

**CAPITAL FUTURES CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	11~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	13
(6) Explanation of significant accounts	13~45
(7) Related-party transactions	45~51
(8) Pledged assets	51
(9) Significant commitments and contingencies	51
(10) Losses due to major disasters	51
(11) Significant subsequent events	51
(12) Derivative instrument transactions	52~57
(13) Restrictions and enforcement of the Company's various financial ratios under Futures Trading Act	57
(14) Specific inherent risks in operating as futures dealer	57
(15) Other	57
(16) Other disclosures	
(a) Information on significant transactions	58~59
(b) Information on investees	59
(c) Information on overseas branches and representative offices	60
(d) Information on investment in Mainland China	60
(e) Major shareholders	60
(17) Segment information	61
9. Disclosures of Securities Dealing Department	62~74



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Independent Auditors' Review Report

To the Board of Directors of
Capital Futures Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Capital Futures Corporation and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in note 4(c), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$22,513 thousands and \$27,864 thousands, constituting 0.03% and 0.05% of consolidated total assets as of March 31, 2025 and 2024, respectively, total liabilities amounting to \$6,109 thousands and \$7,511 thousands, constituting 0.01% and 0.02% of consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income(loss) amounting to \$(312) thousands and \$(879) thousands, constituting (0.10)% and (0.28)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Capital Futures Corporation and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
May 8, 2025

Notes to Readers

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

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

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
111100	Cash and cash equivalents (Note 6(a))	\$ 6,870,176	10	3,992,522	6	5,250,921	9	212000	Financial liabilities at fair value through profit or loss- current (Note 6(b))	\$ 533,174	1	513,074	1	272,856	1
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	1,162,005	2	1,145,465	2	1,473,705	3	214080	Futures traders' equity (Note 6(c))	53,839,099	82	52,203,098	84	46,817,605	84
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))	12,179	-	12,046	-	12,217	-	214100	Leverage contract trading - customers' equity	886,394	1	907,350	2	689,589	1
114010	Bonds purchased under resale agreements (Note 6(b))	321,359	1	311,189	-	158,497	-	214130	Accounts payable	81,930	-	49,726	-	268,128	1
114070	Customers margin accounts (Note 6(e))	54,095,172	82	52,461,237	85	46,800,209	84	214140	Accounts payable- related parties (Note 7)	13,235	-	10,013	-	13,275	-
114080	Receivable - futures margin (Note 6(f))	109	-	-	-	-	-	214150	Advance receipts	11,442	-	2,560	-	2,377	-
114090	Security borrowing collateral price	133,553	-	402,057	1	176,976	-	214160	Receipts under custody	9,333	-	7,082	-	7,007	-
114100	Security borrowing margin	225,584	-	352,243	1	29,423	-	214170	Other payables	227,595	1	295,880	1	174,835	-
114130	Accounts receivable	49,323	-	19,475	-	236,430	-	214180	Other payables- related parties (Note 7)	18,548	-	967	-	15,416	-
114140	Accounts receivable- related parties (Note 7)	3,086	-	3,452	-	1,482	-	214600	Current income tax liabilities	146,175	-	122,733	-	200,943	-
114150	Prepayments	34,148	-	16,142	-	23,141	-	215100	Provisions- current	8,877	-	8,302	-	7,792	-
114170	Other receivables	288,918	1	391,621	1	349,105	1	216000	Lease liabilities- current (Note 6(h))	32,478	-	29,109	-	32,435	-
114180	Other receivables- related parties (Note 7)	4,681	-	4,845	-	5,231	-	219000	Other current liabilities	69,058	-	49,725	-	14,678	-
114300	Leverage contract trading-customers' margin accounts	889,627	1	907,903	1	690,953	1		Non-current liabilities:	55,877,338	85	54,199,619	88	48,516,936	87
114600	Current income tax assets	106	-	106	-	215	-	226000	Lease liabilities- non-current (Note 6(h))	29,810	-	28,047	-	49,656	-
119000	Other current assets (Note 8)	1,050,002	2	1,050,003	2	-	-	228000	Deferred income tax liabilities	44,750	-	28,587	-	36,229	-
		65,140,028	99	61,070,306	99	55,208,505	98			74,560	-	56,634	-	85,885	-
Non-current assets:								906003	Total liabilities	55,951,898	85	54,256,253	88	48,602,821	87
123200	Financial assets at fair value through other comprehensive income- non- current (Note 6(b))	177,932	-	153,851	-	139,466	1		Equity attributable to owners of parent:						
125000	Property and equipment (Note 6(c))	137,400	-	137,448	-	127,191	-	301010	Common stock (Note 6(k))	2,499,376	4	2,104,376	3	2,104,376	4
125800	Right-of-use assets (Note 6(d))	61,405	-	56,719	-	81,631	-	302000	Capital surplus (Note 6(k))	3,358,729	5	1,663,253	3	1,663,251	3
127000	Intangible assets (Note 6(g))	58,747	-	56,984	-	58,377	-	304010	Legal reserve	858,368	1	858,368	1	757,377	1
129000	Other non-current assets	528,068	1	525,830	1	482,299	1	304020	Special reserve	1,835,077	3	1,835,077	3	1,650,772	3
		963,552	1	930,832	1	888,964	2	304040	Unappropriated earnings (Note 6(k))	1,472,178	2	1,192,348	2	1,277,261	2
								305000	Other equity (Note 6(k))	123,707	-	87,219	-	37,925	-
									Total equity attributable to owners of parent	10,147,435	15	7,740,641	12	7,490,962	13
								306000	Non-controlling interests	4,247	-	4,244	-	3,686	-
								906004	Total equity	10,151,682	15	7,744,885	12	7,494,648	13
906001	Total assets	\$ 66,103,580	100	62,001,138	100	56,097,469	100	906002	Total liabilities and equity	\$ 66,103,580	100	62,001,138	100	56,097,469	100

See accompanying notes to consolidated financial statements.

