

**CAPITAL FUTURES CORPORATION****Financial Statements**

**With Independent Auditors' Report  
For the Years Ended December 31, 2024 and 2023**

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The independent auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

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## Independent Auditors' Report

To the Board of Directors of Capital Futures Corporation

### Opinion

We have audited the financial statements of Capital Futures Corporation("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended 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 and the Regulations Governing the Preparation of Financial Reports by Securities Firms.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Company's financial statements are stated as follows:

Brokerage fee revenue recognized:

Related accounting policies of brokerage fee revenue recognized, please refer to Note 4(n) revenue recognition. Explanation of brokerage fee revenue, please refer to the financial report Note 6(n)(i) comprehensive income statement brokerage fee revenue.

#### Explanation of key audit matters:

The Company's main income is brokerage fee revenue from entrusted futures dealing. The existence and accuracy of brokerage fee revenue have major affect on the financial report. Therefore, brokerage fee revenue recognized is one of the important evaluation matters of the Company's financial report.

#### Audit procedures in response:

According to the key audit matters as described above, we perform main audit procedures including the sampling test on brokerage business dealing internal control and brokerage fee revenue recorded amount, then compare with the entrusted data from brokerage business and evaluate the revenue recognized policies in compliance with the related bulletin.

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

Management is responsible for the preparation and fair presentation of the 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 and the Regulations Governing the Preparation of Financial Reports by Securities Firms and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2025

#### **Notes to Readers**

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
111100	Cash and cash equivalents (Note 6(a))	\$ 3,734,560	6	5,062,327	11	212000	Financial liabilities at fair value through profit or loss- current (Note 6(b))	\$ 513,074	1	226,781	1
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	1,001,433	2	764,009	2	214080	Futures traders' equity (Note 6(f))	49,349,928	84	37,736,980	81
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))	12,046	-	13,243	-	214100	Leverage contract trading - customers' equity	907,350	2	733,533	2
114010	Bonds purchased under resale agreements (Note 6(b))	311,189	-	91,634	-	214130	Accounts payable	48,182	-	115,216	-
114070	Customers margin accounts (Note 6(f))	49,413,347	84	37,787,311	81	214140	Accounts payable- related parties (Note 7)	10,013	-	8,956	-
114090	Security borrowing collateral price	402,057	1	117,392	-	214150	Advance receipts	2,560	-	1,970	-
114100	Security borrowing margin	352,243	1	88,680	-	214160	Receipts under custody	7,013	-	4,953	-
114130	Accounts receivable	19,282	-	43,391	-	214170	Other payables	274,160	-	199,740	-
114140	Accounts receivable- related parties (Note 7)	3,452	-	1,118	-	214180	Other payables- related parties (Note 7)	5,191	-	5,758	-
114150	Prepayments	8,587	-	2,463	-	214600	Current income tax liabilities	122,690	-	162,806	-
114170	Other receivables	56,774	-	66,833	-	215100	Provisions- current	7,628	-	6,938	-
114180	Other receivables- related parties (Note 7)	3,615	-	3,649	-	216000	Lease liabilities- current (Note 6(i))	26,118	-	26,513	-
114300	Leverage contract trading-customers' margin accounts	907,903	1	712,455	2	219000	Other current liabilities	49,725	-	38,975	-
119000	Other current assets (Note 8)	1,050,003	2	-	-		Non-current liabilities:	51,323,632	87	39,269,119	84
		57,276,491	97	44,754,505	96	226000	Lease liabilities- non-current (Note 6(i))	26,487	-	52,218	-
Non-current assets:						228000	Deferred income tax liabilities (Note 6(k))	28,587	-	30,231	-
123200	Financial assets at fair value through other comprehensive income- non- current (Note 6(b))	153,851	-	130,833	1			55,074	-	82,449	-
124100	Investments under equity method (Note 6(c))	1,118,628	2	1,053,613	2	906003	Total liabilities	51,378,706	87	39,351,568	84
125000	Property and equipment (Note 6(d))	128,442	-	129,958	-	301010	Common stock (Note 6(l))	2,104,376	4	2,104,376	4
125800	Right-of-use assets (Note 6(e))	51,992	-	78,547	-	302000	Capital surplus (Note 6(l))	1,663,253	3	1,663,251	4
127000	Intangible assets (Note 6(h))	54,786	-	51,287	-	304010	Legal reserve	858,368	1	757,377	2
129000	Other non-current assets	335,157	1	326,274	1	304020	Special reserve	1,835,077	3	1,650,772	4
		1,842,856	3	1,770,512	4	304040	Unappropriated earnings (Note 6(l))	1,192,348	2	1,010,085	2
						305000	Other equity (Note 6(l))	87,219	-	(12,412)	-
						906004	Total equity	7,740,641	13	7,173,449	16
906001	Total assets	\$ 59,119,347	100	46,525,017	100	906002	Total liabilities and equity	\$ 59,119,347	100	46,525,017	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION****Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income:</b>					
401000	Brokerage fee revenue (Note 6(n))	\$ 2,029,009	84	1,734,612	87
410000	Net gains (losses) on sale of trading securities	77,210	3	(126,081)	(6)
421300	Dividend revenue	10,206	-	134,409	7
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(11,763)	-	8,815	-
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	42,753	2	(78,525)	(4)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	7,712	-	(18,733)	(1)
424200	Securities commission revenue	23,478	1	12,761	1
424400	Net gains (losses) on derivative instruments- futures (Note 6(n))	109,986	5	222,589	11
424500	Net gains (losses) on derivative instruments - OTC (Note 6(n))	103,843	4	102,359	5
424800	Management fee revenue	9,018	-	3,377	-
424900	Consulting fee revenue	11,847	1	6,418	-
428000	Other operating revenue(loss)	(305)	-	1,025	-
		<u>2,412,994</u>	<u>100</u>	<u>2,003,026</u>	<u>100</u>
<b>Expenses:</b>					
501000	Brokerage fees	307,472	13	243,617	12
502000	Brokerage fees - proprietary trading	12,366	1	6,889	-
521200	Financial costs	91,331	4	63,714	3
521640	Loss from securities borrowing transactions	-	-	8	-
425300	Expected credit impairment losses and reversal gains (Note 6(o))	(282)	-	(299)	-
524100	Futures commission expenses (Note 6(n))	419,503	17	372,312	19
524300	Clearing and settlement expenses	214,318	9	167,457	8
528000	Other operating expenditure	7,503	-	6,146	-
531000	Employee benefit expenses (Note 6(n))	672,020	28	572,204	29
532000	Depreciation and amortization expenses (Note 6(n))	67,961	3	52,747	3
533000	Other operating expenses (Note 6(n))	516,027	21	417,165	21
		<u>2,308,219</u>	<u>96</u>	<u>1,901,960</u>	<u>95</u>
		<u>104,775</u>	<u>4</u>	<u>101,066</u>	<u>5</u>
<b>Net operating income</b>					
<b>Non-operating income and expenses:</b>					
601100	Shares of profit of associates and joint ventures under equity method (Note 6(c))	(12,795)	(1)	71,338	4
602000	Other gains and losses (Note 6(n))	1,369,659	57	1,103,310	55
		<u>1,356,864</u>	<u>56</u>	<u>1,174,648</u>	<u>59</u>
902001	<b>Net income before income tax</b>	1,461,639	60	1,275,714	64
701000	<b>Less: Income tax expenses (Note 6(k))</b>	270,712	11	265,518	13
	<b>Net income</b>	<u>1,190,927</u>	<u>49</u>	<u>1,010,196</u>	<u>51</u>
805000	<b>Other comprehensive income:</b>				
805500	<b>Components that may not be reclassified subsequently to profit or loss:</b>				
805510	Actuarial gain (loss) on defined benefit plans (Note 6(j))	537	-	(934)	-
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	21,821	1	21,355	1
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may not be reclassified subsequently into profit or loss</b>	<u>22,358</u>	<u>1</u>	<u>20,421</u>	<u>1</u>
805600	<b>Components that may be reclassified subsequently to profit or loss:</b>				
805610	Exchange differences on translation of foreign operations	77,609	3	(2,915)	-
805660	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	201	-	(119)	-
805699	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may be reclassified subsequently to profit or loss</b>	<u>77,810</u>	<u>3</u>	<u>(3,034)</u>	<u>-</u>
805000	<b>Other comprehensive income</b>	<u>100,168</u>	<u>4</u>	<u>17,387</u>	<u>1</u>
902006	<b>Total comprehensive income</b>	<u>\$ 1,291,095</u>	<u>53</u>	<u>1,027,583</u>	<u>52</u>
975000	<b>Basic earnings per share (NT dollars) (Note 6(m))</b>	<u>\$ 5.66</u>		<u>4.80</u>	
985000	<b>Diluted earnings per share (NT dollars) (Note 6(m))</b>	<u>\$ 5.65</u>		<u>4.79</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION****Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Stock		Retained earnings			Other equity		Total equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2023</b>	\$ 2,104,376	1,663,251	678,939	1,579,617	785,292	(23,060)	(7,027)	6,781,388
Net income for the year ended December 31, 2023	-	-	-	-	1,010,196	-	-	1,010,196
Other comprehensive income	-	-	-	-	(934)	(3,034)	21,355	17,387
Total comprehensive income	-	-	-	-	1,009,262	(3,034)	21,355	1,027,583
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	78,438	-	(78,438)	-	-	-
Special reserve	-	-	-	156,874	(156,874)	-	-	-
Cash dividends	-	-	-	-	(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)	-
<b>Balance at December 31, 2023</b>	2,104,376	1,663,251	757,377	1,650,772	1,010,085	(26,094)	13,682	7,173,449
Net income for the year ended December 31, 2024	-	-	-	-	1,190,927	-	-	1,190,927
Other comprehensive income	-	-	-	-	537	77,810	21,821	100,168
Total comprehensive income	-	-	-	-	1,191,464	77,810	21,821	1,291,095
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	100,991	-	(100,991)	-	-	-
Special reserve	-	-	-	201,981	(201,981)	-	-	-
Cash dividends	-	-	-	-	(723,905)	-	-	(723,905)
Reversal of special reserve for the contra equity account	-	-	-	(17,676)	17,676	-	-	-
Right of inclusion options exercised	-	2	-	-	-	-	-	2
<b>Balance at December 31, 2024</b>	<u>\$ 2,104,376</u>	<u>1,663,253</u>	<u>858,368</u>	<u>1,835,077</u>	<u>1,192,348</u>	<u>51,716</u>	<u>35,503</u>	<u>7,740,641</u>

See accompanying notes to financial statements.



(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION****Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from (used in) operating activities:</b>		
Net income before income tax	\$ 1,461,639	1,275,714
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	61,379	47,421
Amortization expense	6,582	5,326
Expected credit impairment reversal gain	(282)	(299)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(703)	8,978
Interest expense	91,331	63,714
Interest income (including financial income)	(1,277,919)	(1,100,337)
Dividend revenue	(22,522)	(395,452)
Shares of profit of associates and joint ventures under equity method	12,795	(71,338)
Gain on lease modification	-	(5)
<b>Total adjustments to reconcile profit (loss)</b>	<u>(1,129,339)</u>	<u>(1,441,992)</u>
<b>Changes in operating assets and liabilities:</b>		
Increase in financial assets at fair value through profit or loss	(244,433)	(179,543)
Increase in bond purchased under resale agreements	(219,555)	(48,468)
(Increase) decrease in customer margin accounts	(11,626,036)	739,967
Decrease in receivable-futures margin	282	306
(Increase) decrease in leverage contract trading - customer's margin accounts	(195,448)	143,566
(Increase) decrease in security borrowing margin	(263,563)	779,757
(Increase) decrease in security borrowing collateral price	(284,665)	356,153
Decrease (increase) in accounts receivable	24,109	(33,029)
Increase in accounts receivable - related parties	(2,334)	(234)
Increase in prepayments	(1,073)	(98)
Decrease in other receivables	1,385	3,450
(Increase) decrease in other receivables- related parties	(28)	3,652
Increase in net defined benefit asset	(252)	(2,563)
Increase in other current assets	(1,050,003)	-
Increase (decrease) in financial liabilities at fair value through profit or loss	294,005	(636,837)
Increase (decrease) in futures traders' equity	11,612,948	(759,065)
Increase (decrease) in leverage contract trading - customer's equity	173,817	(116,354)
(Decrease) increase in accounts payable	(67,034)	64,326
Increase (decrease) in accounts payable - related parties	1,057	(3,805)
Increase (decrease) in advance receipts	590	(245)
Increase (decrease) in receipts under custody	2,060	(196)
Increase (decrease) in other payables	74,765	(6,466)
Increase (decrease) in other payables - related parties	16	(5,365)
Increase in provisions for liabilities	690	899
Increase in other current liabilities	10,750	25,224
<b>Total changes in operating assets and liabilities</b>	<u>(1,757,950)</u>	<u>325,032</u>
<b>Total adjustments</b>	<u>(2,887,289)</u>	<u>(1,116,960)</u>
Cash (outflow) inflow generated from operations	(1,425,650)	158,754
Interest received	1,287,644	1,075,214
Dividends received	21,533	393,025
Interest paid	(92,427)	(62,863)
Income taxes paid	(312,472)	(193,096)
<b>Net cash flows (used in) from operating activities</b>	<u>(521,372)</u>	<u>1,371,034</u>
<b>Cash flows from (used in) investing activities:</b>		
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	(32,829)	(84,191)
Increase in deposits settlement fund	(8,094)	-
Decrease in deposits settlement fund	-	9,708
Increase in refundable deposits	-	(1,336)
Acquisition of intangible assets	(9,451)	(7,008)
Increase in prepayments for business facilities	(5,681)	(1,170)
<b>Net cash flows used in investing activities</b>	<u>(56,055)</u>	<u>(161,769)</u>
<b>Cash flows from (used in) financing activities:</b>		
Cash dividends paid	(723,905)	(635,522)
Payments of lease liabilities	(26,437)	(24,672)
Proceeds from right of inclusion options exercised	2	-
<b>Net cash flows used in financing activities</b>	<u>(750,340)</u>	<u>(660,194)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(1,327,767)</u>	<u>549,071</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>5,062,327</u>	<u>4,513,256</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 3,734,560</u>	<u>5,062,327</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

## **CAPITAL FUTURES CORPORATION**

### **Notes to the Financial Statements**

**For the years ended December 31, 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, B1 and B2 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 Company is authorized to conduct the following businesses:

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

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

The financial statements were authorized for issuance by the Board of Directors on March 6, 2025.

#### **(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 Company has initially adopted the following new amendments, which do not have a significant impact on its 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**  
**Notes to the Financial Statements**

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

The Company 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 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 Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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"> <li>• 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.</li> <li>• 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.</li> </ul>	January 1, 2027

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	

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

The Company 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 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
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

**(4) Summary of material accounting policies:**

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial report.

**(a) Statement of compliance**

These 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, and the Regulations Governing the Preparation of Financial Reports by Securities Firms.

**(b) Basis of preparation**

**(i) Basis of measurement**

Except for the following significant account, the 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);

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

- 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 mentioned in (Note 4(o))(ii) stated.

(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 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) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rate. Translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such a monetary items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalent comprises time deposit with maturity within one year, excess future margin, and commercial paper, short-term and highly liquid investments that are readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

(f) Financial instruments

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

#### 3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### 4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue or within 30 days but breached the contract. The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

(Continued)



## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For debtors, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### 5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

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

(iii) Non-hedging derivative financial instruments

Derivatives are recognized initially at fair value and transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

(g) Investments in subsidiaries

When preparing parent-Company-only financial report, the Company uses equity method in evaluating the control of an investee. Under equity method, the net income or loss for the period of parent-Company-only financial report and other comprehensive income of parent-Company-only financial report are the same as net income or loss for the period attributed to owners of parents of consolidated report and other comprehensive income attributed to owners of parents of consolidated report, respectively. The equity of the parent-Company-only financial statements are the same as the equity attributable to the owners of parents of the consolidated report.

Any change in ownership interest of the subsidiaries, not resulting in loss of control, is treated as equity transaction between the owners.

(h) Securities under agreements

The Company engages in securities under resell agreements trading and the nature of transaction substance is financing. When entering securities under resell agreements transactions, the Company establishes an account "Investment in Bonds with resell agreements" with the actual amount of lending and recognizes financing interest revenue by the interest period of resell agreements and no profit and loss is recognized.

(i) Securities borrowing transactions

The Company engages in securities lending transactions, the amount of the sale of securities borrowing recognized liability, and to distinguish hedging and non-hedging purposes, in accordance with stocks and bonds. The amount paid to redeem shares or bonds borrowed, as a deduction of the subjects, the collateral paid in cash recorded as security borrowing margin, short sales delivered for securities market financing recorded as security borrowing collateral price.

(j) Customers margin accounts and future traders' equity

The customers' margin refers to the guarantee deposits and premiums collected from futures customers and also the spread calculated based on the market prices everyday. It is reflected under current assets of the balance sheet. Futures traders' equity refers to futures customers' deposit the guarantee deposits and option premiums and also the spread calculated based on the market prices everyday. It is reflected under current liabilities. The loss is offset only against the balance of the same customers' own margin accounts. If a customer incurs a loss in excess of the margin account balance, the excess is recognized a receivable.

