	-	44,211,495	40,001,526	-	4,209,969
Accounts payable for securities purchased	3,855,405	3,298,392	557,013	-	-	557,013
Total	$ 54,684,403	$ 3,298,392	$ 51,386,011	$ 43,631,686	$ -	$ 7,754,325

35. FINANCIAL RATIO RESTRICTIONS BASED ON THE FUTURES TRADING ACT

a. The financial ratios of the Corporation's futures department and SinoPac Futures which are all in compliance with the restrictions of the Futures Trading Act are summarized as follows:

1) The Corporation's futures department

	Calculation Formula	December 31, 2025 Equation	Ratio	Benchmark	Status of Compliance
a)	Stockholder's equity / Total liabilities less futures trader's equity (Note)	$2,102,658 / $367,160	＝5.73	≧1	In compliance
b)	Current assets / Current liabilities	$4,642,234 / $367,160	＝12.64	≧1	In compliance
c)	Stockholder's equity / Minimum paid-in capital	$2,102,658 / $2,000,000	＝105%	≧60% ≧40%	In compliance
d)	Adjusted net capital / The total amounts of customers margin required by the unsettled positions of the futures traders	$1,120,250 / $1,769,581	＝63%	≧20% ≧15%	In compliance

	Calculation Formula	December 31, 2024 Equation	Ratio	Benchmark	Status of Compliance
a)	Stockholder's equity / Total liabilities less futures trader's equity (Note)	$2,051,327 / $11,596	=176.90	≧1	In compliance
b)	Current assets / Current liabilities	$4,012,098 / $11,596	=345.99	≧1	In compliance
c)	Stockholder's equity / Minimum paid-in capital	$2,051,327 / $2,000,000	=103%	≧60% ≧40%	In compliance
d)	Adjusted net capital / The total amounts of customers margin required by the unsettled positions of the futures traders	$1,122,473 / $1,167,220	=96%	≧20% ≧15%	In compliance

Note: According to the Jin-Guan-Zheng-Chuan Letter No. 1070309857 issued by the FSC on April 20, 2018, the accounting items of internal transactions can be deducted from the total liabilities.

2) SinoPac Futures

	Calculation Formula	December 31, 2025 Equation	Ratios	Benchmark	Status of Compliance
a)	Stockholder's equity / Total liabilities less futures trader's equity	$5,719,024 / $261,432	＝21.88	≧1	In compliance
b)	Current assets / Current liabilities	$51,285,269 / $46,655,839	＝1.10	≧1	In compliance
c)	Stockholder's equity / Minimum paid-in capital	$5,719,024 / $715,000	＝800%	≧60% ≧40%	In compliance
d)	Adjusted net capital / The total amounts of customers margin required by the unsettled positions of the futures traders	$5,454,058 / $15,451,738	＝35%	≧20% ≧15%	In compliance

	Calculation Formula	December 31, 2024 Equation	Ratios	Benchmark	Status of Compliance
a)	Stockholder's equity / Total liabilities less futures trader's equity	$4,578,260 / $253,841	=18.04	≧1	In compliance
b)	Current assets / Current liabilities	$43,053,985 / $39,861,049	=1.08	≧1	In compliance
c)	Stockholder's equity / Minimum paid-in capital	$4,578,260 / $715,000	=640%	≧60% ≧40%	In compliance
d)	Adjusted net capital / The total amounts of customers margin required by the unsettled positions of the futures traders	$4,241,931 / $13,870,231	=31%	≧20% ≧15%	In compliance

b. The management department of SinoPac Futures renders discretionary investment services. As shown below, the ratios of discretionary investment account to stockholders' equity as of December 31, 2025 and 2024 were in conformity with the benchmark stipulated in the Regulations Governing Managed Futures Enterprises.

Calculation Formula	December 31, 2025 Equation	2025 Ratios	2024 Equation	2024 Ratios	Benchmark
Amount of discretionary investment account / Stockholder's equity	$92,120 / $95,199	=0.97	$120,220 / $98,952	=1.21	≦10.00

36. SPECIFIC RISK FROM FUTURES DEALING

a. Proprietary trading of futures

When engaging with future transaction, the Group revaluated the margin account on the basis of the market prices of the outstanding futures and option contracts. If the margin is less than the maintenance level, the Group should either deposit additional margin or write off the contracts.