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
Income:					
401000	Brokerage fee revenue (Note 6(m))	\$ 468,270	67	415,768	73
410000	Net gains (losses) on sale of trading securities	(12,531)	(2)	36,533	6
421300	Dividend revenue	635	-	1,070	-
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(13,762)	(2)	42,455	8
421600	Net gains on covering of borrowed securities and bonds with resale agreements-short sales	10,936	2	12,672	2
421610	Net gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	16,371	2	3,657	1
424100	Futures commission revenue (Note 6(m))	141,171	20	88,844	16
424200	Securities commission revenue	8,000	1	3,744	1
424400	Net gains (losses) on derivative instruments- futures (Note 6(m))	36,486	5	(67,643)	(12)
424500	Net gains (losses) on derivative instruments - OTC (Note 6(m))	38,100	5	27,080	5
424800	Management fee revenue	4,079	1	1,339	-
424900	Consulting fee revenue	4,613	1	1,411	-
428000	Other operating revenue	2,452	-	2,558	-
		<u>704,820</u>	<u>100</u>	<u>569,488</u>	<u>100</u>
Expenses:					
501000	Brokerage fees	161,078	23	93,998	17
502000	Brokerage fees - proprietary trading	2,777	-	1,192	-
521200	Financial costs	21,602	3	12,200	2
425300	Expected credit impairment losses and reversal gains (Note 6(n))	(70)	-	(68)	-
524100	Futures commission expenses (Note 6(m))	122,897	18	109,471	19
524300	Clearing and settlement expenses	47,686	7	44,480	8
528000	Other operating expenditure	2,397	-	1,667	-
531000	Employee benefit expenses (Note 6(m))	220,801	31	171,142	30
532000	Depreciation and amortization expenses (Note 6(m))	20,846	3	18,873	3
533000	Other operating expenses (Note 6(m))	157,519	22	133,195	24
		<u>757,533</u>	<u>107</u>	<u>586,150</u>	<u>103</u>
		<u>(52,713)</u>	<u>(7)</u>	<u>(16,662)</u>	<u>(3)</u>
	Net operating income (loss)				
	Non-operating income and expenses:				
602000	Other gains and losses (Note 6(m))	398,619	56	350,536	62
		<u>398,619</u>	<u>56</u>	<u>350,536</u>	<u>62</u>
902001	Net income before income tax	345,906	49	333,874	59
701000	Less: Income tax expenses (Note 6(j))	66,163	9	65,998	12
	Net income	<u>279,743</u>	<u>40</u>	<u>267,876</u>	<u>47</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified subsequently to profit or loss:				
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	24,214	3	7,607	1
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>24,214</u>	<u>3</u>	<u>7,607</u>	<u>1</u>
805600	Components that may be reclassified subsequently to profit or loss:				
805610	Exchange differences on translation of foreign operations	12,364	2	42,787	8
805699	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		<u>12,364</u>	<u>2</u>	<u>42,787</u>	<u>8</u>
805000	Other comprehensive income	36,578	5	50,394	9
902006	Total comprehensive income	<u>\$ 316,321</u>	<u>45</u>	<u>318,270</u>	<u>56</u>
	Net income attributable to:				
913100	Shareholders of the parent	\$ 279,830	40	267,176	47
913200	Non-controlling interests	(87)	-	700	-
		<u>\$ 279,743</u>	<u>40</u>	<u>267,876</u>	<u>47</u>
	Comprehensive income attributable to:				
914100	Shareholders of the parent	\$ 316,318	45	317,513	56
914200	Non-controlling interests	3	-	757	-
		<u>\$ 316,321</u>	<u>45</u>	<u>318,270</u>	<u>56</u>
975000	Basic earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.26</u>		<u>1.27</u>	
985000	Diluted earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.26</u>		<u>1.27</u>	

See accompanying notes to consolidated financial statements.

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent								
		Stock				Retained earnings		Other equity		
								Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
						Exchange differences on translation of foreign operations		Total equity attributable to owners of parent		
								Non-controlling interests		
								Total equity		

See accompanying notes to consolidated financial statements.