(k) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property and equipment are the same as the useful life and depreciation method of another significant part of that same item.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

The gain or loss arising from the derecognition of an item of property and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other income and expenses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual values, and it shall be allocated on a systematic basis over its useful life. Items of property and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

- 1) Office equipment                      3 ~ 5 years
- 2) Leasehold improvement is depreciated equally over the shorter period of estimated useful life or the lease term.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change(s) is accounted for as a change in an accounting estimate.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(Continued)

## **CAPITAL FUTURES CORPORATION**

### **Notes to the Financial Statements**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has listed right of use assets and leasing liabilities that are not categorized as investment properties as individual items in the balance sheet.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment and transportation equipment etc. that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

(m) Intangible assets

Intangible assets of the Company are the requirements for transacting business on an exchange. The seats are regarded as intangible assets with an indefinite useful life and measured at cost while originally recognized. After initial recognition, an intangible asset shall be carried at its cost less any accumulated impairment losses. As for computer software, it was amortized on a straight-line basis over estimated useful life of three years, and in the meanwhile, the amortization would be recognized in gains or losses. The residual value, amortization period and amortization method for an intangible asset with a finite useful life are reviewed at each financial year-end. The change is accounted for as a change in an accounting estimate.

(n) Revenue recognition

The main revenue is brokerage fee revenue and is recognized based on an accrual basis.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short term employee benefits

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

(p) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(q) Earnings per share (“EPS”)

The Company presents its basic and diluted earnings per share attributable to the Company’s ordinary equity holders. The basic earnings per share of the Company is calculated by dividing profit or loss attributable to the Company’s ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all diluted potential ordinary shares. The diluted potential ordinary shares of the Company include the estimation of employee remuneration.

(r) Segment information

The Company has disclosed the segment information on the consolidated financial report, thus, the Company does not disclose it on this financial report.

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

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

Impairment of investments under equity method:

At each reporting date, the Company reviews the carrying amounts of its investments under equity method to determine whether there is any indication of impairment. The recoverable amount of the CGUs is determined based on the calculation of the value in use. The calculation needs to estimate the expected future cash flow of the CGUs and select the appropriate discount rate.

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

**(6) Explanation of significant accounts:**

**(a) Cash and cash equivalents**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash	\$ 60	60
Demand deposits	249,586	193,299
Time deposits	2,324,170	3,970,605
Futures margin- excess margin	853,759	649,286
Commercial paper	<u>306,985</u>	<u>249,077</u>
Total	<u><u>\$ 3,734,560</u></u>	<u><u>5,062,327</u></u>

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

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Open-ended funds and money- market instruments	\$ 130,000	30,000
Open-ended funds and money- market instruments valuation adjustment	(2,218)	263
Trading securities- proprietary trading	299,854	294,712
Trading securities- proprietary trading valuation adjustment	6,500	9,416
Securities invested by securities broker	32,500	6,314
Securities invested by securities broker valuation adjustment	(1,605)	7
Call options- non-hedging	274,831	194,196
Futures margin- proprietary fund- non-hedging	104,328	62,540
Leverage derivatives- non-hedging	153,147	150,671
Equity derivatives- non-hedging	<u>4,096</u>	<u>15,890</u>
Total	<u><u>\$ 1,001,433</u></u>	<u><u>764,009</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Equity investments at fair value through other comprehensive income		
Listed stocks	\$ 15,893	15,893
Valuation adjustment	<u>(3,847)</u>	<u>(2,650)</u>
Total	<b><u>\$ 12,046</u></b>	<b><u>13,243</u></b>

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

During the year ended December 31, 2024 and 2023, the dividends of \$380 and \$124, related to equity investment at fair value through other comprehensive income held on December 31, 2024 and 2023, respectively, were recognized. For investments in equity securities disposed of for the year ended December 31, 2024 and 2023, the dividends of \$0 and \$124, were recognized in the reported periods.

During the year ended December 31, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Company sold shares of stocks for a fair value \$0 and \$36,610, respectively, and cumulative dispose gains for the year ended December 31, 2024 and 2023, amounted to \$0 and \$646, respectively, were transferred from other equity items to retained earnings.

(iii) Bonds purchased under resale agreements

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Bonds purchased under resale agreements	<b><u>\$ 311,189</u></b>	<b><u>91,634</u></b>
Resale price under the agreements	<b><u>\$ 311,295</u></b>	<b><u>91,670</u></b>
Interest rates	<b><u>1.00%~1.15%</u></b>	<b><u>0.95%~1.00%</u></b>
Date of repurchase	<b><u>2025.01.02~2025.01.17</u></b>	<b><u>2024.01.02~2024.01.12</u></b>

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

Equity instruments at fair value through other comprehensive income:

	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Ownership</b>		<b>Ownership</b>	
<b>Investee Company</b>	<b>ratio</b>	<b>Amount</b>	<b>ratio</b>	<b>Amount</b>
Taiwan Futures Exchange Co., Ltd	0.0042 %	\$ 1,578	0.0042 %	1,504
CME Group	0.0056 %	<u>152,273</u>	0.0056 %	<u>129,329</u>
Total		<b><u>\$ 153,851</u></b>		<b><u>130,833</u></b>

The Company holds shares of Taiwan Futures Exchange for long-term strategic purposes and not for trading, therefore, the Company had classified these equity instruments as FVOCI.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

During the year ended December 31, 2024 and 2023, the dividends of \$4,768 and \$3,794, related to equity investments at fair value through other comprehensive income held on December 31, 2024 and 2023, respectively, were recognized. No strategic investments were disposed of during the year ended December 31, 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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Put options - non-hedging	\$ 92,800	82,162
Liabilities on sale of borrowed securities - non-hedging	414,240	129,773
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	(8,274)	(562)
Leverage derivatives- non-hedging	12,900	15,402
Equity derivatives- non-hedging	1,408	6
Total	<u><u>\$ 513,074</u></u>	<u><u>226,781</u></u>

(c) Investments under equity method

Investments under equity method on the reporting date were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Subsidiaries	<u><u>\$ 1,118,628</u></u>	<u><u>1,053,613</u></u>

(i) Subsidiaries

The accounting figures of investee, which is controlled by the Company, are combined into the financial statements; please refer to the financial report of December 31, 2024.

For the years ended December 31, 2024 and 2023, the Company's share of gains or losses of the subsidiaries were as follows:

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Audited by the certified public accountants	<u><u>\$ (12,795)</u></u>	<u><u>71,338</u></u>

(ii) Collateral and pledge

As of December 31, 2024 and 2023, the Company did not provide any investment accounted for using equity method as collaterals for its loans.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(d) Property and equipment

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

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 164,111	12,915	177,026
Additions	28,507	4,322	32,829
Scrap	(17,697)	(3,219)	(20,916)
Balance at December 31, 2024	<u>\$ 174,921</u>	<u>14,018</u>	<u>188,939</u>
Balance at January 1, 2023	\$ 88,918	7,518	96,436
Additions	77,574	6,617	84,191
Transfer from prepayments for business facilities	32,341	-	32,341
Scrap	(34,722)	(1,220)	(35,942)
Balance at December 31, 2023	<u>\$ 164,111</u>	<u>12,915</u>	<u>177,026</u>
<b>Accumulated depreciation:</b>			
Balance at January 1, 2024	\$ 41,348	5,720	47,068
Depreciation	31,258	3,087	34,345
Scrap	(17,697)	(3,219)	(20,916)
Balance at December 31, 2024	<u>\$ 54,909</u>	<u>5,588</u>	<u>60,497</u>
Balance at January 1, 2023	\$ 55,863	4,561	60,424
Depreciation	20,207	2,379	22,586
Scrap	(34,722)	(1,220)	(35,942)
Balance at December 31, 2023	<u>\$ 41,348</u>	<u>5,720</u>	<u>47,068</u>
<b>Carrying amounts:</b>			
Balance at December 31, 2024	<u>\$ 120,012</u>	<u>8,430</u>	<u>128,442</u>
Balance at December 31, 2023	<u>\$ 122,763</u>	<u>7,195</u>	<u>129,958</u>

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

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(e) Right-of-use assets

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

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 88,355	9,273	97,628
Additions	-	479	479
Derecognition	-	(2,125)	(2,125)
Balance at December 31, 2024	<u>\$ 88,355</u>	<u>7,627</u>	<u>95,982</u>
Balance at January 1, 2023	\$ 69,721	9,895	79,616
Additions	74,368	4,689	79,057
Derecognition	(55,734)	(5,311)	(61,045)
Balance at December 31, 2023	<u>\$ 88,355</u>	<u>9,273</u>	<u>97,628</u>
<b>Accumulated depreciation:</b>			
Balance at January 1, 2024	\$ 15,211	3,870	19,081
Depreciation	24,279	2,755	27,034
Derecognition	-	(2,125)	(2,125)
Balance at December 31, 2024	<u>\$ 39,490</u>	<u>4,500</u>	<u>43,990</u>
Balance at January 1, 2023	\$ 48,717	5,737	54,454
Depreciation	22,228	2,607	24,835
Derecognition	(55,734)	(4,474)	(60,208)
Balance at December 31, 2023	<u>\$ 15,211</u>	<u>3,870</u>	<u>19,081</u>
<b>Carrying amounts:</b>			
Balance at December 31, 2024	<u>\$ 48,865</u>	<u>3,127</u>	<u>51,992</u>
Balance at December 31, 2023	<u>\$ 73,144</u>	<u>5,403</u>	<u>78,547</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(f) Customers margin accounts/futures traders' equity

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Customers margin accounts		
Cash in bank	\$ 32,694,608	26,695,229
Balance of the futures clearing house	9,467,938	5,832,851
Balance of other futures commission merchants	7,020,648	5,258,170
Marketable securities	<u>230,153</u>	<u>1,061</u>
Balance of customers margin accounts	<u>49,413,347</u>	<u>37,787,311</u>
Plus adjustment items:		
Commission cost	1,542	3,335
Others	146	119
Deduction adjustment items:		
Brokerage fee revenue	(9,062)	(10,959)
Futures transaction tax	(3,169)	(1,544)
Interest income	(5,941)	(3,202)
Temporary credits	(33,377)	(812)
Remittance amount of the customers after the market closed	(13,558)	(37,268)
Balance of futures traders' equity	<u><u>\$ 49,349,928</u></u>	<u><u>37,736,980</u></u>

(g) Receivable - futures margin

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Receivable - futures margin - current	\$ 373	373
Less: Loss allowance	<u>373</u>	<u>373</u>
Subtotal	<u>-</u>	<u>-</u>
Receivable - futures margin - non-current	5,802	6,084
Less: Loss allowance	<u>5,802</u>	<u>6,084</u>
Subtotal	<u>-</u>	<u>-</u>
Total	<u><u>\$ -</u></u>	<u><u>-</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

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

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 6,457	6,756
Impairment losses recognized (reversed)	(282)	(299)
Balance on December 31	<u><u>\$ 6,175</u></u>	<u><u>6,457</u></u>

(h) Intangible assets

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

	<b>The seats of foreign futures exchanges (Note)</b>	<b>Computer software</b>	<b>Total</b>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 44,325	14,118	58,443
Additions	-	9,451	9,451
Transfer from prepayments for business facilities	-	630	630
Scrap	-	(5,098)	(5,098)
Balance at December 31, 2024	<u><u>\$ 44,325</u></u>	<u><u>19,101</u></u>	<u><u>63,426</u></u>
Balance at January 1, 2023	\$ 44,325	12,480	56,805
Additions	-	7,008	7,008
Transfer from prepayments for business facilities	-	1,575	1,575
Scrap	-	(6,945)	(6,945)
Balance at December 31, 2023	<u><u>\$ 44,325</u></u>	<u><u>14,118</u></u>	<u><u>58,443</u></u>
<b>Amortization and impairment losses:</b>			
Balance at January 1, 2024	\$ -	7,156	7,156
Amortization	-	6,582	6,582
Scrap	-	(5,098)	(5,098)
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>8,640</u></u>	<u><u>8,640</u></u>
Balance at January 1, 2023	\$ -	8,775	8,775
Amortization	-	5,326	5,326
Scrap	-	(6,945)	(6,945)
Balance at December 31, 2023	<u><u>\$ -</u></u>	<u><u>7,156</u></u>	<u><u>7,156</u></u>
<b>Carrying value:</b>			
Balance at December 31, 2024	<u><u>\$ 44,325</u></u>	<u><u>10,461</u></u>	<u><u>54,786</u></u>
Balance at December 31, 2023	<u><u>\$ 44,325</u></u>	<u><u>6,962</u></u>	<u><u>51,287</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

Note: The Company obtained the seats of foreign futures exchanges - NYMEX, COMEX, CBOT 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.

(i) Lease liabilities

The Company's lease liabilities were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current	\$ <u>26,118</u>	<u>26,513</u>
Non-current	\$ <u>26,487</u>	<u>52,218</u>

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

The amounts recognized in profit or loss were as follows :

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>1,215</u>	<u>802</u>
Expenses relating to short-term leases	\$ <u>12,064</u>	<u>8,539</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>-</u>	<u>177</u>

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

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>39,716</u>	<u>34,190</u>

(i) Real estate leases

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

(ii) Other leases

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

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(j) Employee benefits

(i) Defined benefit plans

The reconciliation in the present value of the defined benefit obligations and fair value of plan assets were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Present value of defined benefit obligations	\$ (9,913)	(8,667)
Fair value of plan assets	21,227	19,192
Recognized liabilities for defined benefit obligations	<b>\$ 11,314</b>	<b>10,525</b>

The Company made defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$21,227 as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of defined benefit obligation

The movement in present value of the defined benefit obligation for the Company in 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Defined benefit obligation at January 1	\$ 8,667	9,933
Current service costs and interest	138	(2,218)
Benefits paid	-	(122)
Remeasurement of net defined benefit obligation	1,108	1,074
Defined benefit obligation at December 31	<b>\$ 9,913</b>	<b>8,667</b>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

3) Movements in fair value of defined benefit plan assets

The movements in fair value of defined benefit plan assets of the Company in 2024 and 2023 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Fair value of plan assets at January 1	\$ 19,192	18,829
Interest revenue	310	261
Benefits paid	-	(122)
Remeasurement of net defined benefit obligation		
- Return on plan assets (except net interests of period)	1,645	140
Contributions to the plan assets	80	84
Fair value of plan assets at December 31	<u><u>\$ 21,227</u></u>	<u><u>19,192</u></u>

4) Expense recognized in profit or loss

The expenses recognized in profit or loss of the Company in 2024 and 2023 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Current service cost	\$ -	(2,324)
Net interest of net defined benefit obligation	(172)	(155)
	<u><u>\$ (172)</u></u>	<u><u>(2,479)</u></u>

5) Remeasurement of net defined benefit obligation recognized in other comprehensive income

For the years ended December 31, 2024 and 2023, the accumulated remeasurement of net defined benefit obligation recognized in other comprehensive income was as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Accumulated amount on January 1	\$ (10,099)	(9,165)
Recognized during the period	537	(934)
Accumulated amount on December 31	<u><u>\$ (9,562)</u></u>	<u><u>(10,099)</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<b><u>For the years ended December 31,</u></b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
Discount rate	2.000 %	1.625 %
Future salary growth rate	3.500 %	3.000 %

The expected contribution to the defined benefit plan for the next year is \$81. The weighted average duration of the defined benefit obligation is 11.52 years.

7) Sensitivity Analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including discount rate and future salary increases. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

For the years ended December 31, 2024 and 2023, the effects of adopting significant actuarial assumptions to defined benefit obligations were as follows:

	<b><u>Effects to defined benefit obligations</u></b>	
	<b><u>Increase 0.5%</u></b>	<b><u>Decrease 0.5%</u></b>
December 31, 2024		
Discount rate	\$ (559)	604
Future salary increasing rate	576	(540)
December 31, 2023		
Discount rate	(524)	568
Future salary increasing rate	543	(507)

The sensitivity analysis presented above is based on the condition that other variables are unchanged. In practice, the changes of many assumptions are correlated. The method that the sensitivity analysis adopted is in accordance with the method of calculating net pension liability.

The assumptions and methods adopted for current period sensitivity analysis are identical with the previous period.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(ii) Defined contribution plans

In accordance with the Labor Pension Act of R.O.C, the Company contributes 6% of the employee's monthly wages to the Bureau of the Labor Insurance. Therefore, the Company has no further legal or constructive obligations to make any additional contribution once the contributions have been paid.

The Company contributed \$15,864 and \$15,069 under defined contribution plan to the Bureau of the Labor Insurance in the year 2024 and 2023, respectively.

(k) Income taxes

(i) Income tax expense

The amounts of income tax expense (benefit) for the year ended December 31, 2024 and 2023 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Current income tax expense	\$ 272,356	273,115
Deferred income tax benefit	(1,644)	(7,597)
Total	<u><u>\$ 270,712</u></u>	<u><u>265,518</u></u>

Reconciliation of income tax expense (benefit) and profit before tax of the Company for 2024 and 2023 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income before income tax	\$ 1,461,639	1,275,714
Income tax using the Company's domestic tax rate	292,328	255,143
Tax-exempt income	(13,623)	29,147
Adjustments to prior year's income tax	(645)	1,115
Others	(7,348)	(19,887)
Total	<u><u>\$ 270,712</u></u>	<u><u>265,518</u></u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred income tax liabilities

As of December 31, 2024 and 2023, the details of the Company's unrecognized deferred tax liabilities were as follows:

	<b>December 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<u><u>\$ 43,396</u></u>	<u><u>29,227</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

The dividend policies of the Company's subsidiaries, CSC Futures (HK) Ltd. was prescribed not to appropriate the retained earning until December 31, 2024. Also, the Company does not plan to dispose of the investees in foreseeable future. Thus, the temporary differences related to investments in subsidiaries for the portion of not to intend to dispose or to appropriate are not recognized under deferred tax liabilities.