For the outstanding futures and options contracts as of December 31, 2025 and 2024, refer to Note 7.

b. Futures brokering

Customers pay margin deposits when entering into futures and option transactions. Customers might experience huge profits of suffer heavy losses on the leverage resulting from the margin deposits. For the protection harm arising from customers' huge losses, the margin accounts of customers are reevaluated daily on the basis of the market prices of the outstanding futures and option contracts. Customers immediately to put in additional margin deposits when their margin accounts fall below an agreed level (the "maintenance margin"). If the customers fail to do so, their position will be settled by writing off the contracts.

As of December 31, 2025 and 2024, the outstanding futures and options held by customers were as follows:

		December 31	
		2025	2024
Futures	- carrying value	$ 93,356,158	$ 117,543,853
	- unrealized losses from outstanding contracts	(5,195,118)	(1,573,949)
Options	- market value of long options	96,349	118,685
	- market value of short options	(1,237,504)	(662,711)
Customers' margin accounts		59,055,474	42,286,608

c. Futures management

The term "discretionary futures trading" refers to the futures management department of SinoPac Futures accepting commissions from specified persons and performing analyses and making judgments on futures trading in order to execute futures trading operations on behalf of, and with trading funds consigned by, the principal. Before engaging in consignments with the futures management department of SinoPac Futures for discretionary futures trading, principals should note these characteristics of futures transactions: Low margin and high finance-leverage. Because of these characteristics, principals could earn high profits or suffer serious losses. Thus, principals should be closely considered their financial capacity and economic situation to determine whether this trade is suitable for them. Discretionary futures trading are not risk-free transactions, and the performance of the futures management department of SinoPac Futures will not guarantee a minimum return on the commissions. Apart from fulfilling its duty of care as a good administrator the company will not be responsible for any gain (loss) of the commissions and will not guarantee minimum profitability.

37. SEGMENT FINANCIAL INFORMATION

Information reported to the chief operating decision marker for the purposes of resource allocation and assessment of segment performance which is focus on operational performance across companies. The Group's business scope of each segment, refer to Table 4 and Table 6. The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

Item	For the Year Ended December 31, 2025						
	The Corporation	SinoPac Futures	SinoPac Securities (Asia)	Other Operating Segment	Operating Segment Total	Inter-Segment Revenue	Total
Revenue	$ 19,136,895	$ 1,279,176	$ 1,303,604	$ 319,350	$ 22,039,025	$ (252,145)	$ 21,786,880
Expenditure and expense	(13,761,509)	(1,104,724)	(1,414,537)	(397,244)	(16,678,014)	304,688	(16,373,326)
Other gains and losses	1,792,379	702,364	526,221	757,646	3,778,610	(1,831,331)	1,947,279
Profit before tax	7,167,765	876,816	415,288	679,752	9,139,621	(1,778,788)	7,360,833
Income tax expense	(680,850)	(155,434)	-	(37,634)	(873,918)	-	(873,918)
Profit	$ 6,486,915	$ 721,382	$ 415,288	$ 642,118	$ 8,265,703	$ (1,778,788)	$ 6,486,915

Item	For the Year Ended December 31, 2024						
	The Corporation	SinoPac Futures	SinoPac Securities (Asia)	Other Operating Segment	Operating Segment Total	Inter-Segment Revenue	Total
Revenue	$ 18,307,149	$ 1,379,911	$ 1,114,248	$ 285,707	$ 21,087,015	$ (239,551)	$ 20,847,464
Expenditure and expense	(13,289,922)	(1,215,942)	(1,361,263)	(453,015)	(16,320,142)	303,594	(16,016,548)
Other gains and losses	1,553,123	729,736	519,420	584,954	3,387,233	(1,452,452)	1,934,781
Profit before tax	6,570,350	893,705	272,405	417,646	8,154,106	(1,388,409)	6,765,697
Income tax expense	(739,267)	(158,520)	-	(36,827)	(934,614)	-	(934,614)
Profit	$ 5,831,083	$ 735,185	$ 272,405	$ 380,819	$ 7,219,492	$ (1,388,409)	$ 5,831,083

The segment profit is the performance of each segment. The amounts provided to chief operating decision maker who can distribute resource and evaluate the achievement.