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 345,906	333,874
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	18,784	17,306
Amortization expense	2,062	1,567
Expected credit impairment reversal gain	(70)	(68)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	11,368	(57,515)
Interest expense	21,602	12,200
Interest income (including financial income)	(392,359)	(323,069)
Dividend revenue	(1,926)	(2,403)
Share-based payments	10,427	-
Impairment loss	-	1,230
Total adjustments to reconcile profit (loss)	(330,112)	(350,752)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(44,279)	(587,849)
Increase in bond purchased under resale agreements	(10,170)	(66,863)
Increase in customer margin accounts	(1,633,935)	(6,165,120)
(Increase) decrease in receivable-futures margin	(39)	68
Decrease in leverage contract trading - customer's margin accounts	18,276	21,502
Decrease in security borrowing margin	126,659	59,257
Decrease (increase) in security borrowing collateral price	268,504	(59,584)
Increase in accounts receivable	(29,848)	(192,853)
Decrease (increase) in accounts receivable - related parties	366	(364)
(Increase) decrease in prepayments	(6,512)	537
Decrease (increase) in other receivables	108,683	(245,785)
Decrease (increase) in other receivables- related parties	166	(250)
Increase in net defined benefit asset	(77)	(62)
Decrease in other current assets	1	-
Increase in financial liabilities at fair value through profit or loss	36,471	49,732
Increase in futures traders' equity	1,636,001	6,295,021
Decrease in leverage contract trading - customer's equity	(20,956)	(43,944)
Increase in accounts payable	32,204	151,454
Increase in accounts payable - related parties	3,222	4,319
Increase in advance receipts	8,882	407
Increase in receipts under custody	2,251	2,015
Decrease in other payables	(81,461)	(50,763)
Increase in other payables - related parties	18,651	16,212
Increase in provisions for liabilities	575	191
Increase (decrease) in other current liabilities	19,333	(24,297)
Total changes in operating assets and liabilities	452,968	(837,019)
Total adjustments	122,856	(1,187,771)
Cash inflow (outflow) generated from operations	468,762	(853,897)
Interest received	382,979	326,831
Dividends received	5,324	3,702
Interest paid	(9,664)	(6,547)
Income taxes paid	(26,558)	(21,994)
Net cash flows from (used in) operating activities	820,843	(551,905)
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(6,947)	(520)
Proceeds from disposal of property and equipment	-	110
(Increase) decrease in deposits settlement fund	(2,060)	34,852
Increase in refundable deposits	(101)	(228)
Acquisition of intangible assets	(3,800)	(1,117)
Increase in prepayments for business facilities	(14,788)	(5,914)
Net cash flows (used in) from investing activities	(27,696)	27,183
Cash flows from (used in) financing activities:		
Payments of lease liabilities	(7,748)	(8,013)
Proceeds from issuing shares	2,080,049	-
Net cash flows from (used in) financing activities	2,072,301	(8,013)
Effect of exchange rate changes on cash and cash equivalents	12,206	42,504
Net increase (decrease) in cash and cash equivalents	2,877,654	(490,231)
Cash and cash equivalents at beginning of period	3,992,522	5,741,152
Cash and cash equivalents at end of period	\$ 6,870,176	5,250,921

See accompanying notes to consolidated financial statements.

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(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 composition of the consolidated financial statements includes the Company and the subsidiaries (the “Group”). The Group is authorized to conduct the following businesses:

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial report are as follows:

Name of the investor	Subsidiaries	Business type	Ratio of Equity Ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	CSC Futures (HK) Ltd.	Futures dealing business and other businesses permitted by local law of Hong Kong	100.00 %	100.00 %	100.00 %	
The Company	Capital International Technology Corp.	Management consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)
Capital International Technology Corp.	Capital True Partner Technology Co., Ltd.	Management consulting and information service business.	51.00 %	51.00 %	51.00 %	(Note 1)
Capital International Technology Corp.	Capital Futures Technology (Shanghai) Co., Ltd.	Management, consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: These companies are individually immaterial subsidiaries, and financial statements have not been reviewed by the independent auditors. These subsidiaries, in aggregate, represented total consolidated assets of \$22,513 and \$27,864 and total consolidated liabilities of \$6,109 and \$7,511 as of March 31, 2025 and 2024, respectively, and total consolidated comprehensive income (loss) of \$(312) and \$(879) for the three months ended March 31, 2025 and 2024, respectively.

(d) Employee benefits

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

(e) Share-based payment

The grant-date fair value of share-based payment awards granted to employee is recognized as employee expenses with a corresponding increase in equity, over the period which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of award that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Income tax

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

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

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

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

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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.

In these consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash	\$ 180	195	175
Demand deposits	382,336	339,408	538,040
Time deposits	4,944,700	2,330,270	3,703,300
Futures margin- excess margin	1,132,913	1,015,664	780,414
Commercial paper	410,047	306,985	228,992
Total	<u>\$ 6,870,176</u>	<u>3,992,522</u>	<u>5,250,921</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Open-ended funds and money-market instruments	\$ 130,000	130,000	125,000
Open-ended funds and money-market instruments valuation adjustment	(2,789)	(2,218)	7,959
Trading securities- proprietary trading	137,790	332,626	754,075
Trading securities- proprietary trading valuation adjustment	37,008	62,604	68,708
Securities invested by securities broker	49,851	32,500	6,015
Securities invested by securities broker valuation adjustment	(2,541)	(1,605)	2
Call options- non-hedging	412,734	274,831	219,449
Futures margin- proprietary fund- non-hedging	164,738	159,484	101,940
Leverage derivatives- non-hedging	229,828	153,147	178,749
Equity derivatives- non-hedging	5,386	4,096	11,808
Total	<u>\$ 1,162,005</u>	<u>1,145,465</u>	<u>1,473,705</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	15,893
Valuation adjustment	(3,714)	(3,847)	(3,676)
Total	<u>\$ 12,179</u>	<u>12,046</u>	<u>12,217</u>

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

During the three months ended March 31, 2025 and 2024, the dividends of all \$0, related to equity investment at fair value through other comprehensive income held on March 31, 2025 and 2024 were recognized. For investments in equity securities were no disposed of for the three months ended March 31, 2025 and 2024, the cumulative gains and losses during those periods were not transferred to equity.