2) Recognized deferred income tax liabilities

As of December 31, 2024 and 2023, the details of the Company's recognized deferred tax assets and liabilities were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Recognized deferred tax liabilities:		
Unrealized gains on derivative financial instruments	<b>\$ 28,587</b>	<b>30,231</b>

(iii) Income tax assessment status

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

(l) Capital and other equity

(i) Common stock

As of December 31, 2024 and 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.

(ii) Capital surplus

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

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

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

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.

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.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

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

According to the resolution of board meeting on March 6, 2025, the Company's 2024 proposal of earnings distribution for owners were as follows:

	For the years ended December 31, 2024	
	Amount	Per share (NT dollars)
	<u>\$ 707,323</u>	2.83
Cash dividend		

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

(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 offoreign operations	77,810	-	77,810
Unrealized gains (losses) from financialassets measured at fair value throughother comprehensive income	-	21,821	21,821
Balance at December 31, 2024	<u>\$ 51,716</u>	<u>35,503</u>	<u>87,219</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

	<b>Exchange differences on translation of foreign operations</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance at January 1, 2023	\$ (23,060)	(7,027)	(30,087)
Exchange differences on translation of foreign operations	(3,034)	-	(3,034)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	21,355	21,355
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(646)	(646)
Balance at December 31, 2023	<u>\$ (26,094)</u>	<u>13,682</u>	<u>(12,412)</u>

(m) Earnings per share

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

(i) Basic earnings per share

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to common shareholders of the Company	<u>\$ 1,190,927</u>	<u>1,010,196</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	<u>210,438</u>	<u>210,438</u>
Basic earnings per share (NT dollars)	<u>\$ 5.66</u>	<u>4.80</u>

(ii) Diluted earnings per share

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to common shareholders of the Company	<u>\$ 1,190,927</u>	<u>1,010,196</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	210,438	210,438
Effect of potentially dilutive common stock - Employee remuneration (thousands of shares)	354	345
Weighted-average outstanding shares of diluted earnings per share (thousands of shares)	<u>210,792</u>	<u>210,783</u>
Diluted earnings per share (NT dollars)	<u>\$ 5.65</u>	<u>4.79</u>

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(n) Items of the statements of comprehensive income

(i) Brokerage fee revenue

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Consignment trading handling fee revenue- Domestic futures	\$ 1,170,258	927,589
Consignment trading handling fee revenue- Foreign futures	836,919	790,940
Consignment trading handling fee revenue- Leverage Exchange Agency Trading	21,832	16,083
	<u><b>\$ 2,029,009</b></u>	<u><b>1,734,612</b></u>

(ii) Net gains (losses) on derivative instruments

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Non-hedging		
Net gains (losses) on futures contracts		
Gains on futures contracts	\$ 1,144,053	1,039,330
Losses on futures contracts	<u>(1,221,672)</u>	<u>(953,434)</u>
	<u><b>\$ (77,619)</b></u>	<u><b>85,896</b></u>
Net gains (losses) on option contracts		
Gains on option contracts	\$ 794,296	427,706
Losses on option contracts	<u>(606,691)</u>	<u>(291,013)</u>
	<u><b>\$ 187,605</b></u>	<u><b>136,693</b></u>
Net gains (losses) on leverage derivatives		
Gains on leverage derivatives	\$ 1,883,201	1,612,091
Losses on leverage derivatives	<u>(1,785,810)</u>	<u>(1,516,580)</u>
	<u><b>\$ 97,391</b></u>	<u><b>95,511</b></u>
Net gains (losses) on equity derivatives		
Gains on equity derivatives	\$ 159,688	143,327
Losses on equity derivatives	<u>(153,236)</u>	<u>(136,479)</u>
	<u><b>\$ 6,452</b></u>	<u><b>6,848</b></u>
Non-hedging		
Total gains on derivative financial instruments	\$ 3,981,238	3,222,454
Total losses on derivative financial instruments	<u>(3,767,409)</u>	<u>(2,897,506)</u>
	<u><b>\$ 213,829</b></u>	<u><b>324,948</b></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(iii) Futures commission expenses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Re-consigned futures trading	\$ 270,808	238,130
Futures introducing broker business	148,695	134,182
	<b>\$ 419,503</b>	<b>372,312</b>

(iv) Employee benefit, depreciation and amortization expenses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Employee benefit expenses		
Salary expense	\$ 576,283	489,102
Labor and health insurance expense	33,356	31,054
Pension expense	15,692	12,590
Director remuneration	33,581	31,667
Others	13,108	7,791
Depreciation expense	61,379	47,421
Amortization expense	6,582	5,326
	<b>\$ 739,981</b>	<b>624,951</b>

(v) Other operating expenses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Postage expense	\$ 68,076	56,935
Taxes	129,451	90,123
Rental expense	12,169	8,808
Information technology expense	209,360	160,978
Professional service fee	11,074	26,216
Others	85,897	74,105
	<b>\$ 516,027</b>	<b>417,165</b>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(vi) Other gains and losses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest income	\$ 1,277,919	1,100,337
Dividend income	12,316	261,043
Net gains on non-operating financial instruments at fair value through profit or loss	4,754	940
Net gains (losses) on foreign exchange	20,585	(1,057)
Net gains (losses) on disposal of investments	44,948	(270,637)
Other non-operating revenue - other	9,180	14,528
Other non-operating expense - other	(43)	(1,844)
	<b>\$ 1,369,659</b>	<b>1,103,310</b>

(vii) 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 year ended December 31, 2024 and 2023, the estimated amounts of remuneration to employee were \$17,358 and \$14,749, and to directors by the Company were \$17,358 and \$14,749, 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 years ended December 31, 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.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(o) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum credit exposure. As of December 31, 2024 and 2023 the maximum credit exposure amounted to \$55,862,785 and \$43,550,468, respectively.

2) Concentration of credit risk

The exposure of credit risk by geographic region in December 31, 2024 as shown in below, mainly focusing on Taiwan (accounted for 89.02%), secondly in Europe (accounted for 7.73%), thirdly in Asia (accounted for 2.95% excluded Taiwan). The proportion of investment by geographic region did not change significantly compared to the same period last year.

Area	December 31, 2024	December 31, 2023
Taiwan	\$ 49,728,338	38,780,375
Asia (excluded Taiwan)	1,646,769	1,013,649
North America	169,027	149,837
Europe	4,318,651	3,606,607
Total	<u><u>\$ 55,862,785</u></u>	<u><u>43,550,468</u></u>

3) Impairment losses

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

	December 31, 2024		December 31, 2023	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Current	\$ 89,298	6,175	121,448	6,457
Past due 0~30 days	-	-	-	-
Past due 31~120 days	-	-	-	-
Past due 121~360 days	-	-	-	-
Past due more than 360 days	-	-	-	-
	<u><u>\$ 89,298</u></u>	<u><u>6,175</u></u>	<u><u>121,448</u></u>	<u><u>6,457</u></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 December 31, 2024 and 2023, the loss allowance of receivables were recognized \$6,175 and \$6,457, respectively.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

4) Credit risk of receivables

Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). The Company 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 Company. Thus, the Company regarded the financial assets as default and recognized impairment losses. The movement of loss allowance for the years ended December 31, 2024 and 2023 was as follows:

For the years ended December 31, 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	-	-	-	(282)	-	(282)
Balance on December 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,175</u>	<u>-</u>	<u>6,175</u>
For the years ended December 31, 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
Reversal of impairment losses	-	-	-	(299)	-	(299)
Balance on December 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,457</u>	<u>-</u>	<u>6,457</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contract cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>More than 5 year</u>
<b>December 31, 2024</b>							
Financial liabilities at fair value through profit or loss	\$ 513,074	513,074	513,074	-	-	-	-
Futures traders' equity	49,349,928	49,349,928	49,349,928	-	-	-	-
Leverage contract trading- customers' equity	907,350	907,350	907,350	-	-	-	-
Accounts payable	58,195	58,195	58,195	-	-	-	-
Receipts under custody	7,013	7,013	7,013	-	-	-	-
Other payables	279,351	279,351	279,351	-	-	-	-
Lease liabilities	<u>52,605</u>	<u>53,802</u>	<u>14,055</u>	<u>12,825</u>	<u>18,633</u>	<u>8,289</u>	<u>-</u>
	<u><b>\$ 51,167,516</b></u>	<u><b>51,168,713</b></u>	<u><b>51,128,966</b></u>	<u><b>12,825</b></u>	<u><b>18,633</b></u>	<u><b>8,289</b></u>	<u><b>-</b></u>
<b>December 31, 2023</b>							
Financial liabilities at fair value through profit or loss	\$ 226,781	226,781	226,781	-	-	-	-
Futures traders' equity	37,736,980	37,736,980	37,736,980	-	-	-	-
Leverage contract trading- customers' equity	733,533	733,533	733,533	-	-	-	-
Accounts payable	124,172	124,172	124,172	-	-	-	-
Receipts under custody	4,953	4,953	4,953	-	-	-	-
Other payables	205,498	205,498	205,498	-	-	-	-
Lease liabilities	<u>78,731</u>	<u>81,118</u>	<u>14,165</u>	<u>13,554</u>	<u>26,779</u>	<u>26,620</u>	<u>-</u>
	<u><b>\$ 39,110,648</b></u>	<u><b>39,113,035</b></u>	<u><b>39,046,082</b></u>	<u><b>13,554</b></u>	<u><b>26,779</b></u>	<u><b>26,620</b></u>	<u><b>-</b></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(iii) Currency risk

1) Exposure to foreign currency risk

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

<b>December 31, 2024</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 620,744,755.58	32.7850	20,351,117
EUR	5,659,593.86	34.1400	193,219
GBP	1,398,679.55	41.1900	57,612
JPY	1,782,409,958.00	0.2099	374,128
HKD	488,767,059.22	4.2220	2,063,575
AUD	2,414,728.28	20.3900	49,236
CHF	332,578.66	36.2700	12,063
SGD	67,703.91	24.1300	1,634
KRW	186,116,739.00	0.0225	4,188
CNY	11,697,665.30	4.4780	52,382
NZD	44,951.30	18.4700	830
CAD	22,254.39	22.8200	508
ZAR	2,688,066.37	1.7500	4,704
INR	40,175,898.71	0.3830	15,387
<b><u>Non-monetary items</u></b>			
USD	11,524,433.59	32.7850	377,829
CNY	962,798.60	4.4780	4,311
CHF	58,205.47	36.2700	2,111
<b><u>Investments under equity method</u></b>			
HKD	263,873,082.23	4.1920	1,106,156

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

<b>December 31, 2024</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 634,059,947.75	32.7850	20,787,655
EUR	5,655,117.32	34.1400	193,066
GBP	1,363,362.38	41.1900	56,157
JPY	1,779,455,678.00	0.2099	373,508
HKD	487,923,623.43	4.2220	2,060,014
AUD	2,481,325.74	20.3900	50,594
CHF	26,927.23	36.2700	977
SGD	135,349.34	24.1300	3,266
KRW	185,861,595.00	0.0225	4,182
CNY	8,388,680.90	4.4780	37,565
NZD	423.89	18.4700	8
ZAR	157,738.79	1.7500	276
<b><u>Non-monetary items</u></b>			
USD	240,610.11	32.7850	7,888
JPY	2,565,924.00	0.2099	539
CAD	1,503.16	22.8200	34
GBP	433.51	41.1900	18
AUD	1,412.51	20.3900	29
NZD	10,922.41	18.4700	202
ZAR	3,180,878.73	1.7500	5,566
SGD	1,332.84	24.1300	32

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

<b>December 31, 2023</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 518,853,562.12	30.7050	15,931,399
EUR	12,344,345.62	33.9800	419,461
GBP	544,955.69	39.1500	21,335
JPY	1,032,990,184.00	0.2172	224,365
HKD	282,133,813.04	3.9290	1,108,504
AUD	2,839,857.28	20.9800	59,580
CHF	56,230.60	36.4900	2,052
SGD	128,357.59	23.2900	2,989
CNY	9,225,312.88	4.3270	39,918
NZD	123,973.43	19.4800	2,415
ZAR	3,752,125.79	1.6570	6,217
<b><u>Non-monetary items</u></b>			
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
<b><u>Investments under equity method</u></b>			
HKD	265,532,578.94	3.8990	1,035,312

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

<b>December 31, 2023</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 511,533,334.90	30.7050	15,706,631
EUR	12,250,362.83	33.9800	416,267
GBP	473,913.81	39.1500	18,554
JPY	989,504,381.00	0.2172	214,920
HKD	281,929,199.10	3.9290	1,107,700
AUD	2,773,861.25	20.9800	58,196
CHF	136,846.05	36.4900	4,994
SGD	238,745.67	23.2900	5,560
CNY	7,803,511.92	4.3270	33,766
NZD	933.08	19.4800	18
CAD	7,849.17	23.2000	182
<b><u>Non-monetary items</u></b>			
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

The Company disclosed the summarized information on exchange gain or loss. The realized and unrealized exchange gains amounted to \$20,584 and \$304 for the year ended December 31, 2024 and 2023, respectively.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

#### 2) Sensitivity analysis

The currency risk of the Company 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 years ended December 31, 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 \$8,715 and \$12,923, respectively. The analytical basis was the same in both years.

#### (iv) Analysis in interest rates

For the years ended December 31, 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 \$6,912 and \$6,848. This is mainly due to the Company'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 years ended December 31,			
	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%	\$ <u>1,659</u>	<u>591</u>	<u>1,441</u>	<u>2,115</u>
Decrease 1%	\$ <u>(1,659)</u>	<u>(591)</u>	<u>(1,441)</u>	<u>(2,115)</u>

#### (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**  
**Notes to the 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 Company'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:

		December 31, 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)
<b>Assets and Liabilities items</b>					
<b>Fair value evaluated on a recurring basis</b>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$	221,902	221,902	-	-
Stock investment		216,669	216,669	-	-
Convertible bond		26,460	26,460	-	-
Financial assets at fair value through other comprehensive income		165,897	164,319	-	1,578
Liabilities:					
Financial liabilities at fair value through profit or loss		405,966	405,966	-	-
<u>Derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss	\$	536,402	379,159	157,243	-
Liabilities:					
Financial liabilities at fair value through profit or loss		107,108	92,800	14,308	-

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

	December 31, 2023			
Assets and Liabilities items	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)
<b><u>Fair value evaluated on a recurring basis</u></b>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 41,211	41,211	-	-
Stock investment	299,501	299,501	-	-
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	\$ 423,297	256,736	166,561	-
Liabilities:				
Financial liabilities at fair value through profit or loss	97,570	82,162	15,408	-

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.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

iii) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the years ended December 31, 2024 and 2023.

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

(In Thousands Dollars)

For the years ended December 31, 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	-	74	-	-	-	-	1,578

  

For the years ended December 31, 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	-	241	-	-	-	-	1,504

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

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

The Company'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"> <li>Price-to-Book Ratio</li> <li>Discount for lack of marketability</li> </ul>	<ul style="list-style-type: none"> <li>The higher price to-book-ratio is, the higher fair value is.</li> <li>The higher discount for lack of marketability is, the lower the fair value is.</li> </ul>

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

- 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 Company 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:

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

Favorable and unfavorable movements of the Company 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 Company does not disclose the fair value.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(p) Financial risk management

(i) General description

The Company is exposed to risks below due to the application of financial instruments

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The note expresses the exposure, measurement and management target, policy and procedure of the aforementioned risks. Detailed information about the financial instruments has been disclosed as each note to the financial statements.

(ii) Risk management structure

To effectively control risks, a management procedure is to build up from top to bottom that includes the Board of Directors, managers of all departments and the employees to participate. From the macroscopic perspective of the Company, qualitative and quantitative approaches are taken to recognize, evaluate, monitor and respond to various potential risks. As a result, the Company may make reasonable risky asset allocation and maximize returns for shareholders within a bearable risk range. On September 21, 2007, the Company deliberated this institution of risk management based on the “Principles of Futures Commission Merchant’s Risk Management Practices” and the “Futures Commission Merchant’s Self Checklist for the Establishment of Risk Management Mechanism” as promulgated in the letter ref. No. (Taiwan-Futures-Audit) 0940024340 of the Taiwan Futures Exchange. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee, attributable to General Manager’s Office and responsible for developing and monitoring Company’s risk management policies. The committee reports regularly to the Board of Directors on its activities.

(iii) Credit risk

Credit risk is the risk that the Company engaged in financial trading exposed, including issuers credit issue, traders credit issue and the subject assets credit risk. And the risk of financial loss to the Company if a customer of brokerage business fails to meet its contractual obligations of margin calls or settlement. According to futures trading practices, futures commission merchant can close position in accordance with the prior agreement of both parties due to the system designed such as advance customers margin, intraday in-time clearing and when customers fail to meet its contractual obligations of margin calls. Therefore, the influence is not significant to the credit risk of the Company. Moreover, most brokerage customers are the general investors and professional institutions. The object sources of investors and the amount of investment are widely dispersed, and thus, there is no situation such as concentration of credit risk.

(Continued)



## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

Approaches taken to manage credit risk at current stage are as follows:

- 1) Credit inquiry and assessment before trade: inquire client's credit and ascertain the legality before transaction
- 2) Credit rating management: treat trades with special credit particularly.
- 3) Credit supervision after transaction: regularly inspect client's profit and loss of positions. Evaluate and monitor credit enhancement (including collaterals) on a regular basis.
- 4) Other effective risk reduction measures: collaterals, guarantee, credit risk netting and offset agreement.