The Group did not provide assets and liabilities amounts of segment to operating decision makers, according to regulations, assets and liabilities of the operating segment may not be disclosed.

The Group mainly engages in dealing, underwriting and brokering of marketable securities, financing the acquisition, short-sales by customers and futures dealing in Taiwan and Hong Kong. For geographical information, refer to the result of the segments revenue and operating analysis. No single customers contributed 10% or more to the Group's revenue, thus no major customers information needed to be disclosed.

38. ADDITIONAL DISCLOSURES

a. The significant transactions:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: None.

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

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

5) Total discount of commissions and fees to related parties amounting to at least NT$5 million: None.

6) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2.

7) Intercompany relationship and significant intercompany transactions: Table 3.

b. The related information on investees: Table 4.

c. Information on established branch units and representative offices overseas: Table 5.

d. Information on investment in Mainland China: Table 6.

39. DISCLOSURES REQUIRED UNDER JIN-GUAN-ZHENG-CHUAN LETTER NO. 11303479011 By FSC DATED SEPTEMBER 26, 2024

The Corporation invested non-registered in the member of IOSCO MMoU or did not acquire the licenses of securities and futures which approved by IOSCO MMoU included SinoPac Securities (Cayman) and SinoPac Financial Consulting (Shanghai), information on these investees' operating activities were as follows:

a. Balance sheets: Tables 7 to 8.

b. Statements of comprehensive income: Tables 9 to 10.

c. Securities held: Table 11.

d. Derivative financial transactions and the source of capital: None.

e. Revenues from assets management business, service contents and litigation: None.

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Unit: Foreign Currencies/New Taiwan Dollars in Thousands

	December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 1,290,855	31.449	$ 40,595,964
NTD	1,760,252	1.000	1,760,252
HKD	37,001	4.038	149,464
CNY	645,400	4.498	2,903,859
EUR	58,360	36.893	2,154,291
AUD	144,560	21.025	3,039,740
JPY	93,524,511	0.201	18,777,880
NZD	10,402	18.154	188,850

(Continued)

	December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial liabilities			
Monetary items			
USD	$ 1,164,540	31.449	$ 36,623,191
NTD	1,255,691	1.000	1,255,691
HKD	31,422	4.038	126,893
CNY	323,583	4.498	1,455,901
EUR	55,108	36.893	2,033,753
AUD	131,528	21.025	2,765,905
JPY	92,996,861	0.201	18,671,977
NZD	9,674	18.154	175,625

(Concluded)

	December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 1,616,157	32.784	$ 52,986,208
NTD	1,673,822	1.000	1,673,822
HKD	215,717	4.222	910,779
CNY	973,853	4.478	4,360,504
EUR	57,015	34.142	1,946,632
AUD	382,763	20.393	7,811,943
JPY	67,908,012	0.210	14,251,416
ZAR	82,374	1.758	144,811
GBP	3,449	41.171	141,982
Financial liabilities			
Monetary items			
USD	1,496,464	32.784	49,060,734
NTD	1,167,556	1.000	1,167,556
HKD	207,065	4.222	874,161
CNY	363,968	4.478	1,629,698
EUR	52,647	34.142	1,797,500
AUD	352,051	20.393	7,179,224
JPY	67,568,999	0.210	14,180,125
GBP	2,837	41.171	116,815

The foreign currency exchange gains and losses for the years ended December 31, 2025 and 2024 recognized were loss of $182,108 thousand and gain of $685,677 thousand, respectively.

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Year	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
1	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Other receivable	Yes	$ 1,887,150 (Note)	$ 1,887,150 (Note)	$ 943,575 (Note)	5.15%	Short-term financing	$ -	Operating turnover	$ -	-	$ -	$ 4,623,925 (Note)	$ 4,623,925 (Note)

