

**CAPITAL FUTURES CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023**

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

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Independent Auditors' Review Report

To the Board of Directors of
Capital Futures Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Capital Futures Corporation and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(c), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$24,254 thousands and \$29,154 thousands, constituting 0.04% and 0.06% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to \$7,206 thousands and \$5,962 thousands, constituting 0.01% and 0.01% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income(loss) amounting to \$(2,068) thousands, \$(2,154) thousands, \$(4,183) thousands and \$(5,403) thousands, constituting (0.61)%, (0.66)%, (0.42)% and (0.65)% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2024 and 2023, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Capital Futures Corporation and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wu, Cheng-Yen and Chen, Yi-Jen.

KPMG

Taipei, Taiwan (Republic of China)
November 7, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
111100	Cash and cash equivalents (Note 6(a))	\$ 3,823,325	6	5,741,152	12	5,460,706	11	212000	Financial liabilities at fair value through profit or loss- current (Note 6(b))	\$ 616,485	1	226,781	1	66,443	-
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	1,184,710	2	831,998	2	763,908	2	214080	Futures traders' equity (Note 6(e))	53,209,379	85	40,522,584	82	41,373,437	83
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))	12,844	-	13,243	-	12,635	-	214100	Leverage contract trading - customers' equity	717,122	1	733,533	2	802,530	2
114010	Bonds purchased under resale agreements (Note 6(b))	257,689	-	91,634	-	122,428	-	214130	Accounts payable	92,298	-	116,674	-	63,224	-
114070	Customers margin accounts (Note 6(e))	53,527,803	86	40,635,089	82	41,579,864	84	214140	Accounts payable- related parties (Note 7)	11,629	-	8,956	-	10,375	-
114080	Receivable - futures margin (Note 6(f))	92	-	-	-	-	-	214150	Advance receipts	2,795	-	1,970	-	1,802	-
114090	Security borrowing collateral price	400,897	1	117,392	-	13,923	-	214160	Receipts under custody	14,558	-	4,992	-	6,832	-
114100	Security borrowing margin	334,922	1	88,680	-	23,782	-	214170	Other payables	230,170	1	218,121	-	175,210	1
114130	Accounts receivable	39,270	-	43,577	-	18,450	-	214180	Other payables- related parties (Note 7)	989	-	860	-	823	-
114140	Accounts receivable- related parties (Note 7)	2,687	-	1,118	-	973	-	214600	Current income tax liabilities	81,206	-	162,937	-	120,968	-
114150	Prepayments	12,964	-	18,394	-	18,620	-	215100	Provisions- current	7,681	-	7,601	-	7,090	-
114170	Other receivables	117,911	-	108,385	-	95,817	-	216000	Lease liabilities- current (Note 6(h))	28,427	-	33,102	-	31,952	-
114180	Other receivables- related parties (Note 7)	4,943	-	4,977	-	4,929	-	219000	Other current liabilities	43,970	-	38,975	-	24,505	-
114300	Leverage contract trading-customers' margin accounts	847,700	1	712,455	2	797,165	2		Non-current liabilities:	55,056,709	88	42,077,086	85	42,685,191	86
114600	Current income tax assets	239	-	176	-	233	-	226000	Lease liabilities- non-current (Note 6(h))	37,217	-	56,398	-	60,645	-
119000	Other current assets (Note 8)	1,050,000	2	-	-	-	-	228000	Deferred income tax liabilities	39,761	-	30,231	-	26,612	-
		61,617,996	99	48,408,270	98	48,913,433	99			76,978	-	86,629	-	87,257	-
Non-current assets:								906003	Total liabilities	55,133,687	88	42,163,715	85	42,772,448	86
123200	Financial assets at fair value through other comprehensive income- non- current (Note 6(b))	141,250	-	130,833	-	130,817	-		Equity attributable to owners of parent:						
125000	Property and equipment (Note 6(c))	141,259	-	134,775	1	132,136	-	301010	Common stock (Note 6(k))	2,104,376	3	2,104,376	4	2,104,376	4
125800	Right-of-use assets (Note 6(d))	65,019	-	89,382	-	92,364	-	302000	Capital surplus (Note 6(k))	1,663,253	3	1,663,251	4	1,663,251	3
127000	Intangible assets (Note 6(g))	57,111	-	59,972	-	59,228	-	304010	Legal reserve	858,368	1	757,377	2	757,377	2
129000	Other non-current assets	570,225	1	516,861	1	427,125	1	304020	Special reserve	1,835,077	3	1,650,772	3	1,650,772	3
		974,864	1	931,823	2	841,670	1	304040	Unappropriated earnings (Note 6(k))	957,744	2	1,010,085	2	767,906	2
								305000	Other equity (Note 6(k))	36,905	-	(12,412)	-	36,322	-
									Total equity attributable to owners of parent	7,455,723	12	7,173,449	15	6,980,004	14
								306000	Non-controlling interests	3,450	-	2,929	-	2,651	-
								906004	Total equity	7,459,173	12	7,176,378	15	6,982,655	14
906001	Total assets	\$ 62,592,860	100	49,340,093	100	49,755,103	100	906002	Total liabilities and equity	\$ 62,592,860	100	49,340,093	100	49,755,103	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Income:									
401000	Brokerage fee revenue (Note 6(m))	\$ 542,449	68	438,133	58	1,465,724	73	1,240,337	74
410000	Net gains (losses) on sale of trading securities	(5,745)	(1)	(143,348)	(19)	75,008	4	(128,306)	(8)
421300	Dividend revenue	4,850	1	51,445	7	8,819	-	134,197	8
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(22,263)	(3)	50,304	7	8,568	-	(3,266)	-
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	(7,561)	(1)	(1,053)	-	16,122	1	(81,261)	(5)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	(6,448)	(1)	1,170	-	(7,296)	-	(19,169)	(1)
424100	Futures commission revenue (Note 6(m))	63,351	8	98,841	13	225,754	11	220,173	13
424200	Securities commission revenue	9,467	1	4,622	1	17,940	1	10,562	1
424400	Net gains (losses) on derivative instruments- futures (Note 6(m))	191,790	24	220,082	29	110,394	6	206,106	12
424500	Net gains (losses) on derivative instruments - OTC (Note 6(m))	26,770	3	26,873	4	78,344	4	79,640	5
424800	Management fee revenue	2,427	-	930	-	5,459	-	2,094	-
424900	Consulting fee revenue	3,594	1	1,344	-	6,814	-	5,176	-
428000	Other operating revenue	1,984	-	2,438	-	6,672	-	8,418	1
		<u>804,665</u>	<u>100</u>	<u>751,781</u>	<u>100</u>	<u>2,018,322</u>	<u>100</u>	<u>1,674,701</u>	<u>100</u>
Expenses:									
501000	Brokerage fees	100,316	12	94,602	13	292,351	15	224,704	13
502000	Brokerage fees - proprietary trading	4,524	1	2,020	-	8,005	-	5,411	-
521200	Financial costs	14,191	2	10,421	1	44,374	2	29,903	2
521640	Loss from securities borrowing transactions	-	-	298	-	-	-	298	-
425300	Expected credit impairment losses and reversal gains (Note 6(n))	(64)	-	(21)	-	(202)	-	(172)	-
524100	Futures commission expenses (Note 6(m))	128,530	16	123,862	17	363,439	18	334,471	20
524300	Clearing and settlement expenses	61,362	8	48,183	7	161,698	8	124,258	7
528000	Other operating expenditure	2,323	-	1,251	-	5,526	-	4,474	-
531000	Employee benefit expenses (Note 6(m))	214,185	27	173,952	23	556,169	28	476,013	29
532000	Depreciation and amortization expenses (Note 6(m))	20,017	2	16,753	2	57,875	3	44,615	3
533000	Other operating expenses (Note 6(m))	170,605	21	121,447	16	443,238	22	349,922	21
		<u>715,989</u>	<u>89</u>	<u>592,768</u>	<u>79</u>	<u>1,932,473</u>	<u>96</u>	<u>1,593,897</u>	<u>95</u>
		<u>88,676</u>	<u>11</u>	<u>159,013</u>	<u>21</u>	<u>85,849</u>	<u>4</u>	<u>80,804</u>	<u>5</u>
Net operating income									
Non-operating income and expenses:									
602000	Other gains and losses (Note 6(m))	333,251	41	187,756	25	1,087,851	54	885,444	53
		<u>333,251</u>	<u>41</u>	<u>187,756</u>	<u>25</u>	<u>1,087,851</u>	<u>54</u>	<u>885,444</u>	<u>53</u>
902001	Net income before income tax	421,927	52	346,769	46	1,173,700	58	966,248	58
701000	Less: Income tax expenses (Note 6(j))	74,620	9	70,504	9	216,458	11	198,640	12
	Net income	<u>347,307</u>	<u>43</u>	<u>276,265</u>	<u>37</u>	<u>957,242</u>	<u>47</u>	<u>767,608</u>	<u>46</u>
805000	Other comprehensive income:								
805500	Components that may not be reclassified subsequently to profit or loss:								
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	11,918	2	12,086	2	10,018	1	20,731	1
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Subtotal of components that may not be reclassified subsequently into profit or loss	<u>11,918</u>	<u>2</u>	<u>12,086</u>	<u>2</u>	<u>10,018</u>	<u>1</u>	<u>20,731</u>	<u>1</u>
805600	Components that may be reclassified subsequently to profit or loss:								
805610	Exchange differences on translation of foreign operations	(21,319)	(3)	37,928	5	39,438	2	46,325	3
805699	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Subtotal of components that may be reclassified subsequently to profit or loss	<u>(21,319)</u>	<u>(3)</u>	<u>37,928</u>	<u>5</u>	<u>39,438</u>	<u>2</u>	<u>46,325</u>	<u>3</u>
805000	Other comprehensive income	<u>(9,401)</u>	<u>(1)</u>	<u>50,014</u>	<u>7</u>	<u>49,456</u>	<u>3</u>	<u>67,056</u>	<u>4</u>
902006	Total comprehensive income	<u>\$ 337,906</u>	<u>42</u>	<u>326,279</u>	<u>44</u>	<u>1,006,698</u>	<u>50</u>	<u>834,664</u>	<u>50</u>
Net income attributable to:									
913100	Shareholders of the parent	\$ 347,529	43	276,291	37	956,860	47	767,083	46
913200	Non-controlling interests	(222)	-	(26)	-	382	-	525	-
		<u>\$ 347,307</u>	<u>43</u>	<u>276,265</u>	<u>37</u>	<u>957,242</u>	<u>47</u>	<u>767,608</u>	<u>46</u>
Comprehensive income attributable to:									
914100	Shareholders of the parent	\$ 338,074	42	326,232	44	1,006,177	50	834,138	50
914200	Non-controlling interests	(168)	-	47	-	521	-	526	-
		<u>\$ 337,906</u>	<u>42</u>	<u>326,279</u>	<u>44</u>	<u>1,006,698</u>	<u>50</u>	<u>834,664</u>	<u>50</u>
975000	Basic earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.65</u>		<u>1.31</u>		<u>4.55</u>		<u>3.65</u>	
985000	Diluted earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.65</u>		<u>1.31</u>		<u>4.54</u>		<u>3.64</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
	Stock	Retained earnings				Other equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
						Unappropriated earnings	Exchange differences on translation of foreign operations			
Common stocks	Capital surplus	Legal reserve	Special reserve							
Balance at January 1, 2023	\$ 2,104,376	1,663,251	678,939	1,579,617	785,292	(23,060)	(7,027)	6,781,388	2,125	6,783,513
Net income for the nine months ended September 30, 2023	-	-	-	-	767,083	-	-	767,083	525	767,608
Other comprehensive income	-	-	-	-	-	46,324	20,731	67,055	1	67,056
Total comprehensive income	-	-	-	-	767,083	46,324	20,731	834,138	526	834,664
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	78,438	-	(78,438)	-	-	-	-	-
Special reserve	-	-	-	156,874	(156,874)	-	-	-	-	-
Cash dividends	-	-	-	-	(635,522)	-	-	(635,522)	-	(635,522)
Reversal of special reserve for the contra equity account	-	-	-	(85,719)	85,719	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	646	-	(646)	-	-	-
Balance at September 30, 2023	\$ 2,104,376	1,663,251	757,377	1,650,772	767,906	23,264	13,058	6,980,004	2,651	6,982,655
Balance at January 1, 2024	\$ 2,104,376	1,663,251	757,377	1,650,772	1,010,085	(26,094)	13,682	7,173,449	2,929	7,176,378
Net income for the nine months ended September 30, 2024	-	-	-	-	956,860	-	-	956,860	382	957,242
Other comprehensive income	-	-	-	-	-	39,299	10,018	49,317	139	49,456
Total comprehensive income	-	-	-	-	956,860	39,299	10,018	1,006,177	521	1,006,698
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	100,991	-	(100,991)	-	-	-	-	-
Special reserve	-	-	-	201,981	(201,981)	-	-	-	-	-
Cash dividends	-	-	-	-	(723,905)	-	-	(723,905)	-	(723,905)
Reversal of special reserve for the contra equity account	-	-	-	(17,676)	17,676	-	-	-	-	-
Right of inclusion options exercised	-	2	-	-	-	-	-	2	-	2
Balance at September 30, 2024	\$ 2,104,376	1,663,253	858,368	1,835,077	957,744	13,205	23,700	7,455,723	3,450	7,459,173