(iii) Bonds purchased under resale agreements

	March 31, 2025	December 31, 2024	March 31, 2024
Bonds purchased under resale agreements	<u>\$ 321,359</u>	<u>311,189</u>	<u>158,497</u>
Resale price under the agreements	<u>\$ 321,483</u>	<u>311,295</u>	<u>158,548</u>
Interest rates	<u>1.00%~1.15%</u>	<u>1.00%~1.15%</u>	<u>1.00%</u>
Date of repurchase	<u>2025.04.02~2025.04.14</u>	<u>2025.01.02~2025.01.17</u>	<u>2024.04.01~2024.04.12</u>

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

Equity instruments at fair value through other comprehensive income:

Investee Company	March 31, 2025		December 31, 2024		March 31, 2024	
	Ownership ratio	Amount	Ownership ratio	Amount	Ownership ratio	Amount
Taiwan Futures Exchange Co., Ltd	0.0042 %	\$ 1,753	0.0042 %	1,578	0.0042 %	1,681
CME Group	0.0056 %	176,179	0.0056 %	152,273	0.0056 %	137,785
Total		<u>\$ 177,932</u>		<u>153,851</u>		<u>139,466</u>

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

During the three months ended March 31, 2025 and 2024, the dividends of \$575 and \$508, related to equity investments at fair value through other comprehensive income held on March 31, 2025 and 2024, respectively, were recognized. No strategic investments were disposed of during the three months ended March 31, 2025 and 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	March 31, 2025	December 31, 2024	March 31, 2024
Put options - non-hedging	\$ 320,208	92,800	78,815
Liabilities on sale of borrowed securities - non-hedging	226,146	414,240	188,850
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	(24,645)	(8,274)	(4,220)
Leverage derivatives- non-hedging	11,465	12,900	9,411
Equity derivatives- non-hedging	-	1,408	-
Total	\$ 533,174	513,074	272,856

(c) Property and equipment

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

	Office equipment	Leasehold improvements	Total
Cost:			
Balance at January 1, 2025	\$ 233,492	17,771	251,263
Additions	6,592	355	6,947
Transfer from prepayments for business facilities	3,294	-	3,294
Effect of exchange rate changes	757	43	800
Balance at March 31, 2025	\$ 244,135	18,169	262,304
Balance at January 1, 2024	\$ 212,007	16,410	228,417
Additions	360	160	520
Transfer from prepayments for business facilities	630	-	630
Disposal	(156)	-	(156)
Effect of exchange rate changes	1,853	141	1,994
Balance at March 31, 2024	\$ 214,694	16,711	231,405
Accumulated depreciation:			
Balance at January 1, 2025	\$ 105,440	8,375	113,815
Depreciation	9,420	998	10,418
Effect of exchange rate changes	639	32	671
Balance at March 31, 2025	\$ 115,499	9,405	124,904

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Office equipment	Leasehold improvements	Total
Balance at January 1, 2024	\$ 85,997	7,645	93,642
Depreciation	7,844	943	8,787
Disposal	(46)	-	(46)
Effect of exchange rate changes	1,753	78	1,831
Balance at March 31, 2024	<u>\$ 95,548</u>	<u>8,666</u>	<u>104,214</u>
Carrying amounts:			
Balance at January 1, 2025	<u>\$ 128,052</u>	<u>9,396</u>	<u>137,448</u>
Balance at March 31, 2025	<u>\$ 128,636</u>	<u>8,764</u>	<u>137,400</u>
Balance at March 31, 2024	<u>\$ 119,146</u>	<u>8,045</u>	<u>127,191</u>

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any property and equipment as collateral and pledge.

(d) Right-of-use assets

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

	Buildings	Equipment	Total
Cost:			
Balance at January 1, 2025	\$ 111,881	7,627	119,508
Additions	12,982	-	12,982
Derecognition	(17,139)	-	(17,139)
Effect of exchange rate changes	330	-	330
Balance at March 31, 2025	<u>\$ 108,054</u>	<u>7,627</u>	<u>115,681</u>
Balance at January 1, 2024	\$ 111,026	9,273	120,299
Additions	-	479	479
Effect of exchange rate changes	774	-	774
Balance at March 31, 2024	<u>\$ 111,800</u>	<u>9,752</u>	<u>121,552</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 58,289	4,500	62,789
Depreciation	7,727	639	8,366
Derecognition	(17,139)	-	(17,139)
Effect of exchange rate changes	260	-	260
Balance at March 31, 2025	<u>\$ 49,137</u>	<u>5,139</u>	<u>54,276</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Buildings	Equipment	Total
Balance at January 1, 2024	\$ 27,047	3,870	30,917
Depreciation	7,760	759	8,519
Effect of exchange rate changes	485	-	485
Balance at March 31, 2024	<u>\$ 35,292</u>	<u>4,629</u>	<u>39,921</u>
Carrying amounts:			
Balance at January 1, 2025	<u>\$ 53,592</u>	<u>3,127</u>	<u>56,719</u>
Balance at March 31, 2025	<u>\$ 58,917</u>	<u>2,488</u>	<u>61,405</u>
Balance at March 31, 2024	<u>\$ 76,508</u>	<u>5,123</u>	<u>81,631</u>