Note: In August 2022 and September 2025, the Board of SinoPac Securities (Cayman) approved the credit lines of US$30,000 thousand and US$30,000 thousand, to SinoPac Securities (Asia), separately. The credit line for the extension of funds in the amount of USD 30,000 thousand, scheduled for September 2025, was duly approved by the competent authority, the Financial Supervisory Commission, on January 2, 2026, under Jin-Guan-Zheng-Chuan Letter No. 1140366656. Execution of the line remains contingent upon approval from the competent regulatory authority in Hong Kong and, once effected, will replace the original US$30,000 thousand financing amount limits established in August 2022. The maximum balance and the ending balance were determined based on the credit line of US$60,000 thousand, respectively (approximately NT$1,887,150 thousand). The financing limit for each borrower and the aggregate financing limit were calculated based on the net worth of SinoPac Securities (Cayman) as of December 31, 2025, which was US$147,013 thousand (approximately NT$4,623,925 thousand). As of December 31, 2025, the SinoPac Securities (Cayman) of the credit lines of US$60,000 thousand to SinoPac Securities (Asia), the actual borrowing amount was US$30,000 thousand (approximately NT$943,575 thousand), which was eliminated in the consolidated report.

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Loss Allowance
					Amount	Action Taken		
The Corporation	SinoPac Holdings	Parent company of the Corporation	$ 331,817 (Note 1)	-	$ -	-	$ -	$ -
SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Subsidiary of SinoPac Securities (Cayman)	943,575 (Note 2)	-	-	-	-	-

Note 1: The balance was mainly the receivable from adopting the linked-tax system (included in “current tax assets”) and revenues from providing agency service for stock affairs.

Note 2: The balance was mainly other receivable from financing, and it was eliminated in the consolidated report.

TABLE 3

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Transaction Company	Counterparty	Relationship with Transaction Company	Description of Transactions			
				Financial Statement Account	Transaction Amount	Transaction Terms	Percentage to Consolidated Revenue/Assets (%)
0	The Corporation	SinoPac Futures	Subsidiaries	Notes and accounts receivable	$ 9,075	Based on contract	0.00
		SinoPac Futures	〃	Notes and accounts receivable	16,179	Based on contract	0.00
		SinoPac Futures	〃	Customer margin account	2,306,242	Based on contract	0.71
		SinoPac Futures	〃	Investments accounted for using the equity method	73	Based on contract	0.00
		SinoPac Futures	〃	Future commission revenue	98,538	Based on contract	0.45
		SinoPac Futures	〃	Proprietary handling fee expense	7,245	Based on contract	0.03
		SinoPac Futures	〃	Other gains and losses - rent revenue	6,960	Based on contract	0.03
		SinoPac Securities Investment Service	〃	Other operating expense - professional service fees	130,000	Based on contract	0.60
		SinoPac Securities (Asia)	〃	Customer margin account	13,194	Based on contract	0.00
1	SinoPac Futures	The Corporation	Parent company	Right-of-use assets	32,250	Based on contract	0.01
		The Corporation	〃	Current lease liabilities	6,462	Based on contract	0.00
		The Corporation	〃	Non-current lease liabilities	25,834	Based on contract	0.01
		The Corporation	〃	Accounts payable	9,075	Based on contract	0.00
		The Corporation	〃	Accounts payable	17,105	Based on contract	0.01
		The Corporation	〃	Notes and accounts receivable	926	Based on contract	0.00
		The Corporation	〃	Futures traders’ equity	2,306,242	Based on contract	0.71
		The Corporation	〃	Future commission expense	98,538	Based on contract	0.45
		The Corporation	〃	Brokerage handling fee revenue	7,245	Based on contract	0.03
		The Corporation	〃	Finance cost - interest of lease liabilities	107	Based on contract	0.00
		The Corporation	〃	Depreciation and amortization expense	6,826	Based on contract	0.03
		SinoPac Securities (Asia)	Subsidiaries to subsidiaries	Customer margin account	61,275	Based on contract	0.02
		SinoPac Securities (Asia)	〃	Futures traders’ equity	156,249	Based on contract	0.05
2	SinoPac Securities Investment Service	The Corporation	Parent company	Revenue from advisory services	130,000	Based on contract	0.60
3	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Subsidiaries to subsidiaries	Other receivables	943,575	Based on contract	0.29
		SinoPac Securities (Asia)	〃	Other gains and losses - financial income	53,089	Based on contract	0.24

(Continued)