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30,	
	2024	2023
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 1,173,700	966,248
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	52,787	40,327
Amortization expense	5,088	4,288
Expected credit impairment reversal gain	(202)	(172)
Net loss on financial assets or liabilities at fair value through profit or loss	2,281	21,302
Interest expense	44,374	29,903
Interest income (including financial income)	(1,033,696)	(888,690)
Dividend revenue	(17,260)	(392,157)
Impairment loss	4,291	3,422
Gain on lease modification	-	(5)
Total adjustments to reconcile profit (loss)	(942,337)	(1,181,782)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(347,697)	(191,250)
Increase in bond purchased under resale agreements	(166,055)	(79,262)
Increase in customer margin accounts	(12,892,714)	(327,239)
Decrease in receivable-futures margin	110	231
(Increase) decrease in leverage contract trading - customer's margin accounts	(135,245)	58,856
(Increase) decrease in security borrowing margin	(246,242)	844,655
(Increase) decrease in security borrowing collateral price	(283,505)	459,622
Decrease (increase) in accounts receivable	4,307	(7,898)
Increase in accounts receivable - related parties	(1,569)	(89)
Decrease (increase) in prepayments	5,394	(4,480)
(Increase) decrease in other receivables	(25,664)	138,740
Decrease in other receivables- related parties	53	2,492
Increase in net defined benefit asset	(189)	(1,979)
Increase in other current assets	(1,050,000)	-
Increase in clearing and settlement fund	(52,754)	(58,652)
Increase in refundable deposits	(421)	(1,372)
Increase (decrease) in financial liabilities at fair value through profit or loss	382,408	(797,611)
Increase in futures traders' equity	12,686,795	286,260
Decrease in leverage contract trading - customer's equity	(16,411)	(47,357)
(Decrease) increase in accounts payable	(24,376)	10,875
Increase (decrease) in accounts payable - related parties	2,673	(2,386)
Increase (decrease) in advance receipts	825	(413)
Increase in receipts under custody	9,566	1,636
Increase (decrease) in other payables	1,283	(55,205)
Increase (decrease) in other payables - related parties	1,784	(2,437)
Increase in provisions for liabilities	80	1,051
Increase in other current liabilities	4,995	10,754
Total changes in operating assets and liabilities	(2,142,569)	237,542
Total adjustments	(3,084,906)	(944,240)
Cash (outflow) inflow generated from operations	(1,911,206)	22,008
Interest received	1,047,506	861,843
Dividends received	19,569	392,182
Interest paid	(35,431)	(24,089)
Income taxes paid	(288,659)	(171,836)
Net cash flows (used in) from operating activities	(1,168,221)	1,080,108
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(114,382)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	36,610
Acquisition of property and equipment	(33,279)	(74,520)
Proceeds from disposal of property and equipment	110	-
Acquisition of intangible assets	(6,437)	(3,629)
Increase in prepayments for business facilities	(594)	(8,370)
Net cash flows used in investing activities	(40,200)	(164,291)
Cash flows from (used in) financing activities:		
Cash dividends paid	(723,905)	(635,522)
Payments of lease liabilities	(24,552)	(22,453)
Proceeds from right of inclusion options exercised	2	-
Net cash flows used in financing activities	(748,455)	(657,975)
Effect of exchange rate changes on cash and cash equivalents	39,049	45,982
Net (decrease) increase in cash and cash equivalents	(1,917,827)	303,824
Cash and cash equivalents at beginning of period	5,741,152	5,156,882
Cash and cash equivalents at end of period	\$ 3,823,325	5,460,706

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Capital Futures Corporation (the “Company”) was incorporated on February 26, 1997 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 32nd and B1 Fl. No. 97, Tun Hwa South Rd., Sec. 2, Taipei, Taiwan, R.O.C. The Company established the Taichung branch. The Company's common shares were listed at Taipei Exchange (TPEx) officially on April 27, 2009, then transferred to Taiwan Stock Exchange (TWSE) on October 16, 2017. The composition of the consolidated financial statements includes the Company and the subsidiaries (the “Group”). The Group is authorized to conduct the following businesses:

- (a) Futures business
- (b) Futures advisory business
- (c) Securities introducing brokerage
- (d) Futures management business
- (e) Management consulting and information software service
- (f) Securities business on a proprietary basis
- (g) Securities investment consulting
- (h) Lever Exchange Agency

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on November 7, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant account, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial assets at fair value through profit or loss are measured at fair value (including derivative instruments);
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured as the fair value of the plan assets less the present value of the defined benefit obligation, and the upper limit of the number of effects.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial report are as follows:

Name of the investor	Subsidiaries	Business type	Ratio of Equity Ownership			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	CSC Futures (HK) Ltd.	Futures dealing business and other businesses permitted by local law of Hong Kong	100.00 %	100.00 %	100.00 %	
The Company	Capital International Technology Corp.	Management consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)
Capital International Technology Corp.	Capital True Partner Technology Co., Ltd.	Management consulting and information service business.	51.00 %	51.00 %	51.00 %	(Note 1)
Capital International Technology Corp.	Capital Futures Technology (Shanghai) Co., Ltd.	Management, consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: These companies are individually immaterial subsidiaries, and financial statements have not been reviewed by the independent auditors. These subsidiaries, in aggregate, represented total consolidated assets of \$24,254 and \$29,154 and total consolidated liabilities of \$7,206 and \$5,962 as of September 30, 2024 and 2023, respectively, and total consolidated comprehensive income (loss) of \$(2,068), \$(2,154), \$(4,183) and \$(5,403) for the three months and nine months ended September 30, 2024 and 2023, respectively.

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(e) Income tax

The Group estimated and disclosed interim income tax under IAS 34 “Interim Financial Reporting” Appendix B12.

Income tax expense is best estimated by multiplying pretax income for the interim reporting period using the effective annual average tax rate as forecasted by the management, and is recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 “Interim Financial Reporting” requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash	\$ 195	252	165
Demand deposits	381,469	394,140	417,603
Time deposits	2,374,700	3,976,496	3,672,382
Futures margin- excess margin	946,915	1,121,187	1,253,231
Commercial paper	120,046	249,077	117,325
Total	<u>\$ 3,823,325</u>	<u>5,741,152</u>	<u>5,460,706</u>

(b) Financial assets and liabilities, bonds purchased under resale agreements

(i) Financial assets at fair value through profit or loss- current

	September 30, 2024	December 31, 2023	September 30, 2023
Open-ended funds and money- market instruments	\$ 130,000	30,000	329,000
Open-ended funds and money- market instruments valuation adjustment	(1,757)	263	453
Trading securities- proprietary trading	381,044	325,193	107,441
Trading securities- proprietary trading valuation adjustment	29,388	21,701	(3,300)
Securities invested by securities broker	-	6,314	23,308
Securities invested by securities broker valuation adjustment	-	7	422
Call options- non-hedging	326,361	194,196	96,807
Futures margin- proprietary fund- non-hedging	88,805	87,763	71,925
Leverage derivatives- non-hedging	218,184	150,671	128,340
Equity derivatives- non-hedging	12,685	15,890	9,512
Total	<u>\$ 1,184,710</u>	<u>831,998</u>	<u>763,908</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Financial assets at fair value through other comprehensive income- current

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	15,893
Valuation adjustment	(3,049)	(2,650)	(3,258)
Total	<u><u>\$ 12,844</u></u>	<u><u>13,243</u></u>	<u><u>12,635</u></u>

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group did not intend to hold for trading purposes.

During the three months and nine months ended September 30, 2024 and 2023, the dividends of \$380, \$0, \$380 and \$124, related to equity investment at fair value through other comprehensive income held on September 30, 2024 and 2023, respectively, were recognized. For investments in equity securities disposed of for the three months and nine months ended September 30, 2024 and 2023, the dividends of \$0, \$0, \$0 and \$124, were recognized in the reported periods.

During the three months and nine months ended September 30, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Group sold shares of stocks for a fair value \$0, \$0, \$0 and \$36,610, respectively, and cumulative dispose gains for the three months and nine months ended September 30, 2024 and 2023, amounted to \$0, \$0, \$0 and \$646, respectively, were transferred from other equity items to retained earnings.

(iii) Bonds purchased under resale agreements

	September 30, 2024	December 31, 2023	September 30, 2023
Bonds purchased under resale agreements	<u><u>\$ 257,689</u></u>	<u><u>91,634</u></u>	<u><u>122,428</u></u>
Resale price under the agreements	<u><u>\$ 257,759</u></u>	<u><u>91,670</u></u>	<u><u>122,462</u></u>
Interest rates	<u><u>1.00%~1.10%</u></u>	<u><u>0.95%~1.00%</u></u>	<u><u>0.95%</u></u>
Date of repurchase	<u><u>2024.10.01~2024.10.15</u></u>	<u><u>2024.01.02~2024.01.12</u></u>	<u><u>2023.10.03~2023.10.13</u></u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Financial assets at fair value through other comprehensive income- non-current

Equity instruments at fair value through other comprehensive income:

Investee Company	September 30, 2024		December 31, 2023		September 30, 2023	
	Ownership ratio	Amount	Ownership ratio	Amount	Ownership ratio	Amount
Taiwan Futures Exchange Co., Ltd	0.0042 %	\$ 1,579	0.0042 %	1,504	0.0042 %	1,595
CME Group	0.0056 %	139,671	0.0056 %	129,329	0.0056 %	129,222
Total		<u>\$ 141,250</u>		<u>130,833</u>		<u>130,817</u>

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group did not intend to hold for trading purposes.

During the three months and nine months ended September 30, 2024 and 2023, the dividends of \$517, \$497, \$1,589 and \$1,040, related to equity investments at fair value through other comprehensive income held on September 30, 2024 and 2023, respectively, were recognized. No strategic investments were disposed of during the three months and nine months ended September 30, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(v) Financial liabilities at fair value through profit or loss- current

	September 30, 2024	December 31, 2023	September 30, 2023
Put options - non-hedging	\$ 167,700	82,162	41,381
Liabilities on sale of borrowed securities - non-hedging	409,987	129,773	20,400
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	6,733	(562)	(127)
Leverage derivatives- non-hedging	32,065	15,402	3,851
Equity derivatives- non-hedging	-	6	938
Total	<u>\$ 616,485</u>	<u>226,781</u>	<u>66,443</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Property and equipment

The cost and accumulated depreciation of the property and equipment of the Group were as follows:

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 212,007	16,410	228,417
Additions	28,957	4,322	33,279
Transfer from prepayments for business facilities	630	-	630
Disposal	(156)	-	(156)
Effect of exchange rate changes	1,974	133	2,107
Balance at September 30, 2024	<u>\$ 243,412</u>	<u>20,865</u>	<u>264,277</u>
Balance at January 1, 2023	\$ 134,820	11,132	145,952
Additions	67,899	6,621	74,520
Transfer from prepayments for business facilities	32,341	-	32,341
Effect of exchange rate changes	1,960	160	2,120
Balance at September 30, 2023	<u>\$ 237,020</u>	<u>17,913</u>	<u>254,933</u>
Accumulated depreciation:			
Balance at January 1, 2024	\$ 85,997	7,645	93,642
Depreciation	24,753	2,805	27,558
Disposal	(46)	-	(46)
Effect of exchange rate changes	1,786	78	1,864
Balance at September 30, 2024	<u>\$ 112,490</u>	<u>10,528</u>	<u>123,018</u>
Balance at January 1, 2023	\$ 97,369	5,859	103,228
Depreciation	15,557	2,151	17,708
Effect of exchange rate changes	1,799	62	1,861
Balance at September 30, 2023	<u>\$ 114,725</u>	<u>8,072</u>	<u>122,797</u>
Carrying amounts:			
Balance at January 1, 2024	<u>\$ 126,010</u>	<u>8,765</u>	<u>134,775</u>
Balance at September 30, 2024	<u>\$ 130,922</u>	<u>10,337</u>	<u>141,259</u>
Balance at September 30, 2023	<u>\$ 122,295</u>	<u>9,841</u>	<u>132,136</u>

As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any property and equipment as collateral and pledge.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Right-of-use assets

The Group leases buildings and equipment. Information about leases for which the Group as a lessee was presented below:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 111,026	9,273	120,299
Additions	-	479	479
Derecognition	(562)	-	(562)
Effect of exchange rate changes	889	-	889
Balance at September 30, 2024	<u>\$ 111,353</u>	<u>9,752</u>	<u>121,105</u>
Balance at January 1, 2023	\$ 90,880	9,895	100,775
Additions	75,073	3,434	78,507
Derecognition	(58,458)	(5,311)	(63,769)
Effect of exchange rate changes	752	-	752
Balance at September 30, 2023	<u>\$ 108,247</u>	<u>8,018</u>	<u>116,265</u>
Accumulated depreciation:			
Balance at January 1, 2024	\$ 27,047	3,870	30,917
Depreciation	23,112	2,117	25,229
Derecognition	(562)	-	(562)
Effect of exchange rate changes	502	-	502
Balance at September 30, 2024	<u>\$ 50,099</u>	<u>5,987</u>	<u>56,086</u>
Balance at January 1, 2023	\$ 58,090	5,737	63,827
Depreciation	20,729	1,890	22,619
Derecognition	(58,458)	(4,474)	(62,932)
Effect of exchange rate changes	387	-	387
Balance at September 30, 2023	<u>\$ 20,748</u>	<u>3,153</u>	<u>23,901</u>
Carrying amounts:			
Balance at January 1, 2024	<u>\$ 83,979</u>	<u>5,403</u>	<u>89,382</u>
Balance at September 30, 2024	<u>\$ 61,254</u>	<u>3,765</u>	<u>65,019</u>
Balance at September 30, 2023	<u>\$ 87,499</u>	<u>4,865</u>	<u>92,364</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Customers margin accounts/futures traders' equity