(e) Customers margin accounts/futures traders' equity

As of March 31, 2025, December 31 and March 31, 2024, the differences between customers' margin accounts and futures traders' equity were reconciled as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Customers margin accounts			
Cash in bank	\$ 36,834,356	34,540,751	32,648,758
Balance of the futures clearing house	9,641,180	10,544,939	8,759,036
Balance of other futures commission merchants	7,459,101	7,145,394	5,157,306
Marketable securities	<u>160,535</u>	<u>230,153</u>	<u>235,109</u>
Balance of customers margin accounts	<u>54,095,172</u>	<u>52,461,237</u>	<u>46,800,209</u>
Plus adjustment items:			
Commission cost	1,302	1,542	4,757
Other payables	-	-	48,471
Others	121	1,159	51
Deduction adjustment items:			
Brokerage fee revenue	(10,912)	(9,133)	(16,144)
Futures transaction tax	(5,248)	(3,169)	(3,699)
Interest income	(9,191)	(5,941)	(2,347)
Temporary credits	(635)	(33,377)	(694)
Remittance amount of the customers after the market closed	(66,597)	(13,558)	(12,999)
Other receivables	<u>(164,913)</u>	<u>(195,662)</u>	<u>-</u>
Balance of futures traders' equity	<u>\$ 53,839,099</u>	<u>52,203,098</u>	<u>46,817,605</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Receivable - futures margin

	March 31, 2025	December 31, 2024	March 31, 2024
Receivable - futures margin - current	\$ 482	373	373
Less: Loss allowance	373	373	373
Subtotal	109	-	-
Receivable - futures margin - non-current	5,732	5,802	6,016
Less: Loss allowance	5,732	5,802	6,016
Subtotal	-	-	-
Total	<u>\$ 109</u>	<u>-</u>	<u>-</u>

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

	For the three months ended March 31,	
	2025	2024
Balance on January 1	\$ 6,175	6,457
Impairment losses recognized (reversed)	(70)	(68)
Balance on March 31	<u>\$ 6,105</u>	<u>6,389</u>

(g) Intangible assets

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

	Goodwill (Note2)	The seats of foreign futures exchanges (Note1)	Computer software	Total
Cost:				
Balance at January 1, 2025	\$ 22,088	51,032	23,311	96,431
Additions	-	-	3,800	3,800
Effect of exchange rate changes	-	73	90	163
Balance at March 31, 2025	<u>\$ 22,088</u>	<u>51,105</u>	<u>27,201</u>	<u>100,394</u>
Balance at January 1, 2024	\$ 22,088	50,563	18,186	90,837
Additions	-	-	1,117	1,117
Effect of exchange rate changes	-	256	77	333
Balance at March 31, 2024	<u>\$ 22,088</u>	<u>50,819</u>	<u>19,380</u>	<u>92,287</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Goodwill (Note2)	The seats of foreign futures exchanges (Note1)	Computer software	Total
Amortization and impairment losses:				
Balance at January 1, 2025	\$ 22,088	4,611	12,748	39,447
Amortization	-	-	2,062	2,062
Effect of exchange rate changes	-	51	87	138
Balance at March 31, 2025	<u>\$ 22,088</u>	<u>4,662</u>	<u>14,897</u>	<u>41,647</u>
Balance at January 1, 2024	\$ 15,584	4,289	10,992	30,865
Amortization	-	-	1,567	1,567
Impairment losses	1,230	-	-	1,230
Effect of exchange rate changes	-	176	72	248
Balance at March 31, 2024	<u>\$ 16,814</u>	<u>4,465</u>	<u>12,631</u>	<u>33,910</u>
Carrying value:				
Balance at January 1, 2025	<u>\$ -</u>	<u>46,421</u>	<u>10,563</u>	<u>56,984</u>
Balance at March 31, 2025	<u>\$ -</u>	<u>46,443</u>	<u>12,304</u>	<u>58,747</u>
Balance at March 31, 2024	<u>\$ 5,274</u>	<u>46,354</u>	<u>6,749</u>	<u>58,377</u>

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

2. The Group recognized an impairment loss of \$1,230 for the three months ended March 31, 2024, by using the discount rate of 3.95% on the basis of the future recoverable amount of sub-subsidiary from Mainland China.

(h) Lease liabilities

The Group's lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>32,478</u>	<u>29,109</u>	<u>32,435</u>
Non-current	\$ <u>29,810</u>	<u>28,047</u>	<u>49,656</u>

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows :

	For the three months ended March 31,	
	2025	2024
Interest on lease liabilities	\$ <u>328</u>	\$ <u>443</u>
Expenses relating to short-term leases	\$ <u>3,009</u>	\$ <u>2,665</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>-</u>	\$ <u>-</u>

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

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>11,085</u>	\$ <u>11,121</u>

(i) Real estate leases

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

(ii) Other leases

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

(i) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The Group recognized expenses in profit or loss for the three months ended March 31, 2025 and 2024 were \$(57) and \$(43), respectively.

(ii) Defined contribution plans

The Group's expenses under the pension plan contributed to the Bureau of Labor Insurance for the three months ended March 31, 2025 and 2024 were \$4,288 and \$3,827, respectively.