No.	Transaction Company	Counterparty	Relationship with Transaction Company	Description of Transactions			
				Financial Statement Account	**Transaction Amount**	**Transaction Terms**	**Percentage to Consolidated Revenue/Assets (%)**
4	SinoPac Securities (Asia)	The Corporation	Parent company	Futures traders' equity	$ 13,194	Based on contract	0.00
		SinoPac Futures	Subsidiaries to subsidiaries	Futures traders' equity	61,275	Based on contract	0.02
		SinoPac Futures	〃	Customer margin account	156,249	Based on contract	0.05
		SinoPac Securities (Cayman)	〃	Long-term borrowings	943,575	Based on contract	0.29
		SinoPac Securities (Cayman)	〃	Finance costs	53,089	Based on contract	0.24
		SinoPac Capital (Asia)	〃	Notes and accounts receivable	15,593	Based on contract	0.00
		SinoPac Capital (Asia)	〃	Futures traders' equity	57,239	Based on contract	0.02
		SinoPac Capital (Asia)	〃	Accounts payable	34,949	Based on contract	0.01
		SinoPac Capital (Asia)	〃	Other operating income - management fee revenue	60,935	Based on contract	0.28
		SinoPac Asset Management (Asia)	〃	Other gains and losses	11,045	Based on contract	0.05
		SinoPac Solutions and Services	〃	Other gains and losses - rent revenue	10,358	Based on contract	0.05
5	SinoPac Solutions and Services	SinoPac Securities (Asia)	Subsidiaries to subsidiaries	Other operating expenditure - rent expense	10,358	Based on contract	0.05
6	SinoPac Capital (Asia)	SinoPac Securities (Asia)	Subsidiaries to subsidiaries	Accounts payable	15,593	Based on contract	0.00
		SinoPac Securities (Asia)	〃	Customer margin account	57,239	Based on contract	0.02
		SinoPac Securities (Asia)	〃	Notes and accounts receivable	34,949	Based on contract	0.01
		SinoPac Securities (Asia)	〃	Other operating expenditure - management fee expense	60,935	Based on contract	0.28
7	SinoPac Asset Management (Asia)	SinoPac Securities (Asia)	Subsidiaries to subsidiaries	Other gains and losses	11,045	Based on contract	0.05

Note: The above amounts were eliminated in the consolidated report.

(Concluded)

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Date of Incorporation	Financial Supervisory Commission Approved Date and Ref. No	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Operating Revenues (Loss) of the Investee	Net Income (Loss) of the Investee	Share of Profit (Loss)	Cash Dividends	Note
						December 31, 2025	December 31, 2024	Shares	%	Carrying Amount					
The Corporation	SinoPac Futures	Taiwan	January 31, 1994	November 16, 1993 Ref. No.: (82) Tai-Cai-Zheng (fa) Letter No. 30579	Futures brokering, dealing, advisory, managed enterprise and securities investment consulting services	$ 2,327,096	$ 1,327,096	207,525,053	100	$ 5,719,841	$ 1,263,390	$ 721,382	$ 721,354	$ 493,858	Subsidiary (Note 1)
	SinoPac Securities (Cayman)	Cayman Islands	April 30, 1998	April 30, 1998 Ref. No.: (87) Tai-Cai-Zheng (II) Letter No. 01097	Investment holding company	4,664,305	4,664,305	137,752,581	100	4,623,925	376,692	358,078	358,078	-	Subsidiary
	SinoPac Securities Investment Service	Taiwan	June 14, 1995	April 18, 2001 Ref. No.: (90) Tai-Cai-Zheng (IV) Letter No. 112817	Securities investment consulting and offshore fund distributor business	86,028	86,028	15,000,000	100	159,893	157,548	9,671	9,671	-	Subsidiary
	SinoPac Securities Venture Capital	Taiwan	March 13, 2020	January 31, 2020 Ref. No.: Jin-Guan-Zheng-Chuan Letter No. 1080340332	Venture capital investment	600,000	600,000	70,154,042	100	1,035,768	348,797	300,923	300,934	228,943	Subsidiary (Note 1)
SinoPac Securities (Cayman)	SinoPac Securities (Europe)	United Kingdom	May 7, 1999	January 10, 1999 Ref. No.: (88) Tai-Cai-Zheng (II) Letter No. 104674	Liquidated	-	108,242	-	-	-	-	-	-	-	Indirect subsidiary (Note 2)
	SinoPac Securities (Asia)	Hong Kong	April 12, 1994	February 29, 1996 Ref. No.: (85) Tai-Cai-Zheng (II) Letter No. 13792	Stock and futures contract brokerage and dealing business	4,169,663	4,169,663	82,106	100	4,434,778	1,551,787	415,289	399,637	177,811	Indirect subsidiary
	SinoPac Asset Management (Asia)	Hong Kong	October 25, 1994	February 29, 1996 Ref. No.: (85) Tai-Cai-Zheng (II) Letter No. 13792	Asset management and investment consulting	497,100	497,100	95,550,000	100	187,372	157,125	(22,945)	(22,945)	-	Indirect subsidiary
SinoPac Securities (Asia)	SinoPac Capital (Asia)	Hong Kong	October 3, 1995	February 29, 1996 Ref. No.: (85) Tai-Cai-Zheng (II) Letter No. 13792	Proprietary trading	1,003,288	1,003,288	218,000,000	100	1,141,895	291,254	78,836	78,836	-	Indirect subsidiary
	SinoPac Solutions and Services	Hong Kong	September 9, 2013	August 9, 2013 Ref. No.: Jin-Guan-Zheng-Chuan Letter No. 1020029368	Fund administration services	79,292	79,292	46,800,000	100	181,450	60,029	133	133	-	Indirect subsidiary
	SinoPac (Asia) Nominees Ltd.	Hong Kong	October 3, 1995	February 29, 1996 Ref. No.: (85) Tai-Cai-Zheng (II) Letter No. 13792	Trust account on overseas stock	-	-	2	100	-	-	-	-	-	Indirect subsidiary