Summarize information on expected credit loss (credit risk exposure amount, counterparty default probability and return rate) and unexpected credit loss, as well as quantify the credit VaR.

#### (iv) Liquidity risk

Liquidity risks are market liquidity risk and capital liquidity risk

##### 1) Market liquidity risk:

Market liquidity risk is the risk which the Company cannot immediately cover or offset the risk of derivative positions. When the condition of insufficient market depth or an unexpected event occurs, it's not easy to obtain trading opportunities or significant spread risk. Due to small trading volume, some domestic futures contracts have this liquidity risk. Therefore, when the proprietary segment of the Company engages in arbitrage trading, it should consider the liquidity risk of goods. Futures commodity liquidity can depend on daily trading volume and open interest (OI) to measure. The more the daily trading volume and open interest as well as the greater liquidity are, the relatively lower the liquidity risk is.

##### 2) Capital liquidity risk:

Capital liquidity risk is the one that the Company fails to meet its contractual obligations when increasing margins is required by settlement or trading. Therefore, the Company should control and manage the allocation of capital in order to avoid the risk of capital liquidity and financial losses of the Company when proprietary segment of the Company engages in futures trading.

Liquidity risk management of the Company includes :

- 1) Market liquidity risk management: To avoid loss caused by market liquidity risk, the Company stipulates capital amount budgeted for proprietary trade department in the annual operating plan. Also, a daily report on the Adjusted Net Capital (ANC) ratio is filed to the competent authority. As for other departments and proprietary trade, the risk control office supervises daily trade by comparing actual cash flow and the authorized amount.

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

- 2) Capital liquidity risk management : The finance department is independent from other units in transferring financial resources. To control capital liquidity risk and to consider capital needs of various products for domestic and foreign markets, the finance department composes daily reports, such as the “Margin Withdrawal/Deposit List”, “Securities Transaction Applications”, and other management report forms. After reviewing and approving by the management, these reports will be implemented and filed.

(v) Market risk

Market risk is the possibility of loss resulting from trading due to futures price reversal of the Company’s proprietary business. It means that the market price or fluctuation trend is not beneficial to the Company’s profitability, which results in risky events happen.

The Company’s market risk management comprises trading strategy monitoring, loss up limit control, trading margin up limit control, remaining position up limit and open-delta value control, margins ratio control for domestic and foreign remaining positions and the implied volatility inspection of option price.

Quantitative Measurement on Market Risk was as follows:

- 1) Statistic-based measurement: the Value at Risk (VaR) of linear products (stocks) is measured by the Variance Co-Variance (Risk Metrics Approach--EWMA), which calculates the maximal probable risk of portfolio under a certain confidence level for the next business day. The Value at Risk of non-linear products (options) is measured by the Delta-Gamma Approximations (the “Greeks”). After offsetting the risks of trade contracts, the measurement vehicle calculates the maximal probable risk of portfolio under a certain confidence level for the next business day. To test the accuracy, back testing approach is taken to try finding out the violations within one year under pre-calculated VaR using the actual valued profit and loss of inventory positions for the previous day (P&L for T-1 day)
- 2) Sensitivity analysis measures the sensitivity of the positions to individual risk factors (such as interest rate and exchange rate). The sensitivity analysis on exchange rate variation includes evaluation and analysis on the proprietary overseas capital and service fee revenue from foreign futures products.
- 3) Stress test emulates and measures the impacts on portfolio value at unusual market change, from which responding actions can be made. The portfolio stress test at current stage aims at the weighted index or targeted stock price within  $\pm 15\%$  change.

(q) Capital management

The Company’s objectives for managing capital are to safeguard the capacity to continue to operate and achieve the Company’s operating principles, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders or issue new shares. The Company adopts a risk-adjusted return on capital to allocate the Company’s capital reasonably and effectively.

As of December 31, 2024, the Company didn’t change the method of capital management.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(r) Financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow for the year ended December 31, 2024 and 2023, were as follows:

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

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>December 31, 2024</b>
			<b>Other</b>	<b>Foreign exchange movement</b>	<b>Fair value changes</b>	
Lease liabilities	\$ 78,731	(27,652)	1,526	-	-	52,605
Total liabilities from financing activities	<u>\$ 78,731</u>	<u>(27,652)</u>	<u>1,526</u>	<u>-</u>	<u>-</u>	<u>52,605</u>

  

	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>December 31, 2023</b>
			<b>Other</b>	<b>Foreign exchange movement</b>	<b>Fair value changes</b>	
Lease liabilities	\$ 25,334	(25,474)	78,871	-	-	78,731
Total liabilities from financing activities	<u>\$ 25,334</u>	<u>(25,474)</u>	<u>78,871</u>	<u>-</u>	<u>-</u>	<u>78,731</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 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 and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

<b>Name of related party</b>	<b>Relationship with the Company</b>
Capital Securities Corporation	The parent company
Capital International Technology Co., Ltd	Subsidiary
CSC Futures (HK) Ltd.	Subsidiary
Capital True Partner Technology Co., Ltd.	Sub-subsidiary
Capital Futures Technology (Shanghai) Co., Ltd.	Sub-subsidiary
Capital Investment Trust Corp.	Associate
Funds issued by Capital Investment Trust Corp.	Funds issued by Associate
Fu Tai Construction Corporation	Related party in Substance
Other related parties	Key management personnel

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(c) Key management personnel compensation

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 132,372	110,093
Post-employment benefits	1,402	1,225
Total	<u><u>\$ 133,774</u></u>	<u><u>111,318</u></u>

(d) Significant transactions with related parties

- (i) The amounts of futures trading between the Company and related parties for the year ended December 31, 2024 and 2023 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Brokerage fee revenue</b>		
Capital Securities Corporation	\$ 70,673	34,162
CSC Future (HK) Ltd.	102,564	103,034
Funds issued by Capital Investment Trust Corp.	1,139	1,846
Other related parties	113	264
Total	<u><u>\$ 174,489</u></u>	<u><u>139,306</u></u>
<b>Futures traders' equity</b>		
Capital Securities Corporation	\$ 3,650,953	1,760,408
CSC Futures (HK) Ltd.	4,894,569	4,643,380
Funds issued by Capital Investment Trust Corp.	384,333	671,147
Other related parties	3,032	270
Total	<u><u>\$ 8,932,887</u></u>	<u><u>7,075,205</u></u>
<b>Customers margin account- other futures commission merchants</b>		
CSC Futures (HK) Ltd.	<u><u>\$ 1,228,528</u></u>	<u><u>755,989</u></u>
<b>Futures margin-proprietary fund</b>		
CSC Futures (HK) Ltd.	<u><u>\$ 2</u></u>	<u><u>2</u></u>

Transaction terms are the same as those with general clients.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

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

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Interest expense</b>		
Capital Securities Corporation	\$ 107	35
CSC Futures (HK) Ltd.	19,199	20,667
Funds issued by Capital Investment Trust Corp.	1,101	573
<b>Total</b>	<b>\$ 20,407</b>	<b>21,275</b>

(ii) Accounts payable and receivable:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Accounts receivable</b>		
Capital Securities Corporation	\$ 3,452	1,118
<b>Accounts payable</b>		
Capital Securities Corporation	\$ 10,013	8,956
<b>Other receivables (Note 1)</b>		
Capital Securities Corporation	\$ 3,615	3,649
<b>Other payables</b>		
Capital Securities Corporation (Note 2)	\$ 340	295
CSC Futures (HK) Ltd. (Note 3)	4,851	5,463
<b>Total</b>	<b>\$ 5,191</b>	<b>5,758</b>

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

(Note 2) Allocation of expenses and interests payable.

(Note 3) Payables for Service charge discounts and interests.

(iii) Bonds purchased under resale agreements

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Bonds purchased under resale agreements	\$ 61,068	31,426
Resale price under the agreements	\$ 61,137	31,450
Interest rates	1.15%	1.00%
Date of repurchase	2025.01.17	2024.01.12

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest income	<u><u>\$ 358</u></u>	<u><u>713</u></u>

(iv) Leases

The Company signed three-year lease contracts and rented the office from Capital Securities Corporation. As of December 31, 2024 and 2023, the total value of effective contracts were all \$53,141. For the year ended December 31, 2024 and 2023, the Company recognized the amount of \$761 and \$455 as interest expense. As of December 31, 2024 and 2023, lease liabilities amounted to \$27,568 and \$44,521, respectively, and refundable deposits were all amounted to \$4,620.

The Company signed five-year and three-month lease contracts and rented the office from Fu Tai Construction Corporation. As of December 31, 2024 and 2023, the total value of effective contracts were all \$24,090. For the year ended December 31, 2024 and 2023, the Company recognized the amount of \$360 and \$249 as interest expense. As of December 31, 2024 and 2023, lease liabilities amounted to \$16,159 and \$20,283, respectively, and refundable deposits were all amounted to \$1,165.

(v) Rental expenses

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

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	<u><u>\$ 922</u></u>	<u><u>904</u></u>

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

(vi) Securities commission income

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

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	<u><u>\$ 23,478</u></u>	<u><u>12,761</u></u>

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

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	<u><u>\$ 773</u></u>	<u><u>123</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

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

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>165</u>	<u>34</u>

(ix) Commission cost

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ 145,792	131,141
CSC Futures (HK) Ltd.	20,644	12,555
Total	\$ <u>166,436</u>	<u>143,696</u>

(x) Information technology expenses

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>57,573</u>	<u>53,440</u>

(xi) Stock service fees

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>642</u>	<u>659</u>

(xii) Human resource and legal service fees

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>300</u>	<u>300</u>

(xiii) Brokerage fees - proprietary trading

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>194</u>	<u>267</u>

(xiv) Securities transaction fees

	<b>For the years ended December 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <u>335</u>	<u>469</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

(xv) Discretionary service commission fees

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Related parties</b>		
Capital Securities Corporation	\$ <u>522</u>	<u>340</u>

(xvi) Stationery and printing fees

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Related parties</b>		
Capital Securities Corporation	\$ <u>32</u>	<u>32</u>

(xvii) Repair and maintenance fees

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Related parties</b>		
Capital International Technology Co., Ltd.	\$ <u>-</u>	<u>1,882</u>

(xviii) Professional service fees

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Related parties</b>		
Capital True Partner Technology Co., Ltd.	\$ <u>-</u>	<u>20,677</u>

(xix) Consulting fees

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Related parties</b>		
Other related parties	\$ <u>-</u>	<u>39</u>

(xx) Property Transactions

The Company purchased equipment from Capital International Technology Co., Ltd. for a total price of \$110 in February 2024, with an unpaid balance of \$0 as of December 31, 2024. For more information about property and equipment, please refer to Note 6(d).

**(8) Pledged assets:**

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

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

**(9) Commitments and contingencies:**

The Company purchased software and hardware systems for business development. As of December 31, 2024, the Company had outstanding balance payment \$8,611.

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

**(10) Losses Due to Major Disasters:None.**

**(11) Subsequent Events:**

The Board of Directors resolved to increase the Company's cash capital on December 9, 2024 with a par value of NT\$10 per share, and to issue \$39,500 thousand shares. The aforementioned capital increase was approved by the Financial Supervisory Commission (FSC) in the letter of Securities and Futures Bureau No. 1130367295 dated January 2, 2025, The Board of Directors resolved to increase the Company's capital by cash at the price of NT\$52.8 per share on January 14, 2025.

**(12) Derivative instrument transactions:**

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

**December 31, 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	290	\$ 1,337,932	1,337,860	
	TAIEX Futures	Short	4	(18,691)	(18,500)	
	Mini Taiex Futures	Long	101	117,409	116,582	
	Mini Taiex Futures	Short	103	(119,184)	(119,472)	
	Electronic Sector Index Futuress	Short	8	(41,334)	(41,018)	
	Financial Insurance Index Futures	Long	41	86,673	86,313	
	Financial Insurance Index Futures	Short	8	(16,863)	(16,882)	
	NTD Gold Futures	Short	1	(1,048)	(1,044)	
	Taiwan Stock Futures	Long	1,465	666,786	668,259	
	Taiwan Stock Futures	Short	3,075	(441,830)	(446,872)	
	US Dollar Index Futures	Short	36	(125,811)	(127,817)	
	JPY Dollar Futures	Long	21	56,418	55,165	
	Mini Taiex Weekly Futures	Long	26	29,804	29,946	
	Mini Taiex Weekly Futures	Short	108	(124,862)	(124,378)	
	Mini Financial Futures	Short	120	(63,689)	(63,156)	
	Mini Electronic Futures	Long	66	42,617	42,299	
	Corn Futures	Long	10	7,447	7,516	
	Crude Oil Futures	Short	5	(11,415)	(11,757)	
	FTSE China A50 Index Futures	Long	170	75,252	75,047	
	Henry Hub Natural Gas Futures	Long	7	7,922	8,338	
	Micro TAIEX Futures	Short	1,165	(269,476)	(268,582)	
	Soybean Futures	Long	4	6,510	6,626	
	Subtotal			1,200,567		

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements**

**December 31, 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	137	\$ 1,012	755	
	Stock Options (Call)	Short	123	(663)	(356)	
	Stock Options (Put)	Short	52	(216)	(186)	
	Stock Options (Put)	Long	215	927	902	
	TAIEX Options (Call)	Long	6,226	152,693	144,917	
	TAIEX Options (Call)	Short	4,832	(85,687)	(54,451)	
	TAIEX Options (Put)	Long	6,738	121,783	110,700	
	TAIEX Options (Put)	Short	2,386	(27,694)	(24,889)	
	TAIEX Weekly Options (Call)	Long	1,550	4,712	2,601	
	TAIEX Weekly Options (Call)	Short	1,028	(4,494)	(3,451)	
	TAIEX Weekly Options (Put)	Long	1,312	6,307	6,630	
	TAIEX Weekly Options (Put)	Short	1,470	(8,097)	(9,190)	
	Electronic Sector Index Options (Put)	Long	2	49	37	
	Financial Insurance Index Options (Call)	Long	307	4,523	3,315	
	Financial Insurance Index Options (Call)	Short	190	(375)	(198)	
	Financial Insurance Index Options (Put)	Long	320	3,539	3,906	
	Financial Insurance Index Options (Put)	Short	110	(179)	(72)	
	Gold Options (Call)	Long	69	791	511	
	Gold Options (Call)	Short	10	(53)	(7)	
	Gold Options (Put)	Long	85	935	557	
	Subtotal			169,813		
Total				<u>\$ 1,370,380</u>		

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the 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)	
	Subtotal			<u>1,847,653</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>\$ 1,976,533</u></u>		

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements

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

Item	December 31, 2024	December 31, 2023
Leverage derivatives- long	\$ <u>5,647,635</u>	<u>4,606,396</u>
Leverage derivatives- short	\$ <u>5,645,208</u>	<u>4,592,219</u>
Equity derivatives- long	\$ <u>245,876</u>	<u>234,573</u>
Equity derivatives- short	\$ <u>278,656</u>	<u>234,554</u>

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

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)	7,740,641	3.82	7,173,449	4.44	$\geq 1$	Satisfactory to requirement
17	Current Assets	57,276,491		44,754,505			
	Current Liabilities	51,323,632	1.12	39,269,119	1.14	$\geq 1$	"
22	Stockholders' equity	7,740,641		7,173,449		$\geq 60\%$	
	Minimum paid-in capital	1,115,000	694.23 %	1,115,000	643.36 %	$\geq 40\%$	"
22	Post-adjustment net capital						
	Total customer margin deposits required for open positions of customers	5,002,861	36.93 %	5,191,652	53.77 %	$\geq 20\%$	
		13,545,637		9,654,651		$\geq 15\%$	"

**(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 Company needs sufficient liquidity to cover the transactions and suffer the loss may occur.

**(15) Other:None.**

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the 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	65,113	65,113	-	9.18%	1	1,026		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F611702	Account receivables -Customer	No	455,794	455,794	325,567	5.43%~ 6.68%	1	295,400		-		-	455,794	1,106,156
1	CSC Futures (HK) Ltd.	F613059	Account receivables -Customer	No	97,670	97,670	-	8.18%	1	20,308		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F612688	Account receivables -Customer	No	16,278	326	-	7.18%	1	-		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F612687	Account receivables -Customer	No	-	-	-	7.18%	1	116		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F612851	Account receivables -Customer	No	65,113	-	-	7.18%	1	162		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F613091	Account receivables -Customer	No	48,835	326	-	7.18%	1	370		-		-	221,231	1,106,156
1	CSC Futures (HK) Ltd.	F190416	Account receivables -Customer	No	227,897	227,897	-	5.68%	1	15,937		-		-	227,897	1,106,156
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.

##### (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 December 31, 2024			Revenue of investee	Net income (losses) of investee	Share of profits/losses of investee	Cash dividend	Note
						December 31, 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 %	1,106,156	349,590	(6,765)	(6,765)	-	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 %	12,472	-	(6,030)	(6,030)	-	Subsidiary

(Continued)

## CAPITAL FUTURES CORPORATION

### Notes to the 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 December 31, 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	2,445	51.00%	51.00%	1,248 B (2)	4,418	-
Capital Futures Technology (Shanghai) Co., Ltd.	Management consulting and information service business	18,863	(C)	18,863	-	-	18,863	(708)	100.00%	100.00%	(708) B (2)	1,872	-

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)

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
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**  
**Notes to the Financial Statements**

**(17) Segment information:**

Please refer to the consolidated financial report for the year ended December 31, 2024.