As of September 30, 2024, December 31 and September 30, 2023, the differences between customers' margin accounts and futures traders' equity were reconciled as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Customers margin accounts			
Cash in bank	\$ 38,749,126	28,274,910	30,093,791
Balance of the futures clearing house	8,621,243	7,039,533	5,631,185
Balance of other futures commission merchants	6,116,523	5,319,585	5,853,812
Marketable securities	<u>40,911</u>	<u>1,061</u>	<u>1,076</u>
Balance of customers margin accounts	<u>53,527,803</u>	<u>40,635,089</u>	<u>41,579,864</u>
Plus adjustment items:			
Commission cost	8,428	3,335	4,483
Others	170	-	-
Deduction adjustment items:			
Brokerage fee revenue	(29,254)	(11,190)	(18,160)
Futures transaction tax	(5,627)	(1,544)	(2,377)
Interest income	(9,978)	(3,202)	(6,479)
Temporary credits	(1,133)	(812)	(743)
Remittance amount of the customers after the market closed	(39,902)	(37,268)	(22,675)
Other receivables	(241,128)	(61,788)	(160,458)
Others	<u>-</u>	<u>(36)</u>	<u>(18)</u>
Balance of futures traders' equity	<u><u>\$ 53,209,379</u></u>	<u><u>40,522,584</u></u>	<u><u>41,373,437</u></u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Receivable - futures margin

	September 30, 2024	December 31, 2023	September 30, 2023
Receivable - futures margin - current	\$ 465	373	373
Less: Loss allowance	373	373	373
Subtotal	92	-	-
Receivable - futures margin - non-current	5,882	6,084	6,159
Less: Loss allowance	5,882	6,084	6,159
Subtotal	-	-	-
Total	<u>\$ 92</u>	<u>-</u>	<u>-</u>

The movement in the allowance for receivable- futures margin was as follows:

	For the nine months ended September 30,	
	2024	2023
Balance on January 1	\$ 6,457	6,756
Impairment losses recognized (reversed)	(202)	(224)
Balance on September 30	<u>\$ 6,255</u>	<u>6,532</u>

(g) Intangible assets

The cost, amortization, and impairment losses of intangible assets were as follows:

	Goodwill (Note2)	The seats of foreign futures exchanges (Note1)	Computer software	Total
Cost:				
Balance at January 1, 2024	\$ 22,088	50,563	18,186	90,837
Additions	-	-	6,437	6,437
Effect of exchange rate changes	-	234	185	419
Balance at September 30, 2024	<u>\$ 22,088</u>	<u>50,797</u>	<u>24,808</u>	<u>97,693</u>
Balance at January 1, 2023	\$ 22,088	50,577	16,625	89,290
Additions	-	-	3,629	3,629
Transfer from prepayments for business facilities	-	-	1,575	1,575
Effect of exchange rate changes	-	296	6	302
Balance at September 30, 2023	<u>\$ 22,088</u>	<u>50,873</u>	<u>21,835</u>	<u>94,796</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Goodwill (Note2)	The seats of foreign futures exchanges (Note1)	Computer software	Total
Amortization and impairment losses:				
Balance at January 1, 2024	\$ 15,584	4,289	10,992	30,865
Amortization	-	-	5,088	5,088
Impairment losses	4,291	-	-	4,291
Effect of exchange rate changes	-	161	177	338
Balance at September 30, 2024	<u>\$ 19,875</u>	<u>4,450</u>	<u>16,257</u>	<u>40,582</u>
Balance at January 1, 2023	\$ 10,957	4,299	12,394	27,650
Amortization	-	-	4,288	4,288
Impairment losses	3,422	-	-	3,422
Effect of exchange rate changes	-	203	5	208
Balance at September 30, 2023	<u>\$ 14,379</u>	<u>4,502</u>	<u>16,687</u>	<u>35,568</u>
Carrying value:				
Balance at January 1, 2024	<u>\$ 6,504</u>	<u>46,274</u>	<u>7,194</u>	<u>59,972</u>
Balance at September 30, 2024	<u>\$ 2,213</u>	<u>46,347</u>	<u>8,551</u>	<u>57,111</u>
Balance at September 30, 2023	<u>\$ 7,709</u>	<u>46,371</u>	<u>5,148</u>	<u>59,228</u>

Note: 1. The Group obtained the seats of foreign futures exchanges - NYMEX, COMEX, CBOT, HKEX and CME for business development. In accordance with IAS No. 38 “Intangible Assets” endorsed by the FSC, the seats are regarded as intangible assets with an indefinite useful life.

2. The Group recognized an impairment loss of \$4,291 and \$3,422 for the nine months ended September 30, 2024 and 2023, by using the discount rate of 3.85% and 4.20% on the basis of the future recoverable amount of sub-subsidiary from Mainland China.

(h) Lease liabilities

The Group's lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u>\$ 28,427</u>	<u>33,102</u>	<u>31,952</u>
Non-current	<u>\$ 37,217</u>	<u>56,398</u>	<u>60,645</u>

The maturity analysis please refer to note 6(n) financial instruments.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows :

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>357</u>	<u>384</u>	<u>1,202</u>	<u>649</u>
Expenses relating to short-term leases	\$ <u>3,117</u>	<u>2,589</u>	<u>9,454</u>	<u>6,147</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>-</u>	<u>25</u>	<u>-</u>	<u>177</u>

The amounts recognized in the statement of cash flows for the Group were as follows :

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	\$ <u>35,208</u>	<u>29,426</u>

(i) Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for 1 to 5 years.

(ii) Other leases

The Group leases equipment with contract terms of 1 to 5 years.

(i) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The Group recognized expenses in profit or loss for the three months and nine months ended September 30, 2024 and 2023 were \$(43), \$(639), \$(129) and \$(1,917), respectively.

(ii) Defined contribution plans

The Group's expenses under the pension plan contributed to the Bureau of Labor Insurance for the three months and nine months ended September 30, 2024 and 2023 were \$4,032, \$3,694, \$11,693 and \$11,375, respectively.

(iii) The pension costs of foreign subsidiaries in accordance with the local laws and regulations for the three months and nine months ended September 30, 2024 and 2023 were \$1,191, \$940, \$3,221 and \$2,644, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Income taxes

(i) The Group's tax rate interpretation was as follow:

The Company and its subsidiary Capital International Technology Corp. are founded in Taiwan. The corporate income tax rates are both 20% for the nine months ended September 30, 2024 and 2023.

The subsidiary CSC Futures (HK) Ltd. is founded in Hong Kong. The corporate income tax rates are both 16.5% for the nine months ended September 30, 2024 and 2023.

The tax rates of reinvestment business of subsidiaries including Capital True Partner Technology Co., Ltd. and Capital Futures Technology (Shanghai) Co., Ltd. founded in Mainland China are both 25% for the nine months ended September 30, 2024 and 2023.

(ii) Income tax expense

The amounts of income tax expense (benefit) for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax expense	\$ 75,001	89,052	206,928	209,856
Deferred income tax expense	(381)	(18,548)	9,530	(11,216)
Total	<u>\$ 74,620</u>	<u>70,504</u>	<u>216,458</u>	<u>198,640</u>

(iii) Income tax assessment status

The Company's income tax returns through 2022 were assessed by the Tax Authority.

The subsidiary Capital International Technology Corp.'s income tax returns through 2022 were assessed by the Tax Authority.

(k) Capital and other equity

(i) Common stock

As of September 30, 2024, December 31 and September 30, 2023, the company had authorized capital both of \$2,500,000, with par value of \$10 per share and 250,000 thousand shares; the issued common stock were 210,438 thousand shares.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The detail of the capital surplus of the Company is as follows:

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Share premium			
Capital addition-Share premium	\$ 1,635,556	1,635,556	1,635,556
Capital addition-Employee stock option	24,134	24,134	24,134
Difference between consideration transferred and carrying amount of subsidiaries acquired and disposed	2,106	2,106	2,106
Changes in ownership interests in subsidiaries	995	995	995
Right of inclusion options exercised	462	460	460
	<u>\$ 1,663,253</u>	<u>1,663,251</u>	<u>1,663,251</u>

In accordance with the R.O.C Company Act, realized capital surplus can only be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be capitalized shall not exceed 10 percent of the paid-in capital each year.

(iii) Retained earnings

1) Legal reserve

When companies incur no loss, they are able to distribute new shares or cash dividends through legal reserve under the resolution of stockholders' meeting, but companies can only distribute the part that the reserve exceeds 25% of the paid in capital.

2) Special reserve

In accordance with Article 41 of the Securities and Exchange Law, 20 percent of the current year's earnings after tax plus items other than earnings after tax should be set aside as special reserve. Ruling No. 1110380212 issued by the Financial Supervisory Commission on January 21, 2022, an equivalent amount of special reserve should be set aside from earnings after tax of the current year and the undistributed earnings of the prior period based on the decreased amount of stockholders' equity. For the cumulative deduction in stockholders' equity of the prior period, the equal amount of special reserve set aside based on undistributed earnings should not be distributed. If there is any reversal of the deduction in stockholders' equity, the earnings may be distributed based on the reversal proportion.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

In accordance with Ruling No. 10500278285 issued by the Financial Supervisory Commission on August 5, 2016, 0.5% to 1.0% of the current year's earnings after tax should be set aside as special reserve for year 2016 to 2018. From year 2017, the aforementioned special reserve can be reversed within an amount equal to the expenditures stemming from employee re training, re assignments, or relocations made necessary by the introduction of financial technology. An accumulated amount of \$10,378 was accounted for from the year 2016 to 2018.

In accordance with Ruling No. 1080321644 issued by the Financial Supervisory Commission on July 10, 2019, from year 2019, a special reserve can not to be set aside, but an certain amount of budget should be designated for the current year to pay for employee transformation and training to protect employee's right and interest. From year 2019, the special reserve can be reversed within an amount equal to special reserve for year 2016 to 2018 when the aforementioned fees being expended.

3) Undistributed earnings

According to the Company's Articles of Incorporation, after-tax earnings should first offset accumulated deficit, and then 10% of the remainder should be appropriated as legal reserve. However, when the legal reserve has reached the paid-up capital, is not within this limit. If there's earning plus undistributed earnings of beginning of the year, the Company's earnings distribution was proposed by board of directors and is subject to the resolution of the shareholders' meeting.

The Company's fiscal year 2023 earnings distribution resolved by the shareholders' meeting on May 30, 2024 and fiscal year 2022 earnings distribution resolved by the shareholders' meeting on May 31, 2023, were as follows:

	For the years ended December 31,			
	2023		2022	
	Amount	Per share (NT dollars)	Amount	Per share (NT dollars)
Cash dividends	\$ <u>723,905</u>	3.44	<u>635,522</u>	3.02

The information about the appropriations approved by stockholders' meeting is available at the Market Observation Post System website.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity

	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (26,094)	13,682	(12,412)
Exchange differences on translation of foreign operations	39,299	-	39,299
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	10,018	10,018
Balance at September 30, 2024	<u>\$ 13,205</u>	<u>23,700</u>	<u>36,905</u>
Balance at January 1, 2023	\$ (23,060)	(7,027)	(30,087)
Exchange differences on translation of foreign operations	46,324	-	46,324
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	20,731	20,731
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(646)	(646)
Balance at September 30, 2023	<u>\$ 23,264</u>	<u>13,058</u>	<u>36,322</u>

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

(i) Basic earnings per share

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income attributable to common shareholders of the Company	\$ <u>347,529</u>	<u>276,291</u>	<u>956,860</u>	<u>767,083</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	<u>210,438</u>	<u>210,438</u>	<u>210,438</u>	<u>210,438</u>
Basic earnings per share (NT dollars)	\$ <u>1.65</u>	<u>1.31</u>	<u>4.55</u>	<u>3.65</u>

(ii) Diluted earnings per share

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income attributable to common shareholders of the Company	\$ <u>347,529</u>	<u>276,291</u>	<u>956,860</u>	<u>767,083</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	210,438	210,438	210,438	210,438
Effect of potentially dilutive common stock - Employee remuneration (thousands of shares)	254	252	326	327
Weighted-average outstanding shares of diluted earnings per share (thousands of shares)	<u>210,692</u>	<u>210,690</u>	<u>210,764</u>	<u>210,765</u>
Diluted earnings per share (NT dollars)	\$ <u>1.65</u>	<u>1.31</u>	<u>4.54</u>	<u>3.64</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Items of the statements of comprehensive income

(i) Brokerage fee revenue

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Consignment trading handling fee revenue- Domestic futures	\$ 311,459	242,915	820,862	618,773
Consignment trading handling fee revenue- Foreign futures	223,321	191,225	629,537	608,664
Consignment trading handling fee revenue- Leverage Exchange Agency Trading	7,669	3,993	15,325	12,900
	<u>\$ 542,449</u>	<u>438,133</u>	<u>1,465,724</u>	<u>1,240,337</u>

(ii) Futures commission revenue

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Futures commission revenue- CSC Futures (HK) Ltd.	<u>\$ 63,351</u>	<u>98,841</u>	<u>225,754</u>	<u>220,173</u>

Future commission revenue is the commission revenue from future trading by the subsidiary CSC Futures (HK) Ltd., which is reflected under “Brokerage commission income”. The Group recognized the commission from CSC Futures (HK) Ltd. as “Futures commission revenue” in the consolidated financial statements.