(iii) The pension costs of foreign subsidiaries in accordance with the local laws and regulations for the three months ended March 31, 2025 and 2024 were \$1,361 and \$950, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Income taxes

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

The Company and its subsidiary Capital International Technology Corp. are founded in Taiwan. The corporate income tax rates are both 20% for the three months ended March 31, 2025 and 2024.

The subsidiary CSC Futures (HK) Ltd. is founded in Hong Kong. The corporate income tax rates are both 16.5% for the three months ended March 31, 2025 and 2024.

The tax rates of reinvestment business of subsidiaries including Capital True Partner Technology Co., Ltd. and Capital Futures Technology (Shanghai) Co., Ltd. founded in Mainland China are both 25% for the three months ended March 31, 2025 and 2024.

(ii) Income tax expense

The amounts of income tax expense (benefit) for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31,	
	2025	2024
Current income tax expense	\$ 50,000	60,000
Deferred income tax expense	16,163	5,998
Total	<u><u>\$ 66,163</u></u>	<u><u>65,998</u></u>

(iii) Income tax assessment status

The Company's income tax returns through 2023 were assessed by the Tax Authority.

The subsidiary Capital International Technology Corp.'s income tax returns through 2023 were assessed by the Tax Authority.

(k) Capital and other equity

(i) Common stock

A resolution was passed during the board meeting held on December 9, 2024 for the issuance of 39,500 thousands ordinary shares for cash, with par value of \$10 per share. It was agreed during the board meeting held on January 14, 2025 to issue at \$52.8 per share, amounting to \$2,499,376 after issue of share capital. The Company has received approval on January 2, 2025 from the Financial Supervisory Commission with ruling No. 1130367295 for this capital increase, with March 6, 2025 as the date of capital increase, related issuance costs have been deducted from the stock surplus.

As of March 31, 2025, December 31 and March 31, 2024, 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 249,938, 210,438 and 210,438 thousand shares, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Share premium			
Capital addition-Share premium	\$ 3,320,605	1,635,556	1,635,556
Capital addition-Employee stock option	34,561	24,134	24,134
Difference between consideration transferred and carrying amount of subsidiaries acquired and disposed	2,106	2,106	2,106
Changes in ownership interests in subsidiaries	995	995	995
Right of inclusion options exercised	462	462	460
	<u>\$ 3,358,729</u>	<u>1,663,253</u>	<u>1,663,251</u>

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

The above-mentioned capital addition reserves a portion of shares for subscription by employees. The fair value of the stock options granted was \$3.81, and the Company used the Black-Scholes valuation model to recognize the above capital addition employee stock options with compensation cost \$10,427, and adjusted the capital surplus at the same time. The evaluation model are as follows:

Share price at grant date	\$ 56.60
Exercise price per share	\$ 52.80
Expected Volatility	18.83 %
Expected life days	7 days
Risk-free interest rate	1.2242 %

Expected volatility based on weighted-average historical volatility, it is then adjusted for expected changes due to publicly available information; expected risk-free rate is based on government bonds.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The above information of employee options as follows:

	For the year ended March 31, 2025	
	Weighted average exercise price (NT dollars)	Number of options
Outstanding at January 1	\$ -	-
Granted shares	52.80	2,737
Exercised shares	52.80	(2,737)
Expired shares	52.80	-
Outstanding at March 31		-

(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 AND SUBSIDIARIES
Notes to the Consolidated 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 2024 earnings distribution proposed by the board meeting on March 6, 2025 and fiscal year 2023 earnings distribution resolved by the shareholders' meeting on May 30, 2024, were as follows:

	For the years ended December 31,			
	2024		2023	
	Amount	Per share (NT dollars)	Amount	Per share (NT dollars)
Cash dividends	\$ <u>707,323</u>	2.83	<u>723,905</u>	3.44

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 (after tax)

	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, 2025	\$ 51,716	35,503	87,219
Exchange differences on translation of foreign operations	12,274	-	12,274
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	24,214	24,214
Balance at March 31, 2025	\$ <u>63,990</u>	<u>59,717</u>	<u>123,707</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	\$ (26,094)	13,682	(12,412)
Exchange differences on translation of foreign operations	42,730	-	42,730
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	7,607	7,607
Balance at March 31, 2024	<u><u>\$ 16,636</u></u>	<u><u>21,289</u></u>	<u><u>37,925</u></u>

(l) Earnings per share

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

(i) Basic earnings per share

	For the three months ended March 31,	
	2025	2024
Net income attributable to common shareholders of the Company	\$ <u><u>279,830</u></u>	<u><u>267,176</u></u>
Weighted-average number of common stock shares outstanding (thousands of shares)	<u><u>221,849</u></u>	<u><u>210,438</u></u>
Basic earnings per share (NT dollars)	\$ <u><u>1.26</u></u>	<u><u>1.27</u></u>

(ii) Diluted earnings per share

	For the three months ended March 31,	
	2025	2024
Net income attributable to common shareholders of the Company	\$ <u><u>279,830</u></u>	<u><u>267,176</u></u>
Weighted-average number of common stock shares outstanding (thousands of shares)	221,849	210,438
Effect of potentially dilutive common stock - Employee remuneration (thousands of shares)	323	308
Weighted-average outstanding shares of diluted earnings per share (thousands of shares)	<u><u>222,172</u></u>	<u><u>210,746</u></u>
Diluted earnings per share (NT dollars)	\$ <u><u>1.26</u></u>	<u><u>1.27</u></u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Items of the statements of comprehensive income