**Capital Futures Corporation**  
**Statement of cash and cash equivalents**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Cash :		
Petty cash		\$ 60
Demand deposits		
NTD		237,656
Foreign currencies	The foreign currencies and exchange rates included are as follows:	11,930
	USD 294,813.04 @ 32.7850	
	JPY 960,983.00 @ 0.2099	
	EUR 4,986.74 @ 34.1400	
	HKD 247,359.25 @ 4.2220	
	CHF 2,473.96 @ 36.2700	
	SGD 402.67 @ 24.1300	
	AUD 10,085.00 @ 20.3900	
	CNY 121,260.13 @ 4.4780	
	INR 0.74 @ 0.3830	
Cash equivalents :		
Time deposits		
NTD	The maturity date is January 1, 2025 to December 31, 2025, the interest rate is between 1.435%~1.725%	2,258,600
Foreign currencies	The maturity date is January 7, 2025, the interest rate is 4.700%	65,570
	USD 2,000,000.00 @ 32.7850	
Futures excess (under) margin		
NTD		672,410
Foreign currencies	The foreign currencies and exchange rates included are as follows:	181,349
	USD 4,126,408.51 @ 32.7850	
	ZAR 2,688,066.37 @ 1.7500	
	GBP 35,478.04 @ 41.1900	
	HKD 484.00 @ 4.2220	
	EUR 75.79 @ 34.1400	
	AUD (74,570.77)@ 20.3900	
	CAD 21,498.00 @ 22.8200	
	JPY 4,928,292.00 @ 0.2099	
	NZD 44,951.30 @ 18.4700	
	CHF 275,945.99 @ 36.2700	
	SGD (1,372.58)@ 24.1300	
	CNY 3,058,370.01 @ 4.4780	
	INR 40,175,897.97 @ 0.3830	
Commercial paper	The maturity date is January 2, 2025 to March 3, 2025, the interest rate is between 1.20%~1.85%	306,985
Total		\$ <u><u>3,734,560</u></u>



Capital Futures Corporation										
Statement of financial assets at fair value through profit or loss – current										
December 31, 2024										
(Expressed in thousands of New Taiwan Dollars)										
Name of financial instrument	Description	Shares or units ( in thousands)	Par value (Dollars)	Total amount	Interest rate	Acquisition cost	Fair value		Fair value changes is attributable to the changes in credit risk	Note
							Unit price(Dollars)	Total amount		
<u>Beneficiary certificates</u>										
Open-ended funds and money- market instruments										
	Yuanta Japan Leaders Equity Fund	8,988	-	-	-	\$ 100,000	10.67	95,903		
	Other(Note)	2,972	-	-	-	30,000	-	31,879		
Securities invested by securities broker										
	Other(Note)	2,500	-	-	-	32,500	-	30,895		
Trading securities- proprietary trading										
	Other(Note)	2,091	-	-	-	65,028	-	63,225		
<u>Listed stocks</u>										
Trading securities- proprietary trading										
	Other(Note)	1,058	10	10,580	-	165,312	-	173,204		
<u>OTC stocks</u>										
Trading securities- proprietary trading										
	Other(Note)	140	10	1,400	-	41,135	-	43,465		
<u>Convertible Bond</u>										
Trading securities- proprietary trading										
	Other(Note)	243	-	-	-	28,379	-	26,460		
Total						462,354		465,031		
Valuation adjustment						2,677				
						\$ 465,031				
Call options								274,831		Table 1
Futures margin-proprietary fund- non-hedging								104,328		Table 2
Leverage derivatives								153,147		
Equity derivatives								4,096		
Total								1,001,433		

Note: The amount of each item is less than 5% of the total.

**Capital Futures Corporation**

**Statement of call options**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Table 1

<u>Name of financial instrument</u>	<u>Description</u>	<u>Number of contracts</u>	<u>Contract size or paid for (received from) premium</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>	<u>Note</u>
<b>Call options</b>						
<b>Call</b>						
TAIEX Options		6,226	\$ 152,693	144,917	(7,776)	
TAIEX Weekly Options		1,550	4,712	2,601	(2,111)	
Financial Insurance Index Options		307	4,523	3,315	(1,208)	
Stock Options		137	1,012	755	(257)	
Gold Options		69	791	511	(280)	
Subtotal			<u>163,731</u>	<u>152,099</u>	<u>(11,632)</u>	
<b>Put</b>						
TAIEX Options		6,738	121,783	110,700	(11,083)	
TAIEX Weekly Options		1,312	6,307	6,630	323	
Stock Options		215	927	902	(25)	
Financial Insurance Index Options		320	3,539	3,906	367	
Gold Options		85	935	557	(378)	
Electronic Sector Index Options		2	49	37	(12)	
Subtotal			<u>133,540</u>	<u>122,732</u>	<u>(10,808)</u>	
Total			<u>\$ 297,271</u>	<u>274,831</u>	<u>(22,440)</u>	

**Capital Futures Corporation**  
**Statement of futures margin proprietary fund – non**  
**– hedging**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Table 2

<b>Futures clearing house (Other futures commission merchant)</b>	<b>Description</b>	<b>Currency</b>	<b>Foreign currency (Dollars)</b>	<b>Exchange rate</b>	<b>Amount (NTD)</b>	<b>Note</b>
Phillip Futures Pte Ltd.		USD	\$ 1,613,012.12	32.7850	\$ 52,883	
SG Securities(HK) Limited		USD	225,142.00	32.7850	7,381	
LMAX		USD	8,438.97	32.7850	277	
CMC Markets UK Plc		USD	1,335,594.65	32.7850	43,787	
Total					<u><u>\$ 104,328</u></u>	

Capital Futures Corporation

Statement of financial assets at fair value through other comprehensive income – current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares (in thousands)	Par value (Dollars)	Total amount	Interest rate	Acquisition cost	Accumulated impairment	Fair Value		Note
								Unit price (Dollars)	Total amount	
Equity Instrument :										
<u>Listed stocks</u>										
Taiwan Cement Corp.		380	\$ 10	3,800	-	15,893	Not applicable	31.70	12,046	
Total						15,893			12,046	
Valuation Adjustment						(3,847)				
Total						\$ 12,046				

**Capital Futures Corporation**  
**Statement of bonds purchased under resale**  
**agreements**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Client name	Trading conditions			Bonds		Amount	Note
	Start date	Maturity date	Rate	Type	Par Value		
International Bills Finance Corporation	2024.12.27	2025.01.02	1.00 %	B61424	\$ 46,200	50,037	
"	2024.12.27	2025.01.02	1.00 %	B99702	37,000	40,004	
"	2024.12.30	2025.01.03	1.00 %	B61424	74,000	80,051	
"	2024.12.31	2025.01.06	1.00 %	B97872	74,000	80,029	
Capital Securities Corporation	2024.12.12	2025.01.17	1.15 %	A12101R	51,000	51,000	
"	2024.12.12	2025.01.17	1.15 %	B20167	10,000	10,068	
						<u>\$ 311,189</u>	

**Statement of customers margin accounts**

Item	Current Period		Previous period	
	Amount	%	Amount	%
Cash in banks	\$ 32,694,608	66	26,695,229	71
Marketable securities	230,153	1	1,061	-
Balance of the futures clearing house	9,467,938	19	5,832,851	15
Balance of other futures commission merchants	7,020,648	14	5,258,170	14
Total	<u>\$ 49,413,347</u>	<u>100</u>	<u>37,787,311</u>	<u>100</u>

Notes : 1. Cash in banks : The balance of the margin and premium of futures traders in the "customer margin accounts" opened by the futures broker in each bank.

2. Marketable Securities : Futures brokers conduct futures brokerage business and collect marketable securities from futures traders to cover transaction margin and premium in accordance with regulations.

3. Balance of futures clearing house : The settlement balance after the futures broker with clearing membership has transferred the margin and premium from the futures trader to the futures clearing institution.

4. Balance of other futures commission merchants : The settlement balance of margin and premium of futures brokers who are not clearing members after transferring them to futures brokers who are clearing members.

**Capital Futures Corporation**

**Statement of customers margin accounts – cash in**

**bank**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Bank</b>	<b>Account</b>	<b>Currency</b>	<b>Foreign currency (Dollars)</b>	<b>Exchange rate</b>	<b>Amount (NTD)</b>	<b>Note</b>
Yuanta Bank	000020372005678899	NTD	-	-	\$ 4,101,004	
Taichung Bank	000000092278050538	USD	106,355,342.46	32.7850	3,486,860	
Sunny Bank	000000120450002567	NTD	-	-	3,038,734	
Sunny Bank	000000120450002550	NTD	-	-	2,765,555	
Taishin Bank	000000068750059107	USD	77,321,594.07	32.7850	2,534,988	
Entie Commercial Bank	000004050600287700	USD	73,752,727.03	32.7850	2,417,983	
Shin Kong Commercial Bank	000000462110022256	USD	63,437,759.38	32.7850	2,079,807	
Far Eastern International Bank	000002700100004155	NTD	-	-	1,950,766	
Other (note)		USD	45,446,002.84	32.7850	1,489,947	
		JPY	219,324,077.00	0.2099	46,036	
		HKD	279,144,328.20	4.2220	1,178,547	
		CNY	4,239,250.35	4.4780	18,984	
		GBP	101,211.59	41.1900	4,169	
		EUR	703,870.47	34.1400	24,030	
		AUD	1,353,890.48	20.3900	27,606	
		CHF	7,903.10	36.2700	287	
		SGD	37,082.60	24.1300	895	
		NTD	-	-	7,528,410	
Total					<u><u>\$ 32,694,608</u></u>	

Note : If the balance of each account exceeds 5% of the total, it would be disclosed separately, otherwise it would be disclosed together.

**Capital Futures Corporation**  
**Statement of customers margin accounts –**  
**marketable securities**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Type of securities as margin collateral	Number of shares (in thousands)	Par value		Interest Rate	Valuation		Fair value	Note
		Amount in NTD or foreign currency amount	Exchange rate		Collateral amount	Non-collateral amount		
0056 Yuanta Taiwan	3	\$ 30	-	-	-	77	110	
1101 Taiwan Cement	5	50	-	-	4	107	159	
1210 Greatwall Ent	3	30	-	-	-	108	155	
1303 Nanya Technology	1	10	-	-	-	21	30	
1605 Walsin	30	300	-	-	-	498	711	
1718 China Man-Made Fiber	110	1,100	-	-	-	567	811	
1907 YFY Inc	60	600	-	-	-	1,247	1,782	
2317 Hon Hai	100	1,000	-	-	-	12,880	18,400	
2330 TSMC	352	3,520	-	-	228,457	36,423	378,400	
2360 Chroma	1	10	-	-	286	-	409	
2412 Chunghwa Telecom	22	220	-	-	-	1,902	2,717	
2458 Elan	2	20	-	-	212	-	301	
2801 Chang Hwa	7	70	-	-	-	88	124	
2885 Yuanta Financial	44	440	-	-	491	557	1,495	
2886 Mega Financial	3	30	-	-	-	81	116	
2888 Shin Kong Financial	310	3,100	-	-	519	2,041	3,658	
2890 SinoPac Financial	7	70	-	-	-	112	160	
2892 First Financial	5	50	-	-	-	95	136	
3045 Taiwan Mobile	8	80	-	-	-	636	908	
4904 Far EasTone	2	20	-	-	-	125	179	
8358 Co-Tech	1	10	-	-	41	-	59	
9938 Taiwan Paiho	3	30	-	-	143	-	205	
Total					<u>\$ 230,153</u>	<u>57,565</u>	<u>411,025</u>	

Note: According to the regulations of the Futures Exchange, the valuation of the stock is calculated at a 30% discount to the closing price of stock.

**Capital Futures Corporation**

**Statement of customers margin accounts – balance**

**of futures clearing house**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Name of futures clearing house</b>	<b>Description</b>	<b>Currency</b>	<b>Foreign currency (Dollars)</b>	<b>Exchange rate</b>	<b>Amount (NTD) (Collateral valuation)</b>	<b>Note</b>
Taiwan Futures Exchange	Cash in banks	NTD	-	-	\$ 7,691,708	
	Open Position profit or loss	NTD	-	-	127,520	
	Cash in banks	USD	47,206,731.50	32.7850	1,547,673	
	Open Position profit or loss	USD	(2,754.50)	32.7850	(90)	
	Cash in banks	CNY	4,148,832.00	4.4780	18,578	
	Cash in banks	JPY	83,367,600.00	0.2099	17,499	
	Open Position profit or loss	JPY	(4,513,600.00)	0.2099	(947)	
	Cash in banks	HKD	13,700,000.00	4.2220	57,841	
	Cash in banks	AUD	400,000.00	20.3900	8,156	
	<b>Total</b>				<b>\$ <u>9,467,938</u></b>	



**Capital Futures Corporation**  
**Statement of customers margin accounts – balance**  
**of other futures commission merchants**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Name of other Futures Commission Merchants</b>	<b>Description</b>	<b>Currency</b>	<b>Foreign currency (Dollars)</b>	<b>Exchange rate</b>	<b>Amount (NTD)</b>	<b>Note</b>
SG Securities (HK) Limited	Cash in banks	USD	135,026,018.12	32.7850	\$ 4,426,828	
	Open Position profit or loss	USD	(14,987,587.92)	32.7850	(491,368)	
	Cash in banks	CHF	19,024.13	36.2700	690	
	Cash in banks	JPY	7,075,320.00	0.2099	1,485	
	Open Position profit or loss	JPY	(421,250.00)	0.2099	(88)	
	Cash in banks	GBP	406,807.11	41.1900	16,756	
	Cash in banks	EUR	4,983,716.86	34.1400	170,144	
	Open Position profit or loss	EUR	(33,056.00)	34.1400	(1,129)	
Phillip Futures Pte Ltd.	Cash in banks	AUD	42,723.83	20.3900	871	
	Cash in banks	USD	36,164,514.61	32.7850	1,185,654	
	Open Position profit or loss	USD	(2,403,525.80)	32.7850	(78,800)	
	Cash in banks	JPY	343,534,159.00	0.2099	72,108	
	Open Position profit or loss	JPY	153,000.00	0.2099	32	
	Cash in banks	SGD	31,286.22	24.1300	755	
Nissan Century Securities Co., Ltd.	Open Position profit or loss	SGD	305.00	24.1300	7	
	Cash in banks	JPY	1,134,944,977.00	0.2099	238,225	
CSC Futures (HK) Ltd.	Open Position profit or loss	JPY	(6,943,600.00)	0.2099	(1,457)	
	Cash in banks	USD	12,341,903.66	32.7850	404,629	
	Open Position profit or loss	USD	(3,478.00)	32.7850	(114)	
ADM Investor Services, Inc.	Cash in banks	HKD	196,534,986.38	4.2220	829,771	
	Open Position profit or loss	HKD	(1,363,800.00)	4.2220	(5,758)	
	Cash in banks	USD	3,274,544.00	32.7850	107,356	
	Open Position profit or loss	USD	(966,810.00)	32.7850	(31,697)	
	Cash in banks	GBP	856,322.81	41.1900	35,272	
Marex Financial	Open Position profit or loss	GBP	(1,140.00)	41.1900	(47)	
	Cash in banks	USD	613,740.94	32.7850	20,121	
	Cash in banks	AUD	635,238.28	20.3900	12,953	
StoneX NH	Cash in banks	AUD	45,649.12	20.3900	931	
	Cash in banks	USD	2,072,520.66	32.7850	67,948	
VFM	Cash in banks	USD	848,525.37	32.7850	27,819	
	Cash in banks	KRW	223,196,739.00	0.0225	5,013	
VFM	Cash in banks	KRW	(37,080,000.00)	0.0225	(833)	
	Cash in banks	USD	200,441.74	32.7850	6,571	
Total					<u>\$ 7,020,648</u>	

**Capital Futures Corporation**  
**Statement of receivable- futures margins**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Client Code</u>	<u>Account</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Note</u>
9052284	9052284	-	-	\$ 2,173	
9112883	9112883	-	-	1,951	
6555508	6555508	-	-	1,111	
9059203	9059203	-	-	494	
Other		-	-	446	The amount of each item is less than 5% of the total.
Less: Loss allowance		-	-	(6,175)	
Total				<u>\$ -</u>	

**Statement of accounts receivable**

Client name	Description	Amount	Note
Non-related parties			
Taiwan Stock Exchange	Stock settlement	\$ 8,075	The amount of each item is less than 5% of the total.
Taipei Exchange	Stock settlement	7,807	
Phillip Futures Pte Ltd.	Foreign exchange square position settlement	1,598	
Other	Management fee revenue and commission discount, etc.	1,802	
	Subtotal	<u>19,282</u>	
Related parties			
Capital Securities Corporation	Securities commission revenue-securities introducing broker	3,452	
Total		<u>\$ 22,734</u>	

**Capital Futures Corporation**  
**Statement of prepayments**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Client name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Kinmax Technology, Inc.	Equipment expense	\$ 2,318	
Omni System Integration, Inc.	Equipment expense	1,935	
NetStar Network Integration Singapore Pte. Ltd., Taiwan Branch	Equipment expense	1,386	
Dentsu X (Taiwan), Inc.	Information expense	1,150	
Light Star Information Co., Ltd.	Repair and maintenance expense	610	
Houdin Technology Co.	Engineering	540	
Other	Information and membership fees, etc.	648	The amount of each item is less than 5% of the total.
Total		<u>\$ 8,587</u>	

**Statement of other receivables**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Non-related parties			
Interests receivable		\$ 53,233	
Dividends receivable		<u>3,541</u>	
	Subtotal	<u>56,774</u>	
Related parties			
Receivables- apportioned futures introducing broker		3,409	
Other	Interest revenue and information expense	206	The amount of each item is less than 5% of the total.
	Subtotal	<u>3,615</u>	
Total		<u>\$ 60,389</u>	

**Capital Futures Corporation**  
**Statement of other current assets**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Restricted Assets-Current		\$ 1,050,000	
Other		3	
Total		<u><u>\$ 1,050,003</u></u>	

**Statement of changes in financial assets at fair value**  
**through other comprehensive income –non-current**  
**For the year ended December 31, 2024**

**Equity Securities**

<b>Financial Instruments</b>	<b>Beginning balance</b>		<b>Addition</b>		<b>Decrease</b>		<b>Ending balance</b>		<b>Accumulated impairment</b>	<b>Collateral/ Pledge</b>	<b>Note</b>
	<b>Shares or units</b>	<b>Fair Value</b>	<b>Shares or units</b>	<b>Amount</b>	<b>Shares or units</b>	<b>Amount</b>	<b>Shares or units</b>	<b>Fair Value</b>			
Taiwan Futures Exchange	22,929	\$ 1,504	3,210	74	-	-	26,139	1,578	N/A	No	
CME Group	20,000	129,329	-	22,944	-	-	20,000	152,273	"	"	
Total		<u><u>\$ 130,833</u></u>		<u><u>23,018</u></u>		<u><u>-</u></u>		<u><u>153,851</u></u>			

**Capital Futures Corporation**  
**Statement of changes in investments under equity method**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Name	Beginning balance		Addition		Decrease		Ending balance			Net equity		Collateral	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount	Unit price	Total amount	/ Pledge	Note
CFC Futures(HK) Ltd.	220,000,000	\$ 1,035,312	-	77,609	-	(6,765)	220,000,000	100.00 %	1,106,156	5.03	1,106,156	No	Note 1 & 2
Capital International Technology Co., Ltd.	5,000,000	18,301	-	201	-	(6,030)	5,000,000	100.00 %	12,472	2.49	12,472	No	Note1 & 3
		<u>\$ 1,053,613</u>		<u>77,810</u>		<u>(12,795)</u>			<u>1,118,628</u>				

Note1: Evaluated by equity method.