(iii) Net gains (losses) on derivative instruments

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Non-hedging				
Net gains (losses) on futures contracts				
Gains on futures contracts	\$ 532,504	367,670	832,311	878,488
Losses on futures contracts	(413,510)	(242,867)	(824,367)	(853,199)
	<u>\$ 118,994</u>	<u>124,803</u>	<u>7,944</u>	<u>25,289</u>

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net gains (losses) on option contracts				
Gains on option contracts	\$ 272,407	129,054	592,739	362,679
Losses on option contracts	(198,363)	(38,376)	(472,856)	(183,718)
	<u>\$ 74,044</u>	<u>90,678</u>	<u>119,883</u>	<u>178,961</u>
Net gains (losses) on leverage derivatives				
Gains on leverage derivatives	\$ 675,072	326,421	1,484,511	1,138,942
Losses on leverage derivatives	(650,593)	(301,617)	(1,412,487)	(1,065,235)
	<u>\$ 24,479</u>	<u>24,804</u>	<u>72,024</u>	<u>73,707</u>
Net gains (losses) on equity derivatives				
Gains on equity derivatives	\$ 55,165	31,492	109,505	122,698
Losses on equity derivatives	(52,874)	(29,423)	(103,185)	(116,765)
	<u>\$ 2,291</u>	<u>2,069</u>	<u>6,320</u>	<u>5,933</u>
Net gains (losses) on derivative financial instruments - overseas subsidiaries	<u>\$ (1,248)</u>	<u>4,601</u>	<u>(17,433)</u>	<u>1,856</u>
Total gains on derivative financial instruments	\$ 1,535,148	854,637	3,019,066	2,502,807
Total losses on derivative financial instruments	(1,315,340)	(612,283)	(2,812,895)	(2,218,917)
Net gains (losses) on derivative financial instruments - overseas subsidiaries	(1,248)	4,601	(17,433)	1,856
	<u>\$ 218,560</u>	<u>246,955</u>	<u>188,738</u>	<u>285,746</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Futures commission expenses

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Re-consigned futures trading	\$ 69,160	55,874	192,147	174,189
Futures introducing broker business	41,169	37,860	115,356	101,667
Commission expenses - CSC Futures (HK) Ltd.	18,201	30,128	55,936	58,615
	<u>\$ 128,530</u>	<u>123,862</u>	<u>363,439</u>	<u>334,471</u>

(v) Employee benefit, depreciation and amortization expenses

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Employee benefit expenses				
Salary expense	\$ 194,961	158,649	502,110	430,938
Labor and health insurance expense	9,699	8,432	27,297	25,507
Pension expense	5,180	3,995	14,785	12,102
Others	4,345	2,876	11,977	7,466
Depreciation expense	18,157	15,108	52,787	40,327
Amortization expense	1,860	1,645	5,088	4,288
	<u>\$ 234,202</u>	<u>190,705</u>	<u>614,044</u>	<u>520,628</u>

(vi) Other operating expenses

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Postage expense	\$ 21,316	19,115	61,201	54,655
Taxes	39,220	27,091	99,373	69,433
Rental expense	3,144	2,637	9,533	6,391
Information technology expense	76,639	43,596	183,454	132,498
Professional service fee	4,334	3,203	9,296	9,870
Others	25,952	25,805	80,381	77,075
	<u>\$ 170,605</u>	<u>121,447</u>	<u>443,238</u>	<u>349,922</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Other gains and losses

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	2024	2023	2024	2023
Interest income	\$ 357,698	324,158	1,033,696	888,690
Dividend income	3,193	33,794	8,441	257,960
Net gains (losses) on non-operating financial instruments at fair value through profit or loss	(72,295)	130,346	(3,553)	1,133
Net gains (losses) on foreign exchange	(7,243)	3,807	3,826	6,989
Net gains (losses) on disposal of investments	52,396	(306,768)	43,153	(275,024)
Other non-operating revenue - other	1,201	3,630	6,623	11,161
Other non-operating expense - other	(1,699)	(1,211)	(4,335)	(5,465)
	<u>\$ 333,251</u>	<u>187,756</u>	<u>1,087,851</u>	<u>885,444</u>

(viii) Remuneration to employees and directors

According to the Company's Articles of Incorporation, the Company should aside 0.6%-2.0% of annual profit to be distributed as employees' bonus, and aside not higher than 3% of annual profit to be distributed as remuneration to directors. However, the Company's accumulated losses should first be covered. People to receive shares or cash include the employees of subsidiaries meeting certain specific requirements.

For the three months and nine months ended September 30, 2024 and 2023, the estimated amounts of remuneration to employee were \$5,000, \$3,000, \$14,400 and \$11,370, and to directors by the Company were \$5,000, \$3,000, \$14,400 and \$11,370, respectively, which were calculated based on the Company's net profit before income tax and remuneration to employees and directors multiple the earnings allocation percentage as specified in the Company's articles. It was recognized as operating expense for the nine months ended September 30, 2024 and 2023. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year. The difference is recognized as profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

The estimated amounts of remuneration to employee and director by the Company for fiscal years of 2023 and 2022 were both \$14,749 and \$11,473, respectively. There was no difference between accounting estimates and board's resolutions. Related information would be available at the Market Observation Post System website.

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum credit exposure. As of September 30, 2024, December 31 and September 30, 2023 the maximum credit exposure amounted to \$61,806,579, \$48,573,263 and \$48,902,075, respectively.

2) Concentration of credit risk

The exposure of credit risk by geographic region in September 30, 2024 as shown in below, mainly focusing on Taiwan (accounted for 82.71%), secondly in Asia (accounted for 9.96% excluded Taiwan), thirdly in Europe (accounted for 6.95%). The proportion of investment by geographic region did not change significantly compared to the same period last year.

Area	September 30, 2024	December 31, 2023	September 30, 2023
Taiwan	\$ 51,120,516	39,189,289	38,707,759
Asia (excluded Taiwan)	6,158,128	5,207,358	9,204,685
North America	234,745	250,708	277,148
Europe	4,293,190	3,925,908	679,576
Oceania	-	-	32,907
Total	<u>\$ 61,806,579</u>	<u>48,573,263</u>	<u>48,902,075</u>

3) Impairment losses

The Group's aging analysis of receivables at reporting date is as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Current	\$ 171,158	6,255	164,514	6,457	126,701	6,532
Past due 0~30 days	-	-	-	-	-	-
Past due 31~120 days	-	-	-	-	-	-
Past due 121~360 days	-	-	-	-	-	-
Past due more than 360 days	-	-	-	-	-	-
	<u>\$ 171,158</u>	<u>6,255</u>	<u>164,514</u>	<u>6,457</u>	<u>126,701</u>	<u>6,532</u>

Allowance for doubtful debts under receivables is recorded for the bad debt expense or impairment losses. Where a claim becomes definitely uncollectible, the allowance for doubtful debts should be written off to financial assets account. As of September 30, 2024, December 31 and September 30, 2023, the loss allowance of receivables were recognized \$6,255, \$6,457 and \$6,532, respectively.

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Credit risk of receivables

Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2023. The Group regards a financial asset as a default when the client of brokerage business is unable to fulfill the margin call or settlement obligation or accrued receivables past due, as well as other receivable of stock default that the company as securities interactive business, which the counterparty is unable to pay the Group. Thus, the Group regarded the financial assets as default and recognized impairment losses. The movement of loss allowance for the nine months ended September 30, 2024 and 2023 was as follows:

For the nine months ended September 30, 2024						
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL - credit impaired			Total
			Accounts receivable	Receivable- futures margin	Other receivables	
Balance on January 1	\$ -	-	-	6,457	-	6,457
Reversal of impairment losses	-	-	-	(202)	-	(202)
Balance on September 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,255</u>	<u>-</u>	<u>6,255</u>

For the nine months ended September 30, 2023						
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL - credit impaired			Total
			Accounts receivable	Receivable- futures margin	Other receivables	
Balance on January 1	\$ -	-	-	6,756	-	6,756
Impairment losses (reversal of impairment losses)	-	-	52	(224)	-	(172)
Amounts written off	-	-	(52)	-	-	(52)
Balance on September 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,532</u>	<u>-</u>	<u>6,532</u>

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the effect of contract maturity on financial liabilities. The Group predicts the cash flow occurring point or the actual amount of this maturity analysis will not be significantly earlier or different.

	Carrying amount	Contract cash flow	Within 6 months	6-12 months	1-2 year	2-5 year	More than 5 year
September 30, 2024							
Financial liabilities at fair value through profit or loss	\$ 616,485	616,485	616,485	-	-	-	-
Futures traders' equity	53,209,379	53,209,379	53,209,379	-	-	-	-
Leverage contract trading- customers' equity	717,122	717,122	717,122	-	-	-	-
Accounts payable	103,927	103,927	103,927	-	-	-	-
Receipts under custody	14,558	14,558	14,558	-	-	-	-
Other payables	231,159	231,159	231,159	-	-	-	-
Lease liabilities	65,644	67,505	17,192	14,405	25,502	10,406	-
	<u>\$ 54,958,274</u>	<u>54,960,135</u>	<u>54,909,822</u>	<u>14,405</u>	<u>25,502</u>	<u>10,406</u>	<u>-</u>
December 31, 2023							
Financial liabilities at fair value through profit or loss	\$ 226,781	226,781	226,781	-	-	-	-
Futures traders' equity	40,522,584	40,522,584	40,522,584	-	-	-	-
Leverage contract trading- customers' equity	733,533	733,533	733,533	-	-	-	-
Accounts payable	125,630	125,630	125,630	-	-	-	-
Receipts under custody	4,992	4,992	4,992	-	-	-	-
Other payables	218,981	218,981	218,981	-	-	-	-
Lease liabilities	89,500	92,897	17,811	16,973	29,804	28,309	-
	<u>\$ 41,922,001</u>	<u>41,925,398</u>	<u>41,850,312</u>	<u>16,973</u>	<u>29,804</u>	<u>28,309</u>	<u>-</u>
September 30, 2023							
Financial liabilities at fair value through profit or loss	\$ 66,443	66,443	66,443	-	-	-	-
Futures traders' equity	41,373,437	41,373,437	41,373,437	-	-	-	-
Leverage contract trading- customers' equity	802,530	802,530	802,530	-	-	-	-
Accounts payable	73,599	73,599	73,599	-	-	-	-
Receipts under custody	6,832	6,832	6,832	-	-	-	-
Other payables	176,033	176,033	176,033	-	-	-	-
Lease liabilities	92,597	96,101	17,266	16,487	27,756	34,592	-
	<u>\$ 42,591,471</u>	<u>42,594,975</u>	<u>42,516,140</u>	<u>16,487</u>	<u>27,756</u>	<u>34,592</u>	<u>-</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk of financial assets and liabilities were as follows:

September 30, 2024			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 643,493,772.46	31.6500	20,366,578
EUR	5,970,648.24	35.3800	211,242
GBP	1,401,899.95	42.4300	59,483
JPY	1,735,809,504.00	0.2223	385,870
HKD	476,591,794.02	4.0750	1,942,112
AUD	2,605,857.55	21.9300	57,146
CHF	26,437.04	37.5500	993
SGD	214,050.39	24.7200	5,291
KRW	170,339,378.00	0.0243	4,139
CNY	77,088,364.76	4.5230	348,671
MYR	688,076.22	7.4205	5,106
THB	4,404,724.86	0.9868	4,347
NZD	104,235.50	20.1400	2,099
CAD	25,393.08	23.4200	595
ZAR	4,396,624.80	1.8520	8,143
VND	3,395,786,250.00	0.0013	4,415
INR	35,387,780.71	0.3778	13,370
<u>Non-monetary items</u>			
USD	12,617,247.26	31.6500	399,336
NZD	3,406.55	20.1400	69
CHF	9,157.36	37.5500	344
ZAR	77,181.88	1.8520	143
INR	5,667,906.62	0.3778	2,141

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2024			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 619,468,119.00	31.6500	19,606,166
EUR	5,942,654.92	35.3800	210,251
GBP	1,384,099.86	42.4300	58,727
JPY	1,689,946,081.08	0.2223	375,675
HKD	653,561,049.58	4.0750	2,663,261
AUD	2,562,411.24	21.9300	56,194
CHF	46,463.29	37.5500	1,745
SGD	254,784.24	24.7200	6,298
KRW	166,377,596.98	0.0243	4,043
CNY	71,066,717.37	4.5230	321,435
MYR	644,829.15	7.4205	4,785
THB	1,454,908.00	0.9868	1,436
NZD	16,920.84	20.1400	341
CAD	1,763.99	23.4200	41
ZAR	210,297.50	1.8520	389
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	497,629.88	31.6500	15,750
JPY	6,598,540.00	0.2223	1,468
CAD	31,323.30	23.4200	734
GBP	9,824.82	42.4300	417
AUD	1,438.39	21.9300	32
CNY	3,018,829.87	4.5230	13,654
SGD	467.26	24.7200	12

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 586,009,832.53	30.7050	17,993,432
EUR	12,480,840.54	33.9800	424,099
GBP	544,955.69	39.1500	21,335
JPY	1,206,940,748.00	0.2172	262,148
HKD	35,305,660.39	3.9290	138,716
AUD	2,839,857.28	20.9800	59,580
CHF	56,230.60	36.4900	2,052
SGD	210,268.92	23.2900	4,897
KRW	117,431,126.00	0.0239	2,807
CNY	81,611,825.29	4.3270	353,134
MYR	1,036,713.06	6.4110	6,646
THB	4,078,762.86	0.9017	3,678
NZD	123,973.43	19.4800	2,415
ZAR	3,752,125.79	1.6570	6,217
VND	3,395,786,250.00	0.0012	4,075
<u>Non-monetary items</u>			
USD	11,157,083.06	30.7050	342,578
JPY	1,697,776.00	0.2172	369
GBP	4,527.85	39.1500	177
AUD	4,121.35	20.9800	86
CAD	6,159.20	23.2000	143
ZAR	388,850.20	1.6570	644

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 566,992,131.19	30.7050	17,409,493
EUR	12,312,496.18	33.9800	418,379
GBP	473,607.56	39.1500	18,542
JPY	1,160,186,835.08	0.2172	251,993
HKD	200,210,575.18	3.9290	786,627
AUD	2,773,861.25	20.9800	58,196
CHF	136,846.05	36.4900	4,994
SGD	291,079.41	23.2900	6,779
KRW	115,945,594.08	0.0239	2,771
CNY	74,298,680.69	4.3270	321,490
MYR	997,889.33	6.4110	6,397
THB	1,318,120.00	0.9017	1,189
NZD	933.08	19.4800	18
CAD	7,849.17	23.2000	182
VND	3,158,804,500.00	0.0012	3,791
<u>Non-monetary items</u>			
USD	12,726.95	30.7050	391
CNY	1,857,743.84	4.3270	8,039
NZD	8,735.90	19.4800	170
SGD	4,822.19	23.2900	112
CHF	183,499.75	36.4900	6,696