(i) Brokerage fee revenue

	For the three months ended March 31,	
	2025	2024
Consignment trading handling fee revenue- Domestic futures	\$ 224,945	219,931
Consignment trading handling fee revenue- Foreign futures	238,837	192,589
Consignment trading handling fee revenue- Leverage Exchange Agency Trading	4,488	3,248
	<u>\$ 468,270</u>	<u>415,768</u>

(ii) Futures commission revenue

	For the three months ended March 31,	
	2025	2024
Futures commission revenue- CSC Futures (HK) Ltd.	<u>\$ 141,171</u>	<u>88,844</u>

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

(iii) Net gains (losses) on derivative instruments

	For the three months ended March 31,	
	2025	2024
Non-hedging		
Net gains (losses) on futures contracts		
Gains on futures contracts	\$ 432,889	159,890
Losses on futures contracts	<u>(355,173)</u>	<u>(137,642)</u>
	<u>\$ 77,716</u>	<u>22,248</u>
Net gains (losses) on option contracts		
Gains on option contracts	\$ 219,140	126,023
Losses on option contracts	<u>(273,205)</u>	<u>(185,795)</u>
	<u>\$ (54,065)</u>	<u>(59,772)</u>
Net gains (losses) on leverage derivatives		
Gains on leverage derivatives	\$ 512,067	400,534
Losses on leverage derivatives	<u>(476,938)</u>	<u>(375,721)</u>
	<u>\$ 35,129</u>	<u>24,813</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2025	2024
Net gains (losses) on equity derivatives		
Gains on equity derivatives	\$ 76,102	27,792
Losses on equity derivatives	(73,131)	(25,525)
	<u>\$ 2,971</u>	<u>2,267</u>
Net gains (losses) on derivative financial instruments	<u>\$ 12,835</u>	<u>(30,119)</u>
- overseas subsidiaries		
Non-hedging		
Total gains on derivative financial instruments	\$ 1,240,198	714,239
Total losses on derivative financial instruments	(1,178,447)	(724,683)
Net gains (losses) on derivative financial instruments	12,835	(30,119)
- overseas subsidiaries		
	<u>\$ 74,586</u>	<u>(40,563)</u>

(iv) Futures commission expenses

	For the three months ended March 31,	
	2025	2024
Re-consigned futures trading	\$ 69,051	59,907
Futures introducing broker business	33,652	33,100
Commission expenses - CSC Futures (HK) Ltd.	20,194	16,464
	\$ 122,897	109,471

(v) Employee benefit, depreciation and amortization expenses

	For the three months ended March 31,	
	2025	2024
Employee benefit expenses		
Salary expense	\$ 199,111	153,294
Labor and health insurance expense	11,293	9,443
Pension expense	5,592	4,734
Others	4,805	3,671
Depreciation expense	18,784	17,306
Amortization expense	2,062	1,567
	\$ 241,647	190,015

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Other operating expenses

	For the three months ended March 31,	
	2025	2024
Postage expense	\$ 23,832	19,598
Taxes	31,528	27,854
Rental expense	3,037	2,691
Information technology expense	60,631	53,411
Professional service fee	1,663	1,980
Others	36,828	27,661
	\$ 157,519	133,195

(vii) Other gains and losses

	For the three months ended March 31,	
	2025	2024
Interest income	\$ 392,359	323,069
Dividend income	1,291	1,333
Net (losses) gains on non-operating financial instruments at fair value through profit or loss	(13,977)	11,403
Net gains on foreign exchange	7,406	8,735
Net gains on disposal of investments	9,589	4,576
Other non-operating revenue - other	1,986	2,650
Other non-operating expense - other	(35)	(1,230)
	\$ 398,619	350,536

(viii) Remuneration to employees and directors

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024, the estimated amounts of remuneration to employee were all \$5,000, and to directors by the Company were all \$5,000, 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 three months ended March 31, 2025 and 2024. 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 2024 and 2023 were both \$17,358 and \$14,749, respectively. Remuneration to employees and directors for the year ended December 31, 2024 has not yet been actually allotted. There was no difference between accounting estimates and board's resolutions for fiscal year 2023. Related information would be available at the Market Observation Post System website.

(n) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum credit exposure. As of March 31, 2025, December 31 and March 31, 2024 the maximum credit exposure amounted to \$65,422,408, \$61,186,896 and \$54,808,480, respectively.

2) Concentration of credit risk

The exposure of credit risk by geographic region in March 31, 2025 as shown in below, mainly focusing on Taiwan (accounted for 82.14%), secondly in Europe (accounted for 8.80%), thirdly in Asia (accounted for 8.59% excluded Taiwan). The proportion of investment by geographic region did not change significantly compared to the same period last year.