Note2: The increase in the current period was due to the recognition of \$77,609 of exchange differences on translation of foreign operations, and the decrease was due to the recognition of \$6,765 of the share of profit of subsidiaries, affiliates and joint ventures recognized under equity method.

Note3: The increase in the current period was due to \$201 of the other comprehensive income, and the decrease was due to the recognition of \$6,030 of the share of profit of subsidiaries, affiliates and joint ventures recognized under equity method.

**Capital Futures Corporation**  
**Statement of changes in property and equipment**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Collateral/ Pledge</u>	<u>Note</u>
Equipment						
Office equipment	\$ 164,111	28,507	(17,697)	174,921	No	
Leasehold improvements	12,915	4,322	(3,219)	14,018	"	
Total	<u>\$ 177,026</u>	<u>32,829</u>	<u>(20,916)</u>	<u>188,939</u>		

**Statement of changes in accumulated depreciation of  
property and equipment**

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Note</u>
Equipment					
Office equipment	\$ 41,348	31,258	(17,697)	54,909	Note 1
Leasehold improvements	5,720	3,087	(3,219)	5,588	Note 2
Total	<u>\$ 47,068</u>	<u>34,345</u>	<u>(20,916)</u>	<u>60,497</u>	

Note 1: The estimated useful life is 3 to 5 years, and depreciation is calculated using the straight-line method.

Note 2: Depreciation is computed using the straight-line method over the estimated useful lives or shorter lease period.

**Capital Futures Corporation**  
**Statement of changes in right-of-use assets**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 88,355	-	-	88,355	
Equipment	9,273	479	(2,125)	7,627	
<b>Total</b>	<b>\$ 97,628</b>	<b>479</b>	<b>(2,125)</b>	<b>95,982</b>	

**Statement of changes in accumulated depreciation of  
right-of-use assets**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 15,211	24,279	-	39,490	
Equipment	3,870	2,755	(2,125)	4,500	
<b>Total</b>	<b>\$ 19,081</b>	<b>27,034</b>	<b>(2,125)</b>	<b>43,990</b>	

**Statement of changes in intangible assets**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Computer software	\$ 6,962	10,081	6,582	10,461	Note 1
Foreign futures exchange seats	44,325	-	-	44,325	Note 2
<b>Total</b>	<b>\$ 51,287</b>	<b>10,081</b>	<b>6,582</b>	<b>54,786</b>	

Note 1: Computer software has an estimated useful life of 3 years and amortization is calculated using the straight-line method.

Note 2: Intangible assets with indefinite useful lives are tested for impairment on an annual basis.

**Capital Futures Corporation**  
**Statement of other non-current assets**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Guarantee deposited for business operations		\$ <u>140,000</u>	Time deposit
Settlement fund		<u>175,647</u>	
Net defined benefit assets		<u>11,314</u>	
Refundable deposits	Office deposit	6,548	
	Guild self-regulatory margin	1,560	
	Other	88	The amount of each item is less than 5% of the total.
	Subtotal	<u>8,196</u>	
Total		<u><u>\$ 335,157</u></u>	



Capital Futures Corporation

Statement of financial liabilities at fair value through profit or loss –current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of Financial Instrument	Description	Shares or units	Par value	Total amount	Interest rate	Fair Value		Changes in fair value attributable to changes in credit risk	Note
						Unit price	Total amount		
Securities borrowing payable									
<u>Listed stocks</u>									
Other(Note)		1,018	\$ 10	64,906			60,558		
Subtotal				64,906			60,558		
<u>OTC stocks</u>									
AURAS Technology Co.Ltd.		514	10	349,334		672.00	345,408		
Subtotal				349,334			345,408		
Total				414,240			405,966		
Securities borrowing payable valuation adjustment				(8,274)					
				\$ 405,966					
Put options							\$ 92,800		Table 1
Leverage derivatives							12,900		
Equity derivatives							1,408		
Total							\$ 513,074		

Note : If the balance of each account exceeds 5% of the total, it would be disclosed separately, otherwise it would be disclosed together.

**Capital Futures Corporation**  
**Statement of put options**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Table 1

<u>Name of financial instrument</u>	<u>Description</u>	<u>Number of contracts</u>	<u>Contract size or paid for (received from) premium</u>	<u>Fair Value</u>	<u>Unrealized gain (loss)</u>	<u>Note</u>
<b>Put options</b>						
<b>Call</b>						
Stock Options		123	\$ 663	356	307	
TAIEX Options		4,832	85,687	54,451	31,236	
TAIEX Weekly Options		1,028	4,494	3,451	1,043	
Financial Insurance Index Options		190	375	198	177	
Gold Options		10	53	7	46	
Subtotal			<u>91,272</u>	<u>58,463</u>	<u>32,809</u>	
<b>Put</b>						
Stock Options		52	216	186	30	
TAIEX Options		2,386	27,694	24,889	2,805	
TAIEX Weekly Options		1,470	8,097	9,190	(1,093)	
Financial Insurance Index Options		110	179	72	107	
Subtotal			<u>36,186</u>	<u>34,337</u>	<u>1,849</u>	
Total			<u><u>\$ 127,458</u></u>	<u><u>92,800</u></u>	<u><u>34,658</u></u>	

**Capital Futures Corporation**  
**Statement of futures traders' equity**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Client Code</u>	<u>Currency</u>	<u>Foreign currency (Dollars)</u>	<u>Exchange rate</u>	<u>Amount (NTD)</u>	<u>Note</u>
9975062	USD	155,264,533.52	32.7850	\$ 5,090,348	
9970766	NTD	-	-	190,898	
	USD	81,141,388.75	32.7850	2,660,220	
Other	NTD	-	-	26,509,748	The amount of each client is less than 5% of the total.
	USD	369,753,834.86	32.7850	12,122,011	
	EUR	5,654,119.04	34.1400	193,032	
	GBP	1,363,212.43	41.1900	56,151	
	JPY	1,776,029,525.00	0.2099	372,789	
	AUD	2,475,405.74	20.3900	50,473	
	HKD	487,894,177.59	4.2220	2,059,889	
	CNY	8,388,082.23	4.4780	37,562	
	SGD	68,630.92	24.1300	1,656	
	CHF	26,927.23	36.2700	977	
	KRW	185,861,595.00	0.0225	4,174	
Total				<u>\$ 49,349,928</u>	

**Capital Futures Corporation**  
**Statement of accounts payable**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Client Name	Description	Amount	Note
Non-related parties:			
Taiwan Futures Exchange	Transaction fees and clearing and settlement expenses	\$ 40,307	The amount of each client is less than 5% of the total.
Taiwan Stock Exchange	Stock settlement and transaction fees	6,052	
Other	Commission expenses and foreign exchange spot payments, etc.	1,823	
	Subtotal	<u>48,182</u>	
Related parties:			
Capital Securities Corporation	Commission expenses	<u>10,013</u>	
Total		<u>\$ 58,195</u>	

**Capital Futures Corporation**  
**Statement of other payables**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Non-related parties:		
Bonus payable	Year-end bonus and performance bonus, etc.	\$ 173,293
Information expenses payable		26,126
Employees' remuneration payable		17,358
Directors and supervisors' remuneration payable		17,358
Other	Sales tax, etc.	<u>40,025</u>
Subtotal		<u>274,160</u>
Related parties:		
Discount on handling fee payable		3,782
Other	Interest expense and professional service fees, etc.	<u>1,409</u>
Subtotal		<u>5,191</u>
Total		<u><u>\$ 279,351</u></u>

**Statement of provisions – current**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Employees' non-leave bonus payable		<u><u>\$ 7,628</u></u>	

**Capital Futures Corporation**  
**Statement of lease liabilities**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Note</u>
Buildings		2022.01.01~2028.08.31	0.91%~2.07%	\$ 49,438	
Equipment		2021.11.18~2028.12.31	0.97%~2.04%	3,167	
				<u>\$ 52,605</u>	

Note: Those due within one year have been reclassified as current liabilities.

**Statement of other current liabilities**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Temporary credits	Cash flow in after the market closed and others	\$ <u>49,725</u>	

**Statement of deferred income tax liabilities**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Unrealized gains on derivative financial instruments		\$ <u>28,587</u>	

**Capital Futures Corporation**  
**Statement of gains (losses) on derivative instruments**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
<u>Gains on derivative instruments:</u>			
Futures contract gain — non-hedged and realized	The benefits arising from futures trading for trading purposes	\$ 1,142,487	
Futures contract gain — non-hedged and unrealized	"	1,566	
Option trading gain — non-hedged and realized	The benefits arising from option trading for trading purposes	759,677	
Option trading gain — non-hedged and unrealized	"	34,619	
Exchange rate derivatives trading gain — non-hedged and realized	The benefits arising from leverage derivative trading for trading purposes	382,964	
Exchange rates derivatives trading gain — non-hedged and unrealized	"	21,237	
Products derivatives trading gain — non-hedged and realized	The benefits arising from leverage derivative trading for trading purposes	1,469,975	
Products derivatives trading gain — non-hedged and unrealized	"	9,025	
Equity derivatives trading gain — non-hedged and realized	The benefits arising from equity derivative trading for trading purposes	159,688	
Subtotal		<u>3,981,238</u>	
<u>Losses on derivative instruments:</u>			
Futures contract loss — non-hedged and realized	The loss arising from futures trading for trading purposes	1,217,281	
Futures contract loss — non-hedged and unrealized	"	4,391	
Option trading loss — non-hedged and realized	The loss arising from option trading for trading purposes	601,136	
Option trading loss — non-hedged and unrealized	"	5,555	
Exchange rate derivatives trading loss — non-hedged and realized	The loss arising from leverage derivative trading for trading purposes	350,995	
Exchange rate derivatives trading loss — non-hedged and unrealized	"	16,186	
Products derivatives trading loss — non-hedged and realized	The loss arising from leverage derivative trading for trading purposes	1,409,531	
Products derivatives trading loss — non-hedged and unrealized	"	9,098	
Equity derivatives trading loss — non-hedged and realized	The loss arising from equity derivative trading for trading purposes	140,040	
Equity derivatives trading loss — non-hedged and unrealized	"	13,196	
Subtotal		<u>3,767,409</u>	
Total		<u><u>\$ 213,829</u></u>	

**Capital Futures Corporation**  
**Statement of gains (losses) on sale of trading**  
**securities**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Revenue from sale of securities</b>	<b>Costs from sale of securities</b>	<b>Gains (losses) on sale of securities</b>	<b>Note</b>
Trading- TSE:				
Stocks	\$ 4,790,026	4,707,838	82,188	
Other	<u>357,880</u>	<u>367,780</u>	<u>(9,900)</u>	
Subtotal	<u>5,147,906</u>	<u>5,075,618</u>	<u>72,288</u>	
Trading- OTC:				
Stocks	1,156,494	1,150,782	5,712	
Other	<u>102,984</u>	<u>103,774</u>	<u>(790)</u>	
Subtotal	<u>1,259,478</u>	<u>1,254,556</u>	<u>4,922</u>	
Total	<u><u>\$ 6,407,384</u></u>	<u><u>6,330,174</u></u>	<u><u>77,210</u></u>	



**Capital Futures Corporation**  
**Statement of futures commission expenses**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Payment Party</b>	<b>Amount</b>	<b>Note</b>
Re-consigned futures trading	SG Securities (HK) Limited	\$ 194,082	
	Phillip Futures Pte Ltd.	33,511	
	CSC Futures (Hong Kong) Limited	20,644	
	ADM Investor Services, Inc.	14,390	
	LMAX Global	3,556	
	Nissan Century Securities Co., Ltd.	3,265	
	Newedge Australia PTY LTD	570	
	CMC Markets UK	515	
	StoneX	91	
	EST	79	
	MF Global Singapore Pte Ltd.	53	
	NH	52	
Futures introducing broker business	Capital Securities Corporation	145,792	
	Union Securities Co., Ltd.	1,637	
	Primasia Securities Company Limited	1,266	
Total		<u><u>\$ 419,503</u></u>	

**Capital Futures Corporation**  
**Statement of employee benefit, depreciation,**  
**amortization, and other operating expenses**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan Dollars)**

Item	2024	2023	Note
<b>Employee benefit expenses</b>			
Salary expense	\$ 576,283	489,102	
Labor and health insurance expense	33,356	31,054	
Pension expense	15,692	12,590	
Directors' remuneration	33,581	31,667	
Other employee benefits expense	13,108	7,791	
<b>Depreciation expense</b>	61,379	47,421	
<b>Amortization expense</b>	6,582	5,326	
<b>Other operating expense</b>	516,027	417,165	
	<b>\$ 1,256,008</b>	<b>1,042,116</b>	

Additional information on the number of employees of the Company for 2024 and 2023 were as follows :

	2024	2023
Employees	325	319
Number of directors- non-employees	6	6
Average employee benefit expense	\$ 2,001	1,727
Average employee salary expense	\$ 1,807	1,563
Adjustments to average employee salaries and wages	15.61 %	
Supervisor's remuneration	\$ -	-

Remuneration policy (including directors, managers and employees):

The remuneration of the Company's directors is based on their participation and contribution to the Company's operations and is authorized to be determined by the Board of Directors in accordance with the industry standard. The remuneration of the Company's managers and employees shall be determined by reference to the industry norm, taking into account the reasonableness of the relationship between the individual's performance, the degree of participation and contribution to the Company's operations, the responsibilities, the Company's operating performance and future risks. Compensation for directors and managers shall be reviewed by the Remuneration Committee and approved by the Board of Directors.

**Capital Futures Corporation**  
**Statement of financial costs**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Interest expense	Excess margin and payment to foreign futures institution, etc.	\$ <u><u>91,331</u></u>	

**Statement of expected credit impairment loss (gain)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Receivables- futures margin	Breach of Futures traders	\$ <u><u>(282)</u></u>	Note1

Note 1: In accordance with the Ministry of Finance's 881030 Taiwan Financial Securities (7) Regulation No. 91625, when a debit balance is created on the futures trader's equity and a default is reported, the default amount should be recorded as a margin receivable on futures transactions and the expected credit impairment loss should be recorded in full. If the defaulters repay the defaulted amount in subsequent years, the Company will record the expected credit impairment benefit.