Note 1: The investment gains and losses recognized in the current period and the carrying amount at the end of the period are included in the amount that is adjusted for the difference between the individual and the consolidated basis for accounting treatment as a result of applying IFRS 16.

Note 2: The board of directors of SinoPac Securities (Europe) Ltd. resolved in June 2024 to liquidate, and was approved by the FSC under Jin-Guan-Zheng-Chuan Letter No. 1130349937 in July 2024. The liquidation was completed in June 2025.

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

INFORMATION ON ESTABLISHED BRANCH UNITS AND REPRESENTATIVE OFFICES OVERSEAS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Overseas Branches or Representative Offices	Location	Date of Incorporation	Financial Supervisory Commission Approved Date and Ref. No	Main Businesses and Products	Operating Revenue	Profit (Loss) for the Period	Operating Capital				Significant Transactions with the Head Office	Note
							Beginning Balance	Increase in Operating Capital	Decrease in Operating Capital	Ending Balance		
SinoPac Securities (Asia) Ltd. Shanghai Representative Office	Shanghai, China	December 3, 1999	February 5, 1997 Ref. No.: (86) Tai-Cai-Zheng (II) Letter No. 12154	Business research and survey research industry technology	$ -	$ (24,595)	$ -	$ -	$ -	$ -	-	

SINOPAC SECURITIES CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Share of Profits (Losses) (Note 1)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
SinoPac Financial Consulting (Shanghai)	Management consulting, investment and information consulting	$ 62,905 (US$ 2,000 thousand)	Investment in Mainland China directly	$ 62,905 (US$ 2,000 thousand)	$ -	$ -	$ 62,905 (US$ 2,000 thousand)	$ (3,607)	100%	$ (3,607)	$ 25,719	$ -

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$62,905 (US$2,000 thousand)	$62,905 (US$2,000 thousand)	$16,092,196

Note 1: The recognition of share of profit or loss of SinoPac Financial Consulting (Shanghai) as of December 31, 2025 was based on the audited financial statement conducted by international accounting firm which cooperate with ROC accounting firm.

Note 2: Share of profit or loss of foreign currency are translated into New Taiwan dollar at the average exchange rates for the period, others are translated at the exchange rate of the end of December 2025.

TABLE 7

SINOPAC SECURITIES (CAYMAN) HOLDINGS LTD.