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2023			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 612,832,157.91	32.2700	19,776,094
EUR	13,327,212.24	33.9100	451,926
GBP	599,636.18	39.2300	23,524
JPY	1,474,050,167.00	0.2162	318,690
HKD	39,081,842.62	4.1230	161,134
AUD	4,753,972.68	20.5500	97,694
CHF	425,667.85	35.0600	14,924
SGD	330,692.46	23.5300	7,781
KRW	2,373,880,466.00	0.0240	56,973
CNY	54,215,775.07	4.4150	239,363
MYR	1,032,609.76	6.5740	6,788
THB	4,197,685.86	0.8822	3,703
NZD	317,470.26	19.1700	6,086
CAD	15,409.16	23.9000	368
ZAR	730,434.38	1.6800	1,227
VND	3,395,786,250.00	0.0013	4,415
<u>Non-monetary items</u>			
USD	9,481,084.58	32.2700	305,955
GBP	2,601.29	39.2300	102
EUR	114,920.00	33.9100	3,897
NZD	397.46	19.1700	8
CHF	16,041.59	35.0600	562
ZAR	567,949.14	1.6800	954
AUD	2,547.62	20.5500	52

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2023			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 592,644,145.27	32.2700	19,124,627
EUR	13,270,864.83	33.9100	450,015
GBP	452,681.06	39.2300	17,759
JPY	1,479,670,134.08	0.2162	319,905
HKD	145,134,609.45	4.1230	598,390
AUD	4,790,072.99	20.5500	98,436
CHF	21,994.23	35.0600	771
SGD	355,969.17	23.5300	8,376
KRW	2,850,120,884.08	0.0240	68,403
CNY	45,215,751.31	4.4150	199,628
MYR	995,412.33	6.5740	6,544
THB	1,539,010.00	0.8822	1,358
NZD	55,866.26	19.1700	1,071
ZAR	102,685.47	1.6800	173
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	60,884.07	32.2700	1,965
JPY	9,151,385.00	0.2162	1,979
CAD	906.72	23.9000	22
CNY	186,471.43	4.4150	823
SGD	17.58	23.5300	-

The Group disclosed the summarized information on exchange gain or loss. The realized and unrealized exchange gains (losses) amounted to \$(7,244), \$4,275, \$3,825 and \$8,349 for the three months and nine months ended September 30, 2024 and 2023, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The currency risk of the Group arises mainly from cash and cash equivalents, customers' margin accounts, financial assets at fair value through profit or loss and futures traders' equity, which are denominated in foreign currency. Foreign exchange gain or loss occurs as foreign currency was translated to TWD currency. For the nine months ended September 30, 2024 and 2023, with all other variable factors remain constant, a strengthening (weakening) 1% of the TWD against the above major foreign currency, would cause after-tax comprehensive income result in a decrease or an increase by \$3,797 and \$4,623, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the nine months ended September 30, 2024 and 2023, with all other variable factors remain constant, when the interest rate increases or decreases by 100 basis points, would cause after-tax comprehensive income result in an increase or a decrease by \$5,275 and \$5,158. This is mainly due to the Group's time deposits in variable rate, guarantee deposited for business operations in variable rate and settlement fund in variable rate.

(v) Other price risk

If there is an increase in the securities price variables on the reporting date (the analytical basis was the same in both years), the effects on other comprehensive income are as follows:

	For the nine months ended September 30,			
	2024		2023	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
securities price on the reporting date				
Increase 1%	\$ 1,541	1,220	1,435	4,371
Decrease 1%	\$ (1,541)	(1,220)	(1,435)	(4,371)

(vi) Fair value and hierarchy information

1) Fair value information

a) General description

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Definition of fair value hierarchy

i) Level 1

The input of Level 1 is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market is of homogeneity; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. Listed stock, OTC stock, beneficiary certificates, as well as equity and derivative instruments with public quote in an active market possessed by the Company belong to Level 1.

ii) Level 2

The input of Level 2 refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price).

iii) Level 3

The input of Level 3 is not based on observable market data or obtained from the counterparty.

2) Based on fair value measurement

a) Hierarchy information of fair value

The Group's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

Assets and Liabilities items	September 30, 2024			
	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counterparty (Level 3)
Fair value evaluated on a recurring basis				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 282,005	282,005	-	-
Stock investment	222,229	222,229	-	-
Convertible Bond	34,441	34,441	-	-
Financial assets at fair value through other comprehensive income	154,094	152,515	-	1,579
Liabilities:				
Financial liabilities at fair value through profit or loss	416,720	416,720	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 646,035	415,166	230,869	-
Liabilities:				
Financial liabilities at fair value through profit or loss	199,765	167,700	32,065	-

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2023			
			Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
Assets and Liabilities items	Total				
<u>Fair value evaluated on a recurring basis</u>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$ 83,920	83,920	-	-	
Stock investment	299,558	299,558	-	-	
Financial assets at fair value through other comprehensive income	144,076	142,572	-		1,504
Liabilities:					
Financial liabilities at fair value through profit or loss	129,211	129,211	-	-	
<u>Derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss	\$ 448,520	281,959	166,561	-	
Liabilities:					
Financial liabilities at fair value through profit or loss	97,570	82,162	15,408	-	

		September 30, 2023			
			Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
Assets and Liabilities items	Total				
<u>Fair value evaluated on a recurring basis</u>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$ 386,137	386,137	-	-	
Stock investment	71,187	71,187	-	-	
Financial assets at fair value through other comprehensive income	143,452	141,857	-		1,595
Liabilities:					
Financial liabilities at fair value through profit or loss	20,273	20,273	-	-	
<u>Derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss	\$ 306,584	168,732	137,852	-	
Liabilities:					
Financial liabilities at fair value through profit or loss	46,170	41,381	4,789	-	

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

b) Valuation techniques

i) Non-derivative financial instruments

The valuation of non-derivative financial instruments are based on transparent offer price as fair value if there is existence of active market, i.e. TSE, OTC and investment Trust and investment Adviser. The equity of non-transparent offer price shall be evaluated by valuation techniques by using the Market approach-public company comparable with the discount of lack equity-liquidity.

ii) Derivative financial instruments

The valuation of derivative financial instruments in the active market are mainly measured settlement price of exchange institution as fair value. The fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the reporting date, and utilizes the fair values derived from the calculations of financial valuation models.

iii) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the nine months ended September 30, 2024 and 2023.

iv) Movements of financial assets at fair value classified into Level 3

(In Thousands Dollars)

For the nine months ended September 30, 2024								
Item	Beginning Balance	Gains and losses on valuation		Addition		Reduction		Ending Balance
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,504	-	75	-	-	-	-	1,579

For the nine months ended September 30, 2023								
Item	Beginning Balance	Gains and losses on valuation		Addition		Reduction		Ending Balance
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,263	-	332	-	-	-	-	1,595

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- v) Quantified information of fair value measurement for significant unobservable inputs (Level 3)

The Group's Level 3 fair value measurements are financial assets at fair value through other comprehensive income— equity instruments investment.

The Group's equity instruments investment without active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

Item	Valuation technique	Significant unobservable inputs	Correlation between inputs and fair value
Financial assets at fair value through other comprehensive income equity instruments without an active market	Market approach	<ul style="list-style-type: none"> • Price-to-Book Ratio • Discount for lack of marketability 	<ul style="list-style-type: none"> • The higher price to-book-ratio is, the higher fair value is. • The higher discount for lack of marketability is, the lower the fair value is.

- vi) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Group made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	Change in fair value recognized in other comprehensive income	
	Favorable	Unfavorable
September 30, 2024		
Financial assets fair value through other comprehensive income	\$ <u>16</u>	<u>(16)</u>
December 31, 2023		
Financial assets fair value through other comprehensive income	\$ <u>15</u>	<u>(15)</u>
September 30, 2023		
Financial assets fair value through other comprehensive income	\$ <u>16</u>	<u>(16)</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Favorable and unfavorable movements of the Group refer to the fluctuation of fair value, and the fair value is calculated through the valuation technique according to the unobservable inputs to different extent. If the fair value of a financial instrument is affected by more than one input, the above table only illustrates the effect as a result of one single input, and the correlation and variance among multiple inputs are not listed here.

c) Financial instruments not measured at fair value

For financial instruments not measured at fair value, such as cash and cash equivalents, bonds purchased under resale agreements, customers' margin accounts, accounts receivable, deposits, future traders' equity, leverage contract traders' equity, account payables and receipts under custody. The carrying amount is a reasonable approximation of the fair value. Therefore, the Group does not disclose the fair value.

(o) Financial risk management

There were no material changes in the Group's financial risk management goals and policies as disclosed in Note 6(o) of the consolidated financial statements for the year ended December 31, 2023.

(p) Capital management

There were no material changes in the Group's financial risk management goals, policies and procedures as disclosed in Note 6(p) of the consolidated financial statements for the year ended December 31, 2023.

(q) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow for the nine months ended September 30, 2024 and 2023, were as follows:

(i) For right-of-use assets, please refer to note 6(d).

	January 1, 2024	Cash flows	Other	Non-cash changes		September 30, 2024
				Foreign exchange movement	Fair value changes	
Lease liabilities	\$ 89,500	(25,754)	1,513	385	-	65,644
Total liabilities from financing activities	<u>\$ 89,500</u>	<u>(25,754)</u>	<u>1,513</u>	<u>385</u>	<u>-</u>	<u>65,644</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2023	Cash flows	Other	Non-cash changes		September 30, 2023
				Foreign exchange movement	Fair value changes	
Lease liabilities	\$ 37,156	(23,102)	78,168	375	-	92,597
Total liabilities from financing activities	<u>\$ 37,156</u>	<u>(23,102)</u>	<u>78,168</u>	<u>375</u>	<u>-</u>	<u>92,597</u>

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and the ultimate controlling party of the Group. It owns 56.58% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(b) Names of related parties and their relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Capital Securities Corporation	The parent company
CSC Securities (HK) Ltd.	The same group of enterprises
CSC International Holdings Ltd.	The same group of enterprises
Capital Investment Trust Corp.	The associate of the parent company
Funds issued by Capital Investment Trust Corp.	Funds issued by the associate of the parent company
Fu Tai Construction Corporation	Related party in substance
Other related parties	Key management personnel and others

(c) Key management personnel compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Short-term employee benefits	\$ 44,371	38,700	120,317	100,120
Post-employment benefits	370	352	1,098	964
Total	<u>\$ 44,741</u>	<u>39,052</u>	<u>121,415</u>	<u>101,084</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Significant transactions with related parties

- (i) The amounts of futures trading between the Group and related parties for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Brokerage fee revenue</u>				
Capital Securities Corporation	\$ 20,515	7,843	50,083	24,229
Funds issued by Capital Investment Trust Corp.	59	672	799	837
Other related parties	<u>2</u>	<u>95</u>	<u>78</u>	<u>238</u>
Total	<u>\$ 20,576</u>	<u>8,610</u>	<u>50,960</u>	<u>25,304</u>

	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
<u>Futures traders' equity</u>			
Capital Securities Corporation	\$ 3,656,340	1,760,408	1,658,167
Funds issued by Capital Investment Trust Corp.	136,256	671,147	262,855
Other related parties	<u>2,464</u>	<u>270</u>	<u>3,742</u>
Total	<u>\$ 3,795,060</u>	<u>2,431,825</u>	<u>1,924,764</u>

Transaction terms are the same as those with general clients.

Related parties deposit margins to the Group for futures proprietary trading, and the Group paid the interest of excess margin annually.

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Interest expense</u>				
Capital Securities Corporation	\$ 8	1	45	22
Funds issued by Capital Investment Trust Corp.	-	-	573	174
Total	<u>\$ 8</u>	<u>1</u>	<u>618</u>	<u>196</u>

- (ii) Accounts payable and receivable:

<u>Accounts receivable</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Capital Securities Corporation	<u>\$ 2,687</u>	<u>1,118</u>	<u>973</u>
<u>Accounts payable</u>			
Capital Securities Corporation	<u>\$ 11,629</u>	<u>8,956</u>	<u>10,375</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2024	December 31, 2023	September 30, 2023
Other receivables (Note 1)			
Capital Securities Corporation	\$ 3,644	3,649	3,689
CSC Securities (HK) Ltd.	1,299	1,328	1,240
Total	<u>\$ 4,943</u>	<u>4,977</u>	<u>4,929</u>
Other payables			
Capital Securities Corporation (Note 2)	\$ 412	295	213
CSC Securities (HK) Ltd. (Note 3)	577	565	610
Total	<u>\$ 989</u>	<u>860</u>	<u>823</u>

(Note 1) Receivables from future interactive brokers, receivables for information service fee, and interest from bonds purchased under resale agreements.

(Note 2) Payables for allocated expenses and interests to the parent company.

(Note 3) Payables for routine expenses to the associate.