**Capital Futures Corporation**  
**Statement of other gains and losses**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Interest income	Interest on time deposits and interest on demand deposit	\$ 1,277,919	
Dividend income		12,316	
Net gains on non-operating financial instruments at fair value through profit or loss		4,754	
Net gains on foreign exchange		20,585	
Net gains on disposal of investments		44,948	
Other income	Incentives and subsidy, etc.	<u>9,180</u>	
Subtotal		<u>1,369,702</u>	
Other expenses	Investment transaction fee and transaction tax expense	(43)	
Subtotal		<u>(43)</u>	
Total		<u><u>\$ 1,369,659</u></u>	

**CAPITAL FUTURES CORPORATION****Financial Statements of Securities Dealing Department****For the Years Ended December 31, 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

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
111100	Cash and cash equivalents (Note 6(a))	\$ 590,883	49	664,241	59	212000	Financial liabilities at fair value through profit or loss- current (Note 6(d))	\$ 8,925	1	12,120	1
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	306,354	25	304,128	27	214130	Accounts payable	6,130	-	78,428	7
113200	Financial assets at fair value through comprehensive income- current (Note 6(b))	12,046	1	13,243	1	214170	Other payables	1,517	-	1,378	-
						216000	Lease liabilities- current	306	-	124	-
114010	Bonds purchased under resale agreements(Note 6(b))	250,121	21	60,208	5			16,878	1	92,050	8
114100	Security borrowing margin	14,822	1	15,715	2	Non-current liabilities:					
114130	Accounts receivable	15,882	1	40,084	4	226000	Lease liabilities- non-current	183	-	175	-
114150	Prepayments	22	-	6	-	229110	Inter-department accounts, credit(note 6(e))	147,671	12	37,864	4
114170	Other receivables	1,324	-	611	-	Total liabilities		164,732	13	130,089	12
114600	Current income tax assets	361	-	518	-	Equity:					
		1,191,815	98	1,098,754	98	301110	Assigned working capital	800,000	66	800,000	71
Non-current assets:						304000	Retained earnings	252,243	21	191,084	17
125000	Property and equipment	1,630	-	1,777	-	305000	Other equity	(3,847)	-	(2,650)	-
125800	Right-of-use assets	482	-	298	-	Total equity		1,048,396	87	988,434	88
127000	Intangible assets	49	-	20	-						
129000	Other non-current assets (Note 6(c))	19,152	2	17,674	2						
		21,313	2	19,769	2						
Total assets		\$ 1,213,128	100	1,118,523	100	Total liabilities and equity		\$ 1,213,128	100	1,118,523	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 years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income:</b>					
410000	Net gains (losses) on sale of trading securities	\$ 77,210	98	(126,081)	(15,546)
421300	Dividend revenue	10,206	13	134,409	16,573
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(11,763)	(15)	8,815	1,087
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	600	1	(12,018)	(1,482)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	2,239	3	(5,675)	(700)
428000	Other operating revenue (loss)	(1)	-	1,361	168
		<u>78,491</u>	<u>100</u>	<u>811</u>	<u>100</u>
<b>Expenses:</b>					
502000	Brokerage fees- proprietary trading	677	1	248	31
521200	Financial costs	9	-	3	-
521640	Loss from securities borrowing transactions	-	-	8	1
531000	Employee benefits expense	5,696	7	2,750	339
532000	Depreciation and amortization expense	610	1	451	56
533000	Other operating expenses	18,913	24	8,024	989
		<u>25,905</u>	<u>33</u>	<u>11,484</u>	<u>1,416</u>
	<b>Net operating income (loss)</b>	<u>52,586</u>	<u>67</u>	<u>(10,673)</u>	<u>(1,316)</u>
<b>Non-operating income and expenses:</b>					
602000	Other gains and losses	8,573	11	10,827	1,335
		<u>8,573</u>	<u>11</u>	<u>10,827</u>	<u>1,335</u>
902001	<b>Net income before income tax</b>	61,159	78	154	19
701000	<b>Less: Income tax expenses</b>	-	-	-	-
	<b>Net income</b>	<u>61,159</u>	<u>78</u>	<u>154</u>	<u>19</u>
805000	<b>Other comprehensive income:</b>				
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	(1,197)	(2)	6,167	760
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may not be reclassified subsequently to profit or loss</b>	<u>(1,197)</u>	<u>(2)</u>	<u>6,167</u>	<u>760</u>
805000	<b>Other comprehensive income</b>	<u>(1,197)</u>	<u>(2)</u>	<u>6,167</u>	<u>760</u>
902006	<b>Total comprehensive income</b>	<u>\$ 59,962</u>	<u>76</u>	<u>6,321</u>	<u>779</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 years ended December 31, 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 March 6, 2025.

**(3) New standards, amendments and interpretations adopted:**

The new standards, amendments and interpretations of the Department apply in line with the parent Company-only financial report. Please refer to the parent Company-only 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 parent Company-only financial report, please refer to the parent Company-only financial report.

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

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the department's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

**(6) Explanation of significant accounts:**

**(a) Cash and cash equivalents**

	December 31, 2024	December 31, 2023
Demand deposits	\$ 96,883	45,241
Time deposits	494,000	619,000
Total	<u>\$ 590,883</u>	<u>664,241</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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Trading securities- proprietary trading	\$ 299,854	294,712
Trading securities- proprietary trading valuation adjustment	6,500	9,416
Total	<b><u>\$ 306,354</u></b>	<b><u>304,128</u></b>

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Equity investments at fair value through other comprehensive income		
Listed stocks	\$ 15,893	15,893
Valuation adjustment	(3,847)	(2,650)
Total	<b><u>\$ 12,046</u></b>	<b><u>13,243</u></b>

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 years ended December 31, 2024 and 2023, the dividends of \$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 year ended December 31, 2024 and 2023, the dividends of \$0 and \$124 were recognized in the reported periods.

During the year ended December 31, 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 and \$36,610, respectively, and cumulative dispose gains for the year ended December 31, 2024 and 2023, amounted to \$0 and \$646, respectively, were transferred from other equity items to retained earnings.

(iii) Bonds purchased under resale agreements

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Bonds purchased under resale agreements	<b><u>\$ 250,121</u></b>	<b><u>60,208</u></b>
Resale price under the agreements	<b><u>\$ 250,158</u></b>	<b><u>60,220</u></b>
Interest rates	<b><u>1.00%</u></b>	<b><u>0.95%</u></b>
Date of repurchase	<b><u>2025.01.02~2025.01.06</u></b>	<b><u>2024.01.02~2024.01.03</u></b>

(Continued)

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

(c) Other non-current assets

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

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Liabilities on sale of borrowed securities - non-hedging	\$ 11,164	12,084
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	(2,239)	36
Total	<u><u>\$ 8,925</u></u>	<u><u>12,120</u></u>

(e) Inter-department accounts, credit

As of December 31, 2024 and 2023, the Department and the Company's futures department inter-department transactions of \$147,671 and \$37,864, respectively.

(f) Financial Instruments

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of December 31, 2024 and 2023, the maximum credit exposure amounted to \$1,210,584 and \$1,115,904, respectively.

(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.

	<b>Carrying amount</b>	<b>Contract cash flow</b>	<b>Within 6 months</b>	<b>6-12 months</b>	<b>1-2 year</b>	<b>2-5 year</b>	<b>More than 5 year</b>
<b>December 31, 2024</b>							
Financial liabilities at fair value through profit or loss	\$ 8,925	8,925	8,925	-	-	-	-
Accounts payable	6,130	6,130	6,130	-	-	-	-
Other payables	1,517	1,517	1,517	-	-	-	-
Lease liabilities	489	498	165	148	175	10	-
Total	<u><u>\$ 17,061</u></u>	<u><u>17,070</u></u>	<u><u>16,737</u></u>	<u><u>148</u></u>	<u><u>175</u></u>	<u><u>10</u></u>	<u><u>-</u></u>
<b>December 31, 2023</b>							
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	<u><u>\$ 92,225</u></u>	<u><u>92,233</u></u>	<u><u>91,990</u></u>	<u><u>64</u></u>	<u><u>112</u></u>	<u><u>67</u></u>	<u><u>-</u></u>

(Continued)

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

(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:

<b>December 31, 2024</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 43.74	32.7850	2
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	849.48	24.1300	20
<b>December 31, 2023</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 43.74	30.7050	2
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	2,340.40	23.2900	55

For the years ended December 31, 2024 and 2023, the foreign exchange gains (losses) (including realized and unrealized) were \$(1) and \$1,361, 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 years ended December 31, 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 all \$0. The analytical basis was the same in both years.

(Continued)

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

(iv) Analysis in interest rates

For the years ended December 31, 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 \$73 and \$61. This is mainly due to the Department's 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:

securities price on the reporting date	For the years ended December 31,			
	2024		2023	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increase 1%	\$ 120	2,974	132	2,920
Decrease 1%	\$ (120)	(2,974)	(132)	(2,920)

(vi) Fair value and hierarchy information

1) Fair value information

The fair value information of the Department is consistent with the parent Company-only financial report. Please refer to the parent Company-only 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	December 31, 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)
<b>Fair value evaluated on a recurring basis</b>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 63,225	63,225	-	-
Stock investment	216,669	216,669	-	-
Convertible Bond	26,460	26,460	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,046	12,046	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	8,925	8,925	-	-

(Continued)

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

		December 31, 2023		
Assets and Liabilities items	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)
<b>Fair value evaluated on a recurring basis</b>				
<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	-	-

b) Valuation techniques

The evaluation techniques of the Department in terms of fair value are in consistent with the parent Company-only financial report. Please refer to the parent Company-only 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.

**(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.

(Continued)

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

(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 December 31, 2024 and 2023, the total value of effective contracts of were \$872 and \$266, respectively. For the years ended December 31, 2024 and 2023, the Department recognized the amount of \$8 and \$2 as interest expense. As of December 31, 2024 and 2023, lease liabilities were amounted to \$452 and \$223, 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:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<u>Related parties</u>		
Capital Securities Corporation	\$ <u>96</u>	<u>40</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.

(iii) Information technology expenses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<u>Related parties</u>		
Capital Securities Corporation	\$ <u>576</u>	<u>538</u>

(iv) Repair and maintenance expenses

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<u>Related parties</u>		
Capital International Technology Co., Ltd.	\$ <u>-</u>	<u>19</u>

(8) Pledged assets:None.

(9) Commitments and contingencies:None.

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:None.

(Continued)

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

**(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.



**Securities Dealing Department of**  
**Capital Futures Corporation**  
**Statement of cash and cash equivalents**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Cash :		
Demand deposits		
NTD		\$ 96,881
Foreign currencies	The foreign currencies and exchange rates included are as follows:	
	USD            43.74 @    32.7850	2
Cash equivalents :		
Time deposits		
NTD	The maturity date is January 9, 2025 to November 23, 2025, the interest rate is 1.570% ~1.700%	494,000
		<u><u>\$ 590,883</u></u>

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of financial assets at fair value through profit or loss- current**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Name of financial instrument	Description	Shares or units (in thousands)	Par value (Dollars)	Total amount	Interest rate	Acquisition Cost	Fair Value		Fair value changes is attributable to the changes in credit risk	Note
							Unit price (Dollars)	Total amount		
<u>Listed stocks</u>										
Trading securities- proprietary trading										
Accton Technology Co., Ltd.		40	\$ 10	400	-	25,235	773.00	30,920		
MediaTek Inc.		22	10	220	-	30,767	1,415.00	31,130		
Other(Note)		996	-	-	-	109,310	-	111,154		
<u>OTC stocks</u>										
Trading securities- proprietary trading										
Landmark Optoelectronics Corp.		80	10	800	-	28,311	387.00	30,960		
Other(Note)		60	-	-	-	12,824	-	12,505		
<u>Beneficiary certificate</u>										
Trading securities- proprietary trading										
Yuanta U.S. Treasury 20+ Year Bond ETF		630	10	6,300	-	18,848	28.65	18,049		
Other(Note)		1,461	-	-	-	46,180	-	45,176		
<u>Convertible Bond</u>										
Trading securities- proprietary trading										
Other(Note)		243	-	-	-	28,379	-	26,460		
Total						299,854		306,354		
Valuation adjustment						6,500				
Total						\$ 306,354				

Note: The amount of each item is less than 5% of the total.

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of financial assets at fair value through other comprehensive income- current**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Name of financial instrument	Description	Shares (in thousands)	Par value (Dollars)	Total amount	Interest rate	Acquisition Cost	Accumulated impairment	Fair value		Note
								Unit price (Dollars)	Total amount	
Equity Instrument :										
<u>Listed stocks</u>										
Taiwan Cement Corp.		380	\$ 10	3,800	-	15,893	Not Applicable	31.70	12,046	
Total						15,893			12,046	
Valuation adjustment						(3,847)				
Total						\$ 12,046				

Client Name	Trading conditions			Bonds		Amount	Note
	Start date	Maturity date	Rate	Type	Par Value		
International Bills Finance Corp.	2024.12.27	2025.01.02	1.00 %	B61424	\$ 46,200	50,037	
"	2024.12.27	2025.01.02	1.00 %	B99702	37,000	40,004	
"	2024.12.30	2025.01.03	1.00 %	B61424	74,000	80,051	
"	2024.12.31	2025.01.06	1.00 %	B97872	74,000	80,029	
						\$ 250,121	

**Securities Dealing Department of  
Capital Futures Corporation**  
**Statement of accounts receivable**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non related parties :			
Taiwan Stock Exchange	Stock settlement	\$ 8,075	
Taipei Exchange	"	7,807	
Total		<u><u>\$ 15,882</u></u>	

**Statement of prepayments**

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
SysJust Co., Ltd.	Information fee	<u><u>\$ 22</u></u>	

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of other receivables**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Dividends receivable		\$ 884	
Interests receivable		440	
Total		<u><u>\$ 1,324</u></u>	

**Statement of changes in property and equipment**

**For the year ended December 31, 2024**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Collateral/ Pledge</b>	<b>Note</b>
Office equipment	\$ 4,574	210	631	4,153	No	
Leasehold improvements	341	-	-	341	"	
Total	<u><u>\$ 4,915</u></u>	<u><u>210</u></u>	<u><u>631</u></u>	<u><u>4,494</u></u>		

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of changes in accumulated depreciation of  
property and equipment**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Office equipment	\$ 2,804	355	631	2,528	Note 1
Leasehold improvements	334	2	-	336	Note 2
<b>Total</b>	<b>\$ 3,138</b>	<b>357</b>	<b>631</b>	<b>2,864</b>	

Note 1: The estimated useful life is 3 to 5 years, and depreciation is calculated using the straight-line method.

Note 2: Depreciation is computed using the straight-line method over the estimated useful lives or shorter lease period.

**Statement of changes in right-of-use assets**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 257	408	-	665	
Equipment	93	-	-	93	
<b>Total</b>	<b>\$ 350</b>	<b>408</b>	<b>-</b>	<b>758</b>	

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of changes in accumulated depreciation of  
right-of-use assets**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 35	184	-	219	
Equipment	17	40	-	57	
Total	<u>\$ 52</u>	<u>224</u>	<u>-</u>	<u>276</u>	

**Statement of changes in intangible asset**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Collateral/ Pledge</b>	<b>Note</b>
Computer software	<u>\$ 20</u>	<u>29</u>	<u>-</u>	<u>49</u>	No	Note1

Note 1: Computer software has an estimated useful life of 3 years and amortization is calculated using the straight-line method.



**Securities Dealing Department of**  
**Capital Futures Corporation**  
**Statement of other non-current assets**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Guarantee deposited for business operations		\$ 10,000	Time deposit
Settlement fund		<u>9,152</u>	
Total		<u><u>\$ 19,152</u></u>	

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of financial liabilities at fair value through profit or loss- current**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Name of Financial Instrument	Description	Shares or units	Par value	Total amount	Interest rate	Fair Value		Changes in fair value attributable to changes in credit risk	Note
						Unit price	Total amount		
Securities borrowing payable									
<u>Listed stocks</u>									
Tsec Corporation		500	\$ 10	11,164		17.85	8,925		
Total				11,164			<u>8,925</u>		
Securities borrowing payable valuation adjustment				(2,239)					
Total				<u>\$ 8,925</u>					

**Securities Dealing Department of  
Capital Futures Corporation**  
**Statement of accounts payable**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Client Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Non-related parties :			
Taiwan Stock Exchange	Stock settlement and transaction fees	\$ 6,052	
Other	Central depository service fee and securities exchange tax, etc.	78	The amount of each client is less than 5% of the total.
Total		<u>\$ 6,130</u>	

**Statement of other payables**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Bonus payable	Year-end bonus and performance bonus	\$ 562
Payable for Information Fee	System Information and Connection Processing Fee	115
Other	Various advances and Fees on securities lending, etc.	766
	Other	<u>74</u>
		<u>\$ 1,517</u>

**Securities Dealing Department of**  
**Capital Futures Corporation**  
**Statement of lease liabilities**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount Rate</u>	<u>Ending balance</u>	<u>Note</u>
Buildings		2023.08.01~2026.07.31	2.07%	\$ 452	Note
Equipment		2023.07.01~2028.11.30	2.01%~2.02%	37	"
				<u>\$ 489</u>	

Note: Those due within one year have been reclassified as current liabilities.

**Statement of gains (losses) on sale of trading**  
**securities**

**For the year ended December 31, 2024**

<u>Item</u>	<u>Revenue from sale of securities</u>	<u>Costs from sale of securities</u>	<u>Gains (losses) on sale of securities</u>	<u>Note</u>
Trading- TSE:				
Stocks	\$ 4,790,026	4,707,838	82,188	
Other	<u>357,880</u>	<u>367,780</u>	<u>(9,900)</u>	
Subtotal:	<u>5,147,906</u>	<u>5,075,618</u>	<u>72,288</u>	
Trading- OTC:				
Stocks	1,156,494	1,150,782	5,712	
Other	<u>102,984</u>	<u>103,774</u>	<u>(790)</u>	
Subtotal:	<u>1,259,478</u>	<u>1,254,556</u>	<u>4,922</u>	
Total	<u>\$ 6,407,384</u>	<u>6,330,174</u>	<u>77,210</u>	

**Securities Dealing Department of  
Capital Futures Corporation**

**Statement of employee benefit, depreciation,  
amortization and other operating expenses**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars)**

Item	2024	2023	Note
<b>Employee benefit expenses</b>			
Salary expense	\$ 4,859	2,431	
Labor and health insurance expense	395	252	
Pension expense	242	157	
Directors' remuneration	-	-	
Other employee benefits expense	200	(90)	
<b>Depreciation expense</b>	581	424	
<b>Amortization expense</b>	29	27	
<b>Other operating expense</b>	18,913	8,024	
	<u><u>\$ 25,219</u></u>	<u><u>11,225</u></u>	

Additional information on the number of employees of the Department for 2024 and 2023 were as follows :

	2024	2023
Employees	<u><u>2</u></u>	<u><u>4</u></u>
Number of directors- non-employees	<u><u>-</u></u>	<u><u>-</u></u>
Average employee benefit expense	<u><u>\$ 2,848</u></u>	<u><u>688</u></u>
Average employee salary expense	<u><u>\$ 2,430</u></u>	<u><u>608</u></u>
Adjustments to average employee salaries and wages	<u><u>299.67 %</u></u>	
Supervisor's remuneration	<u><u>\$ -</u></u>	<u><u>-</u></u>

Remuneration policy (including directors, managers and employees):

The remuneration of the Company's directors is based on their participation and contribution to the Company's operations and is authorized to be determined by the Board of Directors in accordance with the industry standard. The remuneration of the Company's managers and employees shall be determined by reference to the industry norm, taking into account the reasonableness of the relationship between the individual's performance, the degree of participation and contribution to the Company's operations, the responsibilities, the Company's operating performance and future risks. Compensation for directors and managers shall be reviewed by the Remuneration Committee and approved by the Board of Directors.