BALANCE SHEET
DECEMBER 31, 2025
(In U.S. Dollars)

ASSETS	**Amount**	**%**
CURRENT ASSETS		
Cash and cash equivalents	$ 146,082	-
Other receivables	30,000,008	17
Prepayments	5,935	-
Total current assets	30,152,025	17
NON-CURRENT ASSETS		
Investments accounted for using the equity method	146,956,549	83
Total non-current assets	146,956,549	83
TOTAL	$ 177,108,574	100
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Other payables	$ 95,650	-
Total current liabilities	95,650	-
NON-CURRENT LIABILITIES		
Long-term borrowings	30,000,000	17
Total non-current liabilities	30,000,000	17
Total liabilities	30,095,650	17
EQUITY		
Capital stock	137,752,581	78
Capital surplus	4,225,183	2
Accumulated deficit	4,499,180	3
Exchange differences on translation of foreign financial statements	(323,415)	-
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	859,395	-
Total equity	147,012,924	83
TOTAL	$ 177,108,574	100

TABLE 8

SINOPAC FINANCIAL CONSULTING (SHANGHAI) LTD.

BALANCE SHEET
DECEMBER 31, 2025
(In CNY)

ASSETS	**Amount**	**%**
CURRENT ASSETS		
Cash and cash equivalents	¥ 5,755,451	90
Prepayments	49,332	1
Total current assets	5,804,783	91
NON-CURRENT ASSETS		
Right-of-use assets	347,109	6
Deferred tax assets	69,422	1
Guarantee deposits paid	128,503	2
Total non-current assets	545,034	9
TOTAL	¥ 6,349,817	100
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Other payables	¥ 200,185	3
Current lease liabilities	360,160	6
Other current liabilities	3,772	-
Total current liabilities	564,117	9
NON-CURRENT LIABILITIES		
Deferred tax liabilities	69,422	1
Total non-current liabilities	69,422	1
Total liabilities	633,539	10
EQUITY		
Capital stock	12,220,600	192
Legal reserve	82,688	2
Accumulated deficit	(6,587,010)	(104)
Total equity	5,716,278	90
TOTAL	¥ 6,349,817	100

TABLE 9

SINOPAC SECURITIES (CAYMAN) HOLDINGS LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(In U.S. Dollars)

	Amount	%
EXPENDITURE AND EXPENSE		
Finance costs	$ (1,717,473)	(15)
Operating expense	(41,325)	-
Total expenditure and expense	(1,758,798)	(15)
NET OPERATING LOSS	(1,758,798)	(15)
NON-OPERATING INCOME AND EXPENSES		
Share of profit (loss) of subsidiaries accounted for using equity method	12,076,364	105
Other gains and losses	1,162,050	10
Total non-operating income and expenses	13,238,414	115
NET PROFIT	11,479,616	100
OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income that will not be reclassified to profit or loss:		
Share of other comprehensive income (loss) of subsidiaries accounted for using equity method	2,305,497	20
Components of other comprehensive income that will not be reclassified to profit or loss	2,305,497	20
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	237,389	2
Share of other comprehensive income (loss) of subsidiaries accounted for using equity method	885,461	8
Components of other comprehensive income that will be reclassified to profit or loss	1,122,850	10
Other comprehensive income for the year	3,428,347	30
TOTAL COMPREHENSIVE INCOME	$ 14,907,963	130

TABLE 10

SINOPAC FINANCIAL CONSULTING (SHANGHAI) LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(In CNY)

	Amount	%
REVENUE		
Revenue from advisory services	¥ 933,720	100
EXPENDITURE AND EXPENSE		
Employee benefits expense	(535,145)	(57)
Depreciation and amortization expense	(416,531)	(45)
Other operating expense	(667,256)	(71)
Total expenditure and expense	(1,618,932)	(173)
NET OPERATING LOSSES	(685,212)	(73)
NON-OPERATING INCOME AND EXPENSES		
Other gains and losses	(143,664)	(15)
Total non-operating income and expense	(143,664)	(15)
INCOME TAX EXPENSE	(3,056)	-
NET LOSS AND TOTAL COMPREHENSIVE INCOME	¥ (831,932)	(88)

SINOPAC SECURITIES (CAYMAN) HOLDINGS LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In U.S. Dollars, Unless Stated Otherwise)

Name and Type of Marketable Securities	Security Issuer's Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
			Number of Shares	Carrying Amount	Percentage of Ownership (%)	Net Worth	
Stock							
SinoPac Securities (Asia)	Subsidiary	Investments accounted for using equity method	82,106	$ 140,999,235	100.00	$ 140,873,793	
SinoPac Asset Management (Asia)	Subsidiary	Investments accounted for using equity method	95,550,000	5,957,314	100.00	5,957,314	

Note: Net worth was calculated based on the investee's audited financial statements of the same period.