(iii) Bonds purchased under resale agreements

The Group conducted investment with Capital Securities Corporation for bonds purchased under resale agreements shows as follow:

	September 30, 2024	December 31, 2023	September 30, 2023
Bonds purchased under resale agreements	<u>\$ 27,630</u>	<u>31,426</u>	<u>32,364</u>
Resale price under the agreements	<u>\$ 27,656</u>	<u>31,450</u>	<u>32,382</u>
Interest rates	<u>1.10%</u>	<u>1.00%</u>	<u>0.95%</u>
Date of repurchase	<u>2024.10.15</u>	<u>2024.01.12</u>	<u>2023.10.13</u>
	For the three months ended September 30,	For the nine months ended September 30,	
	2024	2023	2024
Interest income	<u>\$ 82</u>	<u>84</u>	<u>232</u>
			<u>636</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Leases

The Group signed three-year lease contracts and rented the office from Capital Securities Corporation. As of September 30, 2024, December 31 and September 30, 2023, the total value of effective contracts were all \$53,289. For the three months and nine months ended September 30, 2024 and 2023, the Group recognized the amount of \$180, \$177, \$606 and \$212 as interest expense. As of September 30, 2024, December 31 and September 30, 2023, lease liabilities amounted to \$31,928, \$44,644 and \$48,840, respectively, and refundable deposits were all amounted to \$4,633.

The Group signed five-year and three-month lease contracts and rented the office from Fu Tai Construction Corporation. As of September 30, 2024, December 31 and September 30, 2023, the total value of effective contracts were all \$26,169, respectively. For the three months and nine months ended September 30, 2024 and 2023, the Group recognized the amount of \$87, \$109, \$277 and \$146 as interest expense. As of September 30, 2024, December 31 and September 30, 2023, lease liabilities amounted to \$17,299, \$20,283 and \$21,403, respectively, and refundable deposits were all amounted to \$1,165.

The Group signed one-year lease contracts and rented the office from CSC International Holdings Ltd. As of September 30, 2024, December 31 and September 30, 2023, the total value of effective contracts were \$0, \$552 (CNY\$127 thousands) and \$552 (CNY\$127 thousands), respectively. For the three months and nine months ended September 30, 2024 and 2023, the Group all recognized the amount of \$0 as interest expense. As of September 30, 2024, December 31 and September 30, 2023, lease liabilities were amounted to \$0, \$228 and \$372, respectively, and refundable deposits were amounted to \$143, \$137 and \$140.

(v) Rental expenses

The Group entered into lease agreements with related parties and recognized rental expense for applicable short-term or low-value leases as follow:

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 259	228	703	680
CSC International Holdings Ltd.	142	-	188	-
Total	\$ 401	228	891	680

The pricing of the rent between the Group and its related parties are determined according to market conditions and paid on a monthly basis.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Securities commission income

The Group entered into contracts with related parties to engage in securities trading business as permitted by the competent authorities, and details are as follow:

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 9,225	4,180	16,980	9,813
CSC Securities (HK) Ltd.	242	442	960	749
Total	\$ 9,467	4,622	17,940	10,562

(vii) Interest income (Rent deposit interest and other)

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 81	17	621	56

(viii) Interest income (Securities borrowing and securities lending)

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 13	-	72	33

(ix) Commission cost

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 40,301	37,066	113,100	99,216
CSC Securities (HK) Ltd.	-	-	-	18
Total	\$ 40,301	37,066	113,100	99,234

(x) Information technology expenses

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 14,394	13,360	43,180	40,080

(xi) Stock service fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 156	162	486	497

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xii) Human resource and legal service fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ <u>75</u>	<u>75</u>	<u>225</u>	<u>225</u>

(xiii) Securities transaction fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ <u>88</u>	<u>4</u>	<u>232</u>	<u>440</u>

(xiv) Discretionary service commission fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ <u>112</u>	<u>98</u>	<u>277</u>	<u>248</u>

(xv) Brokerage fees - proprietary trading

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 44	1	\$ 134	254
CSC Securities (HK) Ltd.	-	-	-	18
Total	\$ <u>44</u>	<u>1</u>	<u>134</u>	<u>272</u>

(xvi) Management service fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
CSC Securities (HK) Ltd.	\$ <u>1,415</u>	<u>1,145</u>	<u>4,177</u>	<u>3,319</u>

(xvii) Stationery and printing fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ <u>5</u>	<u>5</u>	<u>32</u>	<u>32</u>

(xviii) Consulting fees

Related parties	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Other related parties	\$ <u>-</u>	<u>9</u>	<u>-</u>	<u>39</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of the assets of the Group collateral and pledge were as follow:

	September 30, 2024	December 31, 2023	September 30, 2023	collateral purpose
Restricted assets — current	\$ <u><u>1,050,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	Bank loan — unused

(9) Significant commitments and contingencies:

The Group purchased software and hardware systems for business development. As of September 30, 2024, the Group had outstanding balance payment \$2,646.

(10) Losses due to major disasters:None.

(11) Significant subsequent events:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Derivative instrument transactions:

- (a) As of September 30, 2024, December 31 and September 30, 2023, the open positions of futures and option contracts were as follows:

September 30, 2024

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	419	\$ 1,883,559	1,871,532	
	Mini Taiex Futures	Long	232	260,568	259,261	
	Mini Taiex Futures	Short	65	(74,526)	(72,647)	
	Electronic Sector Index Futuress	Long	10	47,957	47,460	
	Financial Insurance Index Futures	Long	12	25,143	25,015	
	Financial Insurance Index Futures	Short	5	(10,583)	(10,435)	
	NTD Gold Futures	Long	1	997	1,017	
	NTD Gold Futures	Short	30	(30,254)	(30,540)	
	Taiwan Stock Futures	Long	2,530	1,100,188	1,089,517	
	Taiwan Stock Futures	Short	7,267	(775,262)	(764,287)	
	US Dollar Index Futures	Short	41	(131,005)	(130,441)	
	JPY Futures	Long	20	55,873	55,629	
	Mini Taiex Weekly Futures	Long	230	262,017	256,450	
	Mini Taiex Weekly Futures	Short	69	(78,951)	(76,918)	
	Mini Financial Futures	Short	36	(18,857)	(18,761)	
	Mini Electronic Futures	Short	80	(47,964)	(47,460)	
	Micro TAIEX Futures	Short	2,036	(465,629)	(454,590)	
	CME BTC	Short	6	(59,997)	(60,122)	
	Subtotal			<u>1,943,274</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2024

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/ Short	Number of contracts			
Options contract:	Stock Options (Call)	Long	182	\$ 1,071	3,033	
	Stock Options (Call)	Short	200	(1,366)	(4,933)	
	Stock Options (Put)	Short	49	(291)	(94)	
	Stock Options (Put)	Long	156	1,318	982	
	TAIEX Options (Call)	Long	5,008	135,993	138,371	
	TAIEX Options (Call)	Short	6,000	(121,493)	(103,543)	
	TAIEX Options (Put)	Long	6,137	165,228	160,703	
	TAIEX Options (Put)	Short	3,542	(47,081)	(46,201)	
	TAIEX Weekly Options (Call)	Long	2,071	6,570	3,071	
	TAIEX Weekly Options (Call)	Short	2,033	(5,254)	(2,005)	
	TAIEX Weekly Options (Put)	Long	1,440	9,051	16,518	
	TAIEX Weekly Options (Put)	Short	1,282	(4,748)	(9,239)	
	Financial Insurance Index Options (Call)	Long	83	1,167	1,279	
	Financial Insurance Index Options (Call)	Short	108	(160)	(87)	
	Financial Insurance Index Options (Put)	Long	56	240	232	
	Financial Insurance Index Options (Put)	Short	58	(482)	(294)	
	Gold Options (Call)	Long	116	1,385	1,596	
	Gold Options (Call)	Short	29	(286)	(495)	
	Gold Options (Put)	Long	46	535	389	
	Gold Options (Put)	Short	103	(797)	(295)	
	India 50 Options (Call)	Short	1,700	(122)	(70)	
	India 50 Options (Call)	Long	425	25	6	
	India 50 Options (Put)	Short	2,675	(226)	(444)	
	India 50 Options (Put)	Long	4,350	85	181	
	Subtotal			140,362		
Total				\$ 2,083,636		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:	TAIEX Futures	Long	445	\$ 1,586,880	1,590,217	
	TAIEX Futures	Short	16	(57,010)	(57,152)	
	Mini Taiex Futures	Long	362	322,557	323,224	
	Mini Taiex Futures	Short	60	(52,593)	(53,542)	
	Electronic Sector Index Futures	Long	2	7,038	7,135	
	Financial Insurance Index Futures	Long	3	5,163	5,158	
	NTD Gold Futures	Short	1	(770)	(767)	
	Taiwan Stock Futures	Long	1,630	309,347	311,055	
	Taiwan Stock Futures	Short	3,547	(417,206)	(427,330)	
	US Dollar Index Futures	Short	48	(149,950)	(148,901)	
	Mini Taiex Weekly Futures	Long	332	295,916	297,006	
	Mini Financial Futures	Short	4	(1,719)	(1,719)	
	CME BTC	Short	7	(47,168)	(45,270)	
	CME MBT	Short	5	(674)	(647)	
	Subtotal			<u>1,799,811</u>		
Options contract:	Stock Options (Call)	Long	36	\$ 150	193	
	Stock Options (Call)	Short	103	(667)	(717)	
	Stock Options (Put)	Short	31	(249)	(224)	
	Stock Options (Put)	Long	89	372	368	
	TAIEX Options (Call)	Long	3,363	112,684	125,734	
	TAIEX Options (Call)	Short	4,635	(48,055)	(64,308)	
	TAIEX Options (Put)	Long	6,936	83,712	64,039	
	TAIEX Options (Put)	Short	4,185	(17,811)	(11,508)	
	TAIEX Weekly Options (Call)	Long	1,283	2,054	2,087	
	TAIEX Weekly Options (Call)	Short	1,138	(3,905)	(3,855)	
	TAIEX Weekly Options (Put)	Long	1,415	2,141	1,730	
	TAIEX Weekly Options (Put)	Short	643	(1,328)	(1,120)	
	Electronic Sector Index Options (Call)	Short	20	(171)	(273)	
	Financial Insurance Index Options (Call)	Long	22	51	36	
	Financial Insurance Index Options (Call)	Short	27	(60)	(113)	
	Financial Insurance Index Options (Put)	Long	25	54	9	
	Financial Insurance Index Options (Put)	Short	10	(16)	(1)	
	Gold Options (Call)	Short	11	(51)	(9)	
	Gold Options (Put)	Short	10	(25)	(34)	
	Subtotal			<u>128,880</u>		
Total				<u><u>\$ 1,928,691</u></u>		

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CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2023

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	121	\$ 397,504	396,071	
	Mini Taiex Futures	Long	29	23,905	23,729	
	Mini Taiex Futures	Short	105	(86,101)	(85,907)	
	Electronic Sector Index Futures	Long	2	6,431	6,391	
	Electronic Sector Index Futures	Short	3	(9,576)	(9,586)	
	NTD Gold Futures	Long	8	6,015	5,905	
	Taiwan Stock Futures	Long	574	140,052	138,234	
	Taiwan Stock Futures	Short	2,124	(183,299)	(179,401)	
	US Dollar Index Futures	Short	45	(151,612)	(153,659)	
	Mini Taiex Weekly Futures	Long	42	34,359	34,352	
	Mini Financial Futures	Long	8	3,256	3,249	
	Mini Electronic Futures	Long	46	18,386	18,374	
	Mini DAX Futures	Short	20	(52,706)	(52,649)	
	E-Mini S&P 500 Futures	Short	130	(91,262)	(90,730)	
	CME BTC	Short	7	(29,658)	(30,362)	
	CME MBT	Short	5	(423)	(434)	
	Subtotal			<u>25,271</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2023

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Options contract:						
	Stock Options (Call)	Long	37	\$ 112	90	
	Stock Options (Call)	Short	38	(163)	(92)	
	Stock Options (Put)	Short	10	(76)	(78)	
	Stock Options (Put)	Long	40	156	133	
	TAIEX Options (Call)	Long	3,226	47,147	42,767	
	TAIEX Options (Call)	Short	2,455	(22,494)	(15,802)	
	TAIEX Options (Put)	Long	3,963	48,884	48,984	
	TAIEX Options (Put)	Short	2,320	(21,338)	(19,987)	
	TAIEX Weekly Options (Call)	Long	921	1,749	1,777	
	TAIEX Weekly Options (Call)	Short	972	(2,723)	(2,946)	
	TAIEX Weekly Options (Put)	Long	857	2,438	2,144	
	TAIEX Weekly Options (Put)	Short	786	(1,967)	(1,475)	
	Electronic Sector Index Options (Call)	Long	4	45	43	
	Electronic Sector Index Options (Call)	Short	40	(641)	(663)	
	Electronic Sector Index Options (Put)	Long	6	26	15	
	Financial Insurance Index Options (Call)	Long	20	50	12	
	Financial Insurance Index Options (Call)	Short	26	(81)	(55)	
	Financial Insurance Index Options (Put)	Long	60	125	167	
	Financial Insurance Index Options (Put)	Short	63	(120)	(77)	
	Gold Options (Call)	Long	52	243	116	
	Gold Options (Call)	Short	28	(126)	(67)	
	Gold Options (Put)	Long	97	512	559	
	Gold Options (Put)	Short	56	(85)	(139)	
	Subtotal			51,673		
Total				\$ 76,944		

- (b) As of September 30, 2024, December 31 and September 30, 2023, the nominal amount of open positions of leverage derivatives contracts were as follows:

Item	September 30, 2024	December 31, 2023	September 30, 2023
Leverage derivatives- long	\$ 3,303,695	4,606,396	2,804,699
Leverage derivatives- short	\$ 3,298,744	4,592,219	2,805,581
Equity derivatives- long	\$ 375,804	234,573	187,632
Equity derivatives- short	\$ 375,742	234,554	187,633

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Restrictions and enforcement of the Company's various financial ratios under Futures Trading Act:

- (a) The restrictions and enforcement of each financial ratio was calculated in accordance with Regulations Governing Futures Commission Merchants as follow:

Art.	Calculation formula	Current Period		Last Period		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity						
	(Total liabilities– futures traders' equity)	7,455,723	3.90	6,980,004	5.08	≥ 1	Satisfactory to requirement
		1,910,726		1,374,701			
17	Current Assets	57,768,752		44,589,125			
	Current Liabilities	52,081,239	1.11	39,326,253	1.13	≥ 1	"
22	Stockholders' equity	7,455,723		6,980,004		$\geq 60\%$	
	Minimum paid-in capital	1,115,000	668.67 %	1,115,000	626.01 %	$\geq 40\%$	"
22	Post-adjustment net capital						
	Total customer margin deposits required for open positions of customers	4,712,442	40.86 %	5,221,767	63.29 %	$\geq 20\%$	
		11,532,517		8,250,051		$\geq 15\%$	"

(14) Specific inherent risks in operating as futures dealer:

Transactions in futures and options carry a high degree of risk because of the amount of initial margin is small relative to the value of the futures contract, meaning that transactions are heavily leveraged, the fluctuation of underlying markets is unpredictable, and the variance risk of the exchange rate is high. Futures industry thus bears higher operation risk than other industries. If the customers can't exercise the contract or maintain the proper margin, in order to dealing with such abrupt condition, the Group needs sufficient liquidity to cover the transactions and suffer the loss may occur.