**Securities Dealing Department of  
Capital Futures Corporation**  
**Statement of other gains and losses**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Interest income	Interest on time deposits and guarantee deposits, etc.	\$ 8,577	
Net loss on lease modifications		(4)	
		<u>\$ 8,573</u>	

**CAPITAL FUTURES CORPORATION**

**Financial Statements of Managed Futures Enterprises Department**

**For the Years Ended December 31, 2024 and 2023**

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(English Translation of Financial Statements of Managed Futures Enterprises Department Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Managed Futures Enterprises Department's Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
111100	Cash and cash equivalents (Note 6(a))	\$ 16,672	16	641	1	214140	Accounts payable - related parties (Note 7)	\$ 92	-	30	-
114010	Bonds purchased under resale agreements (Note 6(b) and 7)	61,068	58	31,426	53	214170	Other payables	2,434	3	1,472	2
114130	Management fees receivable	1,275	1	446	1	216000	Lease liabilities- current	279	-	290	1
114150	Prepayments	6	-	6	-			2,805	3	1,792	3
114170	Other receivables	11	-	10	-		Non-Current liabilities:				
114180	Other receivables - related parties (Note 7)	38	-	15	-	226000	Lease liabilities- non-current	155	-	434	1
114600	Current income tax assets	36	-	29	-		Total liabilities	2,960	3	2,226	4
		79,106	75	32,573	55		Equity:				
Non-current assets:						301110	Assigned working capital	150,000	142	100,000	168
125000	Property and equipment	891	1	1,070	2	304000	Accumulated deficit	(47,467)	(45)	(42,822)	(72)
125800	Right-of-use assets	427	-	721	1		Total equity	102,533	97	57,178	96
127000	Intangible assets	69	-	40	-						
129000	Other non-current assets	25,000	24	25,000	42						
		26,387	25	26,831	45						
Total assets		\$ 105,493	100	59,404	100	Total liabilities and equity		\$ 105,493	100	59,404	100

See accompanying notes to financial statements of managed futures enterprises department.

(English Translation of Financial Statements of Managed Futures Enterprises Department Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION****Managed Futures Enterprises Department's Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income:</b>					
424800	Total management fee revenues	\$ 9,018	100	3,377	100
		<u>9,018</u>	<u>100</u>	<u>3,377</u>	<u>100</u>
<b>Expense:</b>					
521200	Financial costs	12	-	8	-
528000	Other operating expenditure(Note 7)	521	6	340	10
531000	Employee benefits expense (Note 6(c))	10,817	120	6,760	200
532000	Depreciation and amortization expense (Note 6(c))	573	6	517	16
533000	Other operating expenses (Note 6(d))	<u>2,292</u>	<u>26</u>	<u>2,064</u>	<u>61</u>
		<u>14,215</u>	<u>158</u>	<u>9,689</u>	<u>287</u>
	<b>Net operating loss</b>	<u>(5,197)</u>	<u>(58)</u>	<u>(6,312)</u>	<u>(187)</u>
<b>Non-operating income and expenses:</b>					
602000	Other gains and losses	<u>552</u>	<u>6</u>	<u>429</u>	<u>13</u>
		<u>552</u>	<u>6</u>	<u>429</u>	<u>13</u>
902001	<b>Net loss before income tax</b>	(4,645)	(52)	(5,883)	(174)
701000	<b>Less: Income tax expenses</b>	-	-	-	-
	<b>Net loss</b>	(4,645)	(52)	(5,883)	(174)
805000	<b>Other comprehensive income</b>	-	-	-	-
902006	<b>Total comprehensive income</b>	<u><u>\$ (4,645)</u></u>	<u><u>(52)</u></u>	<u><u>(5,883)</u></u>	<u><u>(174)</u></u>

See accompanying notes to financial statements of managed futures enterprises department.

(English Translation of Financial Statements of Managed Futures Enterprises Department Originally Issued in Chinese)

## CAPITAL FUTURES CORPORATION

### Notes to the Financial Statements of Managed Futures Enterprises Department

For the years ended December 31, 2024 and 2023

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

**(1) Company history**

Managed Futures Enterprises Department of Capital Futures Corporation (the “Department”) started its operations on September 29, 2010.

**(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 March 6, 2025.

**(3) New standards, amendments and interpretations adopted:**

The new standards, amendments and interpretations of the Department apply in line with parent-Company-only financial reports. Please refer to the parent-Company-only financial reports.

**(4) Summary of significant accounting policies:**

The financial statements of the Department have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and the related rules of Preparing Financial Reports of Managed Futures Enterprises.

The accounting policies of the Department are consistent with the parent-Company-only financial reports, please refer to the parent-Company-only financial reports.

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

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Department's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

**(6) Explanation of significant accounts:**

**(a) Cash and cash equivalents**

	December 31, 2024	December 31, 2023
Demand deposits	\$ <u>16,672</u>	<u>641</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises Department**

(b) Bonds purchased under resale agreements

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Bonds purchased under resale agreements	<u><u>\$ 61,068</u></u>	<u><u>31,426</u></u>
Resale price under the agreements	<u><u>\$ 61,137</u></u>	<u><u>31,450</u></u>
Interest rates	<u><u>1.15%</u></u>	<u><u>1.00%</u></u>
Date of repurchase	<u><u>2025.01.17</u></u>	<u><u>2024.01.12</u></u>

(c) Employee benefits, depreciation and amortization expenses:

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Employee benefit expenses		
Salary expense	\$ 9,952	6,067
Labor and health insurance expense	475	408
Pension expense	207	195
Other employee benefit expense	183	90
Depreciation expense	521	465
Amortization expense	<u>52</u>	<u>52</u>
	<u><u>\$ 11,390</u></u>	<u><u>7,277</u></u>

(d) Other operating expenses

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Utilities expense	\$ 85	66
Postage expense	287	409
Entertainment expense	140	125
Taxes	187	93
Repair and maintenance expense	53	99
Advertising expenses	290	-
Information technology expense	574	717
Membership expense	50	74
Transportation expenses	186	186
Staff training fees	127	65
Other expenses	<u>313</u>	<u>230</u>
	<u><u>\$ 2,292</u></u>	<u><u>2,064</u></u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises Department**

(e) Financial instruments

(i) Credit risks

The carrying amount of financial assets represent the maximum credit exposure. As of December 31, 2024 and 2023, the maximum credit exposure amounted to \$104,064 and \$57,538, respectively.

(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.

	<u>Carrying amount</u>	<u>Contract cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>More than 5 year</u>
<b>December 31, 2024</b>							
Accounts payable	\$ 92	92	92	-	-	-	-
Other payables	2,434	2,434	2,434	-	-	-	-
Lease liabilities	434	441	151	134	156	-	-
Total	<u><u>\$ 2,960</u></u>	<u><u>2,967</u></u>	<u><u>2,677</u></u>	<u><u>134</u></u>	<u><u>156</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>December 31, 2023</b>							
Accounts payable	\$ 30	30	30	-	-	-	-
Other payables	1,472	1,472	1,472	-	-	-	-
Lease liabilities	724	743	151	151	285	156	-
Total	<u><u>\$ 2,226</u></u>	<u><u>2,245</u></u>	<u><u>1,653</u></u>	<u><u>151</u></u>	<u><u>285</u></u>	<u><u>156</u></u>	<u><u>-</u></u>

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<b>December 31, 2024</b>		
	<u>Foreign Currency (dollar)</u>	<u>Exchange rate</u>	<u>Thousands of New Taiwan Dollars</u>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	\$ 722.46	24.1300	17

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises Department**

	December 31, 2023		
	<u>Foreign Currency (dollar)</u>	<u>Exchange rate</u>	<u>Thousands of New Taiwan Dollars</u>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	\$ 2,223.01	23.2900	52

For the years ended December 31, 2024 and 2023, the foreign exchange gains (losses) (including realized and unrealized) were \$(1) and \$1, respectively.

2) Sensitivity analysis

The currency risk of the Department arises mainly from other receivables and other payables which are denominated in foreign currency. As of December 31, 2024 and 2023, with all other variable factors remain constant, a strengthening (weakening) 1% of the TWD against the USD, would cause after-tax comprehensive income result in both an increase or a decrease by all \$0. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the years ended December 31, 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 all \$200. This is mainly due to the Department's time deposits and guarantee deposited for business operations in variable rates and settlement fund in variable rate.

(v) Fair value

The management of the Department believes that the fair value information of the amortized cost of financial assets and financial liabilities is consistent with individual financial reports.

**(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 and relationship with related parties

The followings are entities that have had transactions with related party 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

(c) Key management personnel compensation : None.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises Department**

(d) Significant transactions with related parties

(i) Accounts Receivable (Payable)

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b><u>Other receivables</u></b>		
Capital Securities Corporation	\$ <u>38</u>	<u>15</u>
<b><u>Accounts payable</u></b>		
Capital Securities Corporation	\$ <u>92</u>	<u>30</u>

(ii) Business commission

	<u>For the years ended December 31,</u> <u>2024</u>	<u>2023</u>
<b><u>Related parties</u></b>		
Capital Securities Corporation	\$ <u>522</u>	<u>340</u>

(iii) Information technology expenses

	<u>For the years ended December 31,</u> <u>2024</u>	<u>2023</u>
<b><u>Related parties</u></b>		
Capital Securities Corporation	\$ <u>288</u>	<u>534</u>

(iv) Bonds purchased under resale agreements

The following is a breakdown of the investment in bonds under resale agreements with Capital Securities Corporation:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Bonds purchased under resale agreements	\$ <u>61,068</u>	<u>31,426</u>
Resale price under the agreements	\$ <u>61,137</u>	<u>31,450</u>
Interest rates	<u>1.15%</u>	<u>1.00%</u>
Date of repurchase	<u>2025.01.17</u>	<u>2024.01.12</u>
	<b><u>For the years ended December 31,</u></b>	<b><u>2024</u></b>
Interest revenue	\$ <u>351</u>	<u>292</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises Department**

(v) Lease

The Department signed lease contracts from Capital Securities Corporation for the rental of office premises. The total value of effective contracts were all \$802. For the years ended December 31, 2024 and 2023, the Department recognized the amount of \$12 and \$7 as interest expense. As of December 31, 2024 and 2023, lease liabilities were amounted to \$416 and \$672, respectively.

**(8) Pledged assets: None.**

**(9) Commitments and contingencies: None.**

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Derivative instrument transactions: None.**

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

In accordance with Article 31 of the Managed Futures Enterprise and Financial Supervisory Commission No. 10100480292, this department operates the discretionary futures trading business, and the total amount of the commissioned transaction accounted for its net value shall meet the restrictions listed as follows:

Art.	Calculation formula	Current Period		Last Period		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
31	The total amount of commissioned transactions net value	$\frac{695,390}{102,533}$	6.78	$\frac{254,500}{57,178}$	4.45	$\leq 10$	Compliance

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

The Department mainly accepts discretionary entrustment to engage in futures trading business, and its main content is to engage in futures contracts and option transactions on behalf of clients. Before accepting discretionary entrustment to engage in futures trading, the Department should first explain the transaction-related matters to the client in detail, deliver the discretionary futures trading manual and the discretionary futures trading risk notice, inform the nature of futures trading and possible risks, and sign with the client. For futures trading, the contract is fully appointed. The Department has formulated a sound internal control to manage the transaction risks and credit risks that may be faced.

**(15) Other: None.**

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Managed Futures Enterprises**  
**Department**

**(16) 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.

**(17) Segment information:**

This department only engages in managed futures enterprises as a single industry, therefore it is not applicable.



**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of management fee receivable**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties			
Discretionary management fee receivable		\$ <u><u>1,275</u></u>	

**Statement of prepayments**

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Light Star Information Co., Ltd.	Repair and maintenance fee	\$ <u><u>6</u></u>	

**Statement of other receivables**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties	Interest income	\$ 11	
Related parties	"	<u>38</u>	
		\$ <u><u>49</u></u>	

**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of changes in property and equipment**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Collateral/ Pledge</b>	<b>Note</b>
Office equipment	\$ 1,364	48	107	1,305	No	
Leasehold improvements	657	-	-	657	"	
<b>Total</b>	<b>\$ 2,021</b>	<b>48</b>	<b>107</b>	<b>1,962</b>		

**Statement of changes in accumulated depreciation of  
property and equipment**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Office equipment	\$ 374	199	107	466	Note 1
Leasehold improvements	577	28	-	605	Note 2
<b>Total</b>	<b>\$ 951</b>	<b>227</b>	<b>107</b>	<b>1,071</b>	

Note1: The estimated useful life is 3 to 5 years, and depreciation is calculated using the straight-line method.

Note2: Depreciation is computed using the straight-line method over the estimated useful lives or shorter lease period.

**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of changes in right-of-use assets**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 777	-	-	777	
Equipment	69	-	-	69	
Total	<u>\$ 846</u>	<u>-</u>	<u>-</u>	<u>846</u>	

**Statement of changes in accumulated depreciation of right-  
of-use assets**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Buildings	\$ 108	259	-	367	
Equipment	17	35	-	52	
Total	<u>\$ 125</u>	<u>294</u>	<u>-</u>	<u>419</u>	

**Statement of changes in intangible assets**

<b>Item</b>	<b>Beginning balance</b>	<b>Addition</b>	<b>Decrease</b>	<b>Ending balance</b>	<b>Note</b>
Computer software	<u>\$ 40</u>	<u>81</u>	<u>52</u>	<u>69</u>	Note 1

Note 1: Computer software has an estimated useful life of 3 years and amortization is calculated using the straight-line method.

**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of other non-current assets**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Guarantee deposited for business operations	Deposit in accordance with Article 17 of the Futures Brokerage Management Rules	\$ <u><u>25,000</u></u>	

**Statement of accounts payable**

<b>Client Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Related parties Capital Securities Corporation	Discretionary service commission fees payable	\$ <u><u>92</u></u>	

**Statement of other payables**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Non-related parties :		
Bonus payable	Year-end bonus and performance bonus	\$ 920
Other	Various advances	1,347
	Other	<u>167</u>
		<u><u>\$ 2,434</u></u>

**Managed Futures Enterprises Department of  
Capital Futures Corporation**  
**Statement of lease liabilities**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount Rate</u>	<u>Ending balance</u>	<u>Note</u>
Buildings		2023.8.1~2026.7.31	2.07%	\$ 416	
Equipment		2023.7.1~2025.6.30	2.02%	18	
				<u>\$ 434</u>	

Note: Those due within one year have been reclassified as current liabilities.

**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of employee benefit, depreciation,  
amortization and other operating expenses**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars)**

Item	2024	2023	Note
<b>Employee benefit expenses</b>			
Salary expense	\$ 9,952	6,067	
Labor and health insurance expense	475	408	
Pension expense	207	195	
Directors' remuneration	-	-	
Other employee benefit expense	183	90	
<b>Depreciation expense</b>	521	465	
<b>Amortization expense</b>	52	52	
<b>Other operating expense</b>	2,292	2,064	
	<u><u>\$ 13,682</u></u>	<u><u>9,341</u></u>	

Additional information on the number of employees of the Department for 2024 and 2023 were as follows:

	2024	2023
Employees	<u><u>6</u></u>	<u><u>6</u></u>
Number of directors- non-employees	<u><u>-</u></u>	<u><u>-</u></u>
Average employee benefit expense	<u><u>\$ 1,803</u></u>	<u><u>1,127</u></u>
Average employee salary expense	<u><u>\$ 1,659</u></u>	<u><u>1,011</u></u>
Adjustments to average employee salaries and wages	<u><u>64.09 %</u></u>	
Supervisor's remuneration	<u><u>\$ -</u></u>	<u><u>-</u></u>

Remuneration policy (including directors, managers and employees):

The remuneration of the Company's directors is based on their participation and contribution to the Company's operations and is authorized to be determined by the Board of Directors in accordance with the industry standard. The remuneration of the Company's managers and employees shall be determined by reference to the industry norm, taking into account the reasonableness of the relationship between the individual's performance, the degree of participation and contribution to the Company's operations, the responsibilities, the Company's operating performance and future risks. Compensation for directors and managers shall be reviewed by the Remuneration Committee and approved by the Board of Directors.



**Managed Futures Enterprises Department of  
Capital Futures Corporation**

**Statement of other gains and losses**

**For the year ended December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Interest income		\$ 553	
Foreign exchange gains and losses		(1)	
Total		<u>\$ 552</u>	