(15) Other:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(16) Other disclosures:

(a) Information on significant transactions:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	CSC Futures (HK) Ltd.	F190402	Account receivables -Customer	No	62,878	62,878	-	9.72%	1	2,335		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F611702	Account receivables -Customer	No	440,145	440,145	62,878	5.97%~ 7.22%	1	262,968		-		-	440,145	1,101,211
1	CSC Futures (HK) Ltd.	F613059	Account receivables -Customer	No	94,317	94,317	-	8.72%	1	19,664		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F612688	Account receivables -Customer	No	15,719	314	-	7.72%	1	-		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F612687	Account receivables -Customer	No	-	-	-	7.72%	1	82		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F612851	Account receivables -Customer	No	62,878	314	-	7.72%	1	265		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F613091	Account receivables -Customer	No	47,158	314	-	7.72%	1	-		-		-	220,242	1,101,211
1	CSC Futures (HK) Ltd.	F190416	Account receivables -Customer	No	220,073	220,073	-	6.22%	1	16,132		-		-	220,073	1,101,211
Remark: Besides those approved by the board of directors, each loan limit by an individual is 20% amount of the net assets of CSC Futures (HK) Ltd. on the financial statements. The loan limit of total credit lines is calculated by net value of CSC Futures (HK) Ltd. and in line with the rules of liquid capital of Securities & Futures Commission of Hong Kong. CSC Futures(HK) Ltd. obtained its money lender's license in June 2016 and engaged in lending business according to local laws and regulations in Hong Kong.																

Note 1: Type of Numbering:

(1) 0 represents Parent company.

(2) Invested company is being numbered by company type from 1, same company should have same number.

Note 2: Type of Loans:

(1) Business transactions.

(2) Necessaries of short-term financing.

(ii) Guarantees and endorsements for other parties:None.

(iii) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

(iv) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

(v) Service charge discounts on transactions with related parties in an aggregate amount of NT\$5 million or more:None.

(vi) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:None.

(vii) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Information technology expenses	31,506	General transaction	1.56%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	31,506	General transaction	1.56%
1	CSC Futures (HK) Ltd.	Capital Futures Technology (Shanghai) Co.,Ltd.	3	Professional service fees	3,527	General transaction	0.17%

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
2	Capital Futures Technology (Shanghai) Co.,Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	3,527	General transaction	0.17%
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Other payables	3,778		0.01%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Accounts receivable	3,778		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures traders' equity	844,191		1.35%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	844,189		1.35%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	2		-%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures traders' equity	3,512,999		5.61%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	3,305,301		5.28%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	207,698		0.33%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission revenue	15,506	General transaction	0.77%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures commission expenses	15,506	General transaction	0.77%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Brokerage fee revenue	78,975	General transaction	3.91%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission expenses	78,975	General transaction	3.91%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Interest revenue	16,146	General transaction	0.80%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Financial cost	16,146	General transaction	0.80%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Other payables	5,114		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Other receivables	5,114		0.01%

Note 1: The numbers in the Ref No. column represent as follows:

- (1) 0 stands for the parent company.
- (2) Subsidiaries are coded from No. 1 per respective companies.

Note 2: Transaction relationship with the counterparties are as follows:

- (1) Parent company to subsidiaries.
- (2) Subsidiaries to parent company.
- (3) Subsidiaries to subsidiaries.

(b) Information on investees: (excluding information on investees in Mainland China)

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Date of establishment	FSC Rule No.	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Revenue of investee	Net income (losses) of investee	Share of profits/losses of investee	Cash dividend	Note
						September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value					
Capital Futures Corporation	CSC Futures (HK) Ltd.	Hong Kong	1998.12.9	Gin Guan Zheng Zhi No. 1010027412 letter	Futures dealing business and other businesses permitted by local law of Hong Kong	886,284	886,284	220,000	100.00 %	1,101,211	248,861	26,843	26,843	-	Subsidiary
Capital Futures Corporation	Capital International Technology Co., Ltd.	Taiwan	2014.12.29	Gin Guan Zheng Zhi No. 1030038387 letter	Management consulting and information service business	50,000	50,000	5,000	100.00 %	13,597	-	(4,947)	(4,947)	-	Subsidiary

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Information on overseas branches and representative offices: None.

(d) Information on investment in Mainland China:

(i) Investment in Mainland China and related information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Direct or indirect share holdings(%) by the company	Highest percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Capital True Partner Technology Co., Ltd.	Management consulting and information service business	5,013	(C)	24,372	-	-	24,372	779	51.00%	51.00%	397 B (3)	5,805	-
Capital Futures Technology (Shanghai) Co., Ltd.	Management consulting and information service business	18,863	(C)	18,863	-	-	18,863	(996)	100.00%	100.00%	(996) B (3)	1,601	-

Note 1: Investment methods are classified into the following three categories:

- A. Directly invest in a Company in Mainland China.
- B. Through investing in an existing Company in the third area, which then invested in the investee in Mainland China (Please indicate the investee name of the third area).
- C. Through a subsidiary to invest in a Company in Mainland China.

Note 2: Investment gains and losses recognized during the period:

- A. It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- B. Indicate the basis for investment gains and losses recognition in the number of one of the following three categories:
 - (1) The recognition of investment gains or losses is based on the financial statements audited by international certified public accountant cooperated with certified public accountant of the Republic of China.
 - (2) The recognition of investment gains or losses is based on the financial statements audited by certified public accountant of the Company.
 - (3) The recognition of investment gains or losses is based on the financial statements provided by the investee without audited by certified public account.

Note 3: Above information is expressed in New Taiwan Dollars.

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Company Name	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Capital International Technology Corp.	43,235	43,235	80,000

Note: The Company invests through a subsidiary, Capital International Technology Co., Ltd., to invest in Mainland China. According to the relevant rules to small and medium enterprises, the upper limit for investment in China is \$80,000.

(e) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Capital Securities Corporation		119,066,014	56.58 %

Note 1: The information on the major shareholders in this table is based on the last business day of the end of each quarter by CCB. The total number of ordinary shares and special shares of the company that have been delivered without physical registration (including treasury shares) is calculated by the shareholders of the company up to 5%. There may be differences or differences due to the calculation basis of the preparation between share capital recorded in the company's financial report and the company's actual non-physical registration of shares.

Note 2: If the information above belongs to the trust on behalf of the shareholders, it is disclosed by the individual and trustor who opened the trust account by the trustee. As for shareholders to declare shares who hold more than 10% of their shares in accordance with the Securities and Exchange Act, its shareholding includes personal holding of shares plus the shares delivered to the trust with decision right etc. Please refer to the Public Information Observatory for information on insider shareholding declarations.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(17) Segment information:

(a) General information

The Group has one reportable segment: the brokerage segment. This segment is mainly involved in futures brokerage business. The Group's other operating segments are mainly involved in futures and securities business on a proprietary basis and advisory business, etc. For the three months and nine months ended September 30, 2024 and 2023, none of the above segments met the quantitative thresholds for reportable segments.

(b) Information about reportable segments and their measurement and reconciliations

The Group does not allocate the income tax expense or extraordinary gain/loss to the reportable segment. The reported information of operating segments are consistent with the internal reports provided to the chief operating decision-maker. All accounting policies of the Group's operating segments' are no material difference from the ones described in Note 4 "significant accounting policies". The Group evaluates segment performance based on the net profit before tax excluding any extraordinary activity and foreign exchange gain/loss. The Group does not evaluate segment's performance based on its assets and liabilities so that there was no disclosure of assets and liabilities of the operating segment.

For the three months ended September 30, 2024				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u>725,031</u>	<u>399,200</u>	<u>(319,566)</u>	<u>804,665</u>
Segment profit or loss	\$ <u>237,970</u>	<u>183,957</u>	<u>-</u>	<u>421,927</u>
For the three months ended September 30, 2023				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u>643,081</u>	<u>389,750</u>	<u>(281,050)</u>	<u>751,781</u>
Segment profit or loss	\$ <u>237,793</u>	<u>108,976</u>	<u>-</u>	<u>346,769</u>
For the nine months ended September 30, 2024				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u>2,032,587</u>	<u>889,882</u>	<u>(904,147)</u>	<u>2,018,322</u>
Segment profit or loss	\$ <u>686,195</u>	<u>487,505</u>	<u>-</u>	<u>1,173,700</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the nine months ended September 30, 2023			
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u><u>1,792,557</u></u>	<u><u>651,278</u></u>	<u><u>(769,134)</u></u>	<u><u>1,674,701</u></u>
Segment profit or loss	\$ <u><u>727,911</u></u>	<u><u>238,337</u></u>	<u><u>-</u></u>	<u><u>966,248</u></u>

(c) Information about regions

Since the revenue from foreign customers were not significant and there was no disclosure.

(d) Information about major customers

There was no disclosure because no individual customer accounted for 10% or more of the Group's revenues for the current periods.

CAPITAL FUTURES CORPORATION**Financial Statements of Securities Dealing Department****For the Nine Months Ended September 30, 2024 and 2023**

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(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Securities Dealing Department's Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
111100	Cash and cash equivalents (Note 6(a))	\$ 471,411	42	664,241	59	795,678	78	212000	Financial liabilities at fair value through profit or	\$ 8,085	1	12,120	1	6,877	1
112000	Financial assets at fair value through profit or loss-	348,688	31	304,128	27	74,137	7		loss- current (Note 6(d))						
	current (Note 6(b))							214130	Accounts payable	40,884	4	78,428	7	26,366	2
113200	Financial assets at fair value through comprehensive	12,844	1	13,243	1	12,635	1	214170	Other payables	1,229	-	1,378	-	803	-
	income- current (Note 6(b))							216000	Lease liabilities- current	313	-	124	-	118	-
114010	Bonds purchased under resale agreements(Note	230,059	20	60,208	5	90,063	9			50,511	5	92,050	8	34,164	3
	6(b))							Non-current liabilities:							
114100	Security borrowing margin	12,843	1	15,715	2	12,814	1	226000	Lease liabilities- non-current	256	-	175	-	186	-
114130	Accounts receivable	36,993	3	40,084	4	14,421	2	229110	Inter-department accounts, credit(note 6(e))	36,652	3	37,864	4	14,308	2
114150	Prepayments	22	-	6	-	6	-	Total liabilities		87,419	8	130,089	12	48,658	5
114170	Other receivables	564	-	611	-	3,007	-	Equity:							
114600	Current income tax assets	245	-	518	-	368	-	301110	Assigned working capital	800,000	70	800,000	71	800,000	78
		1,113,669	98	1,098,754	98	1,003,129	98	304000	Retained earnings	250,576	22	191,084	17	178,755	17
								305000	Other equity	(3,049)	-	(2,650)	-	(3,258)	-
Non-current assets:								Total equity		1,047,527	92	988,434	88	975,497	95
125000	Property and equipment	1,529	-	1,777	-	1,887	-								
125800	Right-of-use assets	562	-	298	-	303	-								
127000	Intangible assets	34	-	20	-	3	-								
129000	Other non-current assets (Note 6(c))	19,152	2	17,674	2	18,833	2								
		21,277	2	19,769	2	21,026	2								
Total assets		\$ 1,134,946	100	1,118,523	100	1,024,155	100	Total liabilities and equity		\$ 1,134,946	100	1,118,523	100	1,024,155	100

See accompanying notes to financial statements of securities dealing department.

(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION**Securities Dealing Department's Statements of Comprehensive Income****For the three months and nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

		For the three months ended September 30,				For the nine months ended September 30, ,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Income:									
410000	Net gains (losses) on sale of trading securities	\$ (5,745)	(23)	(143,348)	(390)	75,008	100	(128,306)	(1,050)
421300	Dividend revenue	4,850	20	51,434	140	8,819	12	134,186	1,098
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(23,336)	(94)	55,159	150	(8,624)	(11)	(1,494)	(12)
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	26	-	(27)	-	50	-	(11,868)	(97)
421610	Net losses on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	(598)	(3)	(425)	(1)	(598)	(1)	(6,099)	(50)
428000	Other operating revenue (loss)	(1)	-	468	1	(1)	-	1,360	11
		<u>(24,804)</u>	<u>(100)</u>	<u>(36,739)</u>	<u>(100)</u>	<u>74,654</u>	<u>100</u>	<u>(12,221)</u>	<u>(100)</u>
Expenses:									
502000	Brokerage fees- proprietary trading	120	-	97	-	592	1	171	1
521200	Financial costs	3	-	1	-	6	-	2	-
521640	Loss from securities borrowing transactions	-	-	298	1	-	-	298	2
531000	Employee benefits expense	1,361	5	747	2	4,469	6	1,291	11
532000	Depreciation and amortization expense	171	1	116	-	415	-	305	3
533000	Other operating expenses	3,445	14	2,935	8	15,728	21	5,991	49
		<u>5,100</u>	<u>20</u>	<u>4,194</u>	<u>11</u>	<u>21,210</u>	<u>28</u>	<u>8,058</u>	<u>66</u>
	Net operating income (loss)	<u>(29,904)</u>	<u>(120)</u>	<u>(40,933)</u>	<u>(111)</u>	<u>53,444</u>	<u>72</u>	<u>(20,279)</u>	<u>(166)</u>
Non-operating income and expenses:									
602000	Other gains and losses	2,273	9	2,111	6	6,048	8	8,104	66
		<u>2,273</u>	<u>9</u>	<u>2,111</u>	<u>6</u>	<u>6,048</u>	<u>8</u>	<u>8,104</u>	<u>66</u>
902001	Net income (loss) before income tax	(27,631)	(111)	(38,822)	(105)	59,492	80	(12,175)	(100)
701000	Less: Income tax expenses	-	-	-	-	-	-	-	-
	Net income (loss)	<u>(27,631)</u>	<u>(111)</u>	<u>(38,822)</u>	<u>(105)</u>	<u>59,492</u>	<u>80</u>	<u>(12,175)</u>	<u>(100)</u>
805000	Other comprehensive income:								
805500	Components that may not be reclassified subsequently to profit or loss:								
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(152)	(1)	(1,824)	5	(399)	(1)	5,559	46
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Subtotal of components that may not be reclassified subsequently to profit or loss	<u>(152)</u>	<u>(1)</u>	<u>(1,824)</u>	<u>5</u>	<u>(399)</u>	<u>(1)</u>	<u>5,559</u>	<u>46</u>
805000	Other comprehensive income	<u>(152)</u>	<u>(1)</u>	<u>(1,824)</u>	<u>5</u>	<u>(399)</u>	<u>(1)</u>	<u>5,559</u>	<u>46</u>
902006	Total comprehensive income	<u><u>\$ (27,783)</u></u>	<u><u>(112)</u></u>	<u><u>(40,646)</u></u>	<u><u>(100)</u></u>	<u><u>59,093</u></u>	<u><u>79</u></u>	<u><u>(6,616)</u></u>	<u><u>(54)</u></u>

See accompanying notes to financial statements of securities dealing department.

(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Notes to the Financial Statements of Securities Dealing Department

For the three months and nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Securities Dealing Department of Capital Futures Corporation (the “Department”) was approved by the Securities and Futures Bureau of the Financial Supervisory Commission to conduct securities-related proprietary business on July 7, 2015 and started its operations on September 1, 2015.

(2) Approval date and procedures of the financial statements:

The financial statements of the Department were authorized for issuance by the Board of Directors on November 7, 2024.

(3) New standards, amendments and interpretations adopted:

The new standards, amendments and interpretations of the Department apply in line with the consolidated financial report. Please refer to the consolidated financial report.

(4) Summary of material accounting policies:

The financial statements of the Department have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

The accounting policies of the Department are consistent with the consolidated financial report, please refer to the consolidated financial report.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements of the Department, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 "Interim Financial Reporting", requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Demand deposits	\$ 77,411	45,241	176,678
Time deposits	394,000	619,000	619,000
Total	<u><u>\$ 471,411</u></u>	<u><u>664,241</u></u>	<u><u>795,678</u></u>

(Continued)

CAPITAL FUTURES CORPORATION
Notes to the Financial Statements of Securities Dealing Department

(b) Financial assets

(i) Financial assets at fair value through profit or loss- current

	September 30, 2024	December 31, 2023	September 30, 2023
Trading securities- proprietary trading	\$ 349,421	294,712	75,443
Trading securities- proprietary trading valuation adjustment	(733)	9,416	(1,306)
Total	<u><u>\$ 348,688</u></u>	<u><u>304,128</u></u>	<u><u>74,137</u></u>

(ii) Financial assets at fair value through other comprehensive income- current

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	15,893
Valuation adjustment	(3,049)	(2,650)	(3,258)
Total	<u><u>\$ 12,844</u></u>	<u><u>13,243</u></u>	<u><u>12,635</u></u>

The Department designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Department did not intend to hold for trading purposes.

During the three months and nine months ended September 30, 2024 and 2023, the dividends of \$380, \$0, \$380 and \$124, related to equity investment at fair value through other comprehensive income held on the years then ended, respectively, were recognized. For investments in equity securities disposed of for the three months and nine months ended September 30, 2024 and 2023, the dividends of \$0, \$0, \$0 and \$124 were recognized in the reported periods.

During the three months and nine months ended September 30, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Department sold shares of stocks for a fair value \$0, \$0, \$0 and \$36,610, respectively, and cumulative dispose gains for the three months and nine months ended September 30, 2024 and 2023, amounted to \$0, \$0, \$0 and \$646, respectively, were transferred from other equity items to retained earnings.

(Continued)

CAPITAL FUTURES CORPORATION
Notes to the Financial Statements of Securities Dealing Department

(iii) Bonds purchased under resale agreements

	September 30, 2024	December 31, 2023	September 30, 2023
Bonds purchased under resale agreements	\$ <u><u>230,059</u></u>	<u><u>60,208</u></u>	<u><u>90,063</u></u>
Resale price under the agreements	\$ <u><u>230,103</u></u>	<u><u>60,220</u></u>	<u><u>90,080</u></u>
Interest rates	<u><u>1.00%</u></u>	<u><u>0.95%</u></u>	<u><u>0.95%</u></u>
Date of repurchase	<u><u>2024.10.01~2024.10.07</u></u>	<u><u>2024.01.02~2024.01.03</u></u>	<u><u>2023.10.03</u></u>

(c) Other non-current assets

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposited for business operations	\$ 10,000	10,000	10,000
Settlement fund	<u>9,152</u>	<u>7,674</u>	<u>8,833</u>
Total	<u><u>\$ 19,152</u></u>	<u><u>17,674</u></u>	<u><u>18,833</u></u>

(d) Financial liabilities at fair value through profit or loss-current

	September 30, 2024	December 31, 2023	September 30, 2023
Liabilities on sale of borrowed securities - non-hedging	\$ 7,487	12,084	6,453
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	<u>598</u>	<u>36</u>	<u>424</u>
Total	<u><u>\$ 8,085</u></u>	<u><u>12,120</u></u>	<u><u>6,877</u></u>

(e) Inter-department accounts, credit

As of September 30, 2024, December 31 and September 30, 2023, the Department and the Company's futures department inter-department transactions of \$36,652, \$37,864 and \$14,308, respectively.

(f) Financial Instruments

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of September 30, 2024, December 31 and September 30, 2023, the maximum credit exposure amounted to \$1,132,554, \$1,115,904 and \$1,021,588, respectively.

(Continued)

CAPITAL FUTURES CORPORATION
Notes to the Financial Statements of Securities Dealing Department

(ii) Liquidity risk

The following table shows the effect of contract maturity on financial liabilities. The Department predicts the cash flow occurring point or the actual amount of this maturity analysis will not be significantly earlier or different.

	Carrying amount	Contract cash flow	Within 6 months	6-12 months	1-2 year	2-5 year	More than 5 year
September 30, 2024							
Financial liabilities at fair value through profit or loss	\$ 8,085	8,085	8,085	-	-	-	-
Accounts payable	40,884	40,884	40,884	-	-	-	-
Other payables	1,229	1,229	1,229	-	-	-	-
Lease liabilities	569	581	165	157	247	12	-
Total	\$ 50,767	50,779	50,363	157	247	12	-
December 31, 2023							
Financial liabilities at fair value through profit or loss	\$ 12,120	12,120	12,120	-	-	-	-
Accounts payable	78,428	78,428	78,428	-	-	-	-
Other payables	1,378	1,378	1,378	-	-	-	-
Lease liabilities	299	307	64	64	112	67	-
Total	\$ 92,225	92,233	91,990	64	112	67	-
September 30, 2023							
Financial liabilities at fair value through profit or loss	\$ 6,877	6,877	6,877	-	-	-	-
Accounts payable	26,366	26,366	26,366	-	-	-	-
Other payables	803	803	803	-	-	-	-
Lease liabilities	304	313	62	62	115	74	-
Total	\$ 34,350	34,359	34,108	62	115	74	-

(iii) Currency risk

1) Exposure to foreign currency risk

The Department's significant exposure to foreign currency risk of financial assets and liabilities were as follows:

September 30, 2024			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$	43.74	31.6500
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD		1,182.37	24.7200

(Continued)

CAPITAL FUTURES CORPORATION
Notes to the Financial Statements of Securities Dealing Department

December 31, 2023			
	Foreign currency (dollar)	Exchange rate	New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 43.74	30.7050	2
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD	2,340.40	23.2900	55
September 30, 2023			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD	\$ 2,676.41	23.5300	63

For the three months and nine months ended September 30, 2024 and 2023, the foreign exchange gains (losses) (including realized and unrealized) were \$(1), \$468, \$(1) and \$1,360, respectively.

2) Sensitivity analysis

The currency risk of the Department arises mainly from cash and cash equivalents, financial assets at fair value through profit or loss, accounts receivable, other receivables, other payables and lease liabilities which are denominated in foreign currency. As of nine months ended September 30, 2024 and 2023, with all other variable factors remained constantly, a strengthening (weakening) 1% of the TWD against the USD, would cause after-tax comprehensive income result in a decrease or an increase by \$0 and \$1, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the nine months ended September 30, 2024 and 2023, with all other variable factors remained constantly, when the interest rate increases or decreases by 100 basis points, would cause after-tax comprehensive income resulting in an increase or a decrease by \$55 and \$53. This is mainly due to the Department's settlement fund in variable rate.

(Continued)

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(v) Other price risk

If there is an increase in the securities price variables on the reporting date (the analytical basis was the same in both years), the effects on other comprehensive income are as follows:

securities price on the reporting date	For the nine months ended September 30,			
	2024		2023	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increase 1%	\$ <u>128</u>	<u>3,406</u>	<u>126</u>	<u>673</u>
Decrease 1%	\$ <u>(128)</u>	<u>(3,406)</u>	<u>(126)</u>	<u>(673)</u>

(vi) Fair value and hierarchy information

1) Fair value information

The fair value information of the Department is consistent with the consolidated financial report. Please refer to the consolidated financial report.

2) Based on fair value measurement

a) Hierarchy information of fair value

The Department's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

Assets and Liabilities items	September 30, 2024			
	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
Fair value evaluated on a recurring basis				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 92,102	92,102	-	-
Stock investment	222,145	222,145	-	-
Convertible Bond	34,441	34,441	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,844	12,844	-	-
Liabilities :				
Financial liabilities at fair value through profit or loss	8,085	8,085	-	-

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		December 31, 2023		
		Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>			
<u>Fair value evaluated on a recurring basis</u>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 4,627	4,627	-	-
Stock investment	299,501	299,501	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	13,243	13,243	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	12,120	12,120	-	-
		September 30, 2023		
		Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>			
<u>Fair value evaluated on a recurring basis</u>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Stock investment	\$ 74,137	74,137	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,635	12,635	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	6,877	6,877	-	-

b) Valuation techniques

The evaluation techniques of the Department in terms of fair value are in consistent with the consolidated financial report. Please refer to the consolidated financial report.

3) Financial instruments not measured at fair value

For financial instruments not measured at fair value, such as cash and cash equivalents, accounts receivable, deposits and accounts payable. The carrying amount is a reasonable approximation of the fair value. Therefore, the Department did not disclose the fair value.

(Continued)

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Notes to the Financial Statements of Securities Dealing Department

(7) Related-party transactions:

- (a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and the ultimate controlling party of the Company. It owns 56.58% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

- (b) Names of related parties and their relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the Department.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Capital Securities Corporation	The parent company
Capital International Technology Co., Ltd.	A Subsidiary

- (c) Key management personnel compensation : None.

- (d) Significant transactions with related parties

- (i) Leases

The Department signed lease contracts from Capital Securities Corporation for the rental of office premises. As of September 30, 2024, December 31 and September 30, 2023, the total value of effective contracts of were \$872, \$266 and \$266, respectively. For the three months and nine months ended September 30, 2024 and 2023, the Department recognized the amount of \$3, \$1, \$5 and \$1 as interest expense. As of September 30, 2024, December 31 and September 30, 2023, lease liabilities were amounted to \$522, \$223 and \$244, respectively.

- (ii) Rental expenses

The Department entered into lease agreements with related parties and recognized rental expense for applicable short-term or low-value leases as follow:

<u>Related parties</u>	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u><u>72</u></u>	<u><u>24</u></u>

The rental rate between the Department and the related parties are determined based on the market price and are paid on a monthly basis.

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CAPITAL FUTURES CORPORATION
Notes to the Financial Statements of Securities Dealing Department

(iii) Information technology expenses

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Related parties</u>		
Capital Securities Corporation	\$ <u>432</u>	<u>405</u>

(iv) Repair and maintenance expenses

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>Related parties</u>		
Capital International Technology Co., Ltd.	\$ <u>-</u>	<u>19</u>

(8) Pledged assets:None.

(9) Significant commitments and contingencies:None.

(10) Losses due to major disasters:None.

(11) Significant subsequent events:None.

(12) Other:

(a) Specific inherent risks in operating as securities dealer:

The main risk exposure of the Department is market price risk. The market price of the securities held by the Department is measured at fair value, i.e., the market price of the securities held is subject to fluctuations of the weighted index. Based on risk management, the Department uses appropriate hedging strategies to reduce risk exposure.

(13) Other disclosures:

(a) Information on significant transactions:None.

(b) Information on investees:None.

(c) Information on overseas branches and representative offices:None.

(d) Information on investment in Mainland China:None.

(e) Major shareholders:None.

(14) Segment information:

This Department only engages in securities proprietary business as a single industry, therefore it is not applicable.