Area	March 31, 2025	December 31, 2024	March 31, 2024
Taiwan	\$ 53,735,657	49,820,870	45,692,947
Asia (excluded Taiwan)	5,616,956	5,677,290	5,047,309
North America	310,395	246,369	319,929
Europe	5,759,400	5,442,367	3,748,295
Total	<u>\$ 65,422,408</u>	<u>61,186,896</u>	<u>54,808,480</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Impairment losses

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

	<u>March 31, 2025</u>		<u>December 31, 2024</u>		<u>March 31, 2024</u>	
	<u>Gross carrying amount</u>	<u>Impairment</u>	<u>Gross carrying amount</u>	<u>Impairment</u>	<u>Gross carrying amount</u>	<u>Impairment</u>
Current	\$ 352,222	6,105	425,568	6,175	598,637	6,389
Past due 0~30 days	-	-	-	-	-	-
Past due 31~120 days	-	-	-	-	-	-
Past due 121~360 days	-	-	-	-	-	-
Past due more than 360 days	-	-	-	-	-	-
	<u>\$ 352,222</u>	<u>6,105</u>	<u>425,568</u>	<u>6,175</u>	<u>598,637</u>	<u>6,389</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 March 31, 2025, December 31 and March 31, 2024, the loss allowance of receivables were recognized \$6,105, \$6,175 and \$6,389, respectively.

4) Credit risk of receivables

Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2024. The Group regards a financial asset as a default when the client of brokerage business is unable to fulfill the margin call or settlement obligation or accrued receivables past due, as well as other receivable of stock default that the company as securities interactive business, which the counterparty is unable to pay the Group. Thus, the Group regarded the financial assets as default and recognized impairment losses. The movement of loss allowance for the three months ended March 31, 2025 and 2024 was as follows:

<u>For the three months ended March 31, 2025</u>						
	<u>12-month ECL</u>	<u>Lifetime ECL-not credit impaired</u>	<u>Lifetime ECL - credit impaired</u>			<u>Total</u>
			<u>Accounts receivable</u>	<u>Receivable-futures margin</u>	<u>Other receivables</u>	
Balance on January 1	\$ -	-	-	6,175	-	6,175
Reversal of impairment losses	-	-	-	(70)	-	(70)
Balance on March 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,105</u>	<u>-</u>	<u>6,105</u>

<u>For the three months ended March 31, 2024</u>						
	<u>12-month ECL</u>	<u>Lifetime ECL-not credit impaired</u>	<u>Lifetime ECL - credit impaired</u>			<u>Total</u>
			<u>Accounts receivable</u>	<u>Receivable-futures margin</u>	<u>Other receivables</u>	
Balance on January 1	\$ -	-	-	6,457	-	6,457
Reversal of impairment losses	-	-	-	(68)	-	(68)
Balance on March 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,389</u>	<u>-</u>	<u>6,389</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	Carrying amount	Contract cash flow	Within 6 months	6-12 months	1-2 year	2-5 year	More than 5 year
March 31, 2025							
Financial liabilities at fair value through profit or loss	\$ 533,174	533,174	533,174	-	-	-	-
Futures traders' equity	53,839,099	53,839,099	53,839,099	-	-	-	-
Leverage contract trading- customers' equity	886,394	886,394	886,394	-	-	-	-
Accounts payable	95,165	95,165	95,165	-	-	-	-
Receipts under custody	9,333	9,333	9,333	-	-	-	-
Other payables	246,143	246,143	246,143	-	-	-	-
Lease liabilities	62,288	64,209	16,976	16,587	19,235	11,411	-
	<u>\$ 55,671,596</u>	<u>55,673,517</u>	<u>55,626,284</u>	<u>16,587</u>	<u>19,235</u>	<u>11,411</u>	<u>-</u>
December 31, 2024							
Financial liabilities at fair value through profit or loss	\$ 513,074	513,074	513,074	-	-	-	-
Futures traders' equity	52,203,098	52,203,098	52,203,098	-	-	-	-
Leverage contract trading- customers' equity	907,350	907,350	907,350	-	-	-	-
Accounts payable	59,739	59,739	59,739	-	-	-	-
Receipts under custody	7,082	7,082	7,082	-	-	-	-
Other payables	296,847	296,847	296,847	-	-	-	-
Lease liabilities	57,156	58,710	16,045	13,995	20,381	8,289	-
	<u>\$ 54,044,346</u>	<u>54,045,900</u>	<u>54,003,235</u>	<u>13,995</u>	<u>20,381</u>	<u>8,289</u>	<u>-</u>
March 31, 2024							
Financial liabilities at fair value through profit or loss	\$ 272,856	272,856	272,856	-	-	-	-
Futures traders' equity	46,817,605	46,817,605	46,817,605	-	-	-	-
Leverage contract trading- customers' equity	689,589	689,589	689,589	-	-	-	-
Accounts payable	281,403	281,403	281,403	-	-	-	-
Receipts under custody	7,007	7,007	7,007	-	-	-	-
Other payables	190,251	190,251	190,251	-	-	-	-
Lease liabilities	82,091	84,705	16,904	16,856	28,787	22,158	-
	<u>\$ 48,340,802</u>	<u>48,343,416</u>	<u>48,275,615</u>	<u>16,856</u>	<u>28,787</u>	<u>22,158</u>	<u>-</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

March 31, 2025			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 686,692,204.29	33.2050	22,801,615
EUR	11,853,395.81	35.9700	426,367
GBP	1,423,125.46	43.0500	61,266
JPY	1,912,098,393.00	0.2227	425,824
HKD	303,965,797.73	4.2680	1,297,326
AUD	3,329,440.99	20.8100	69,286
CHF	334,104.12	37.6900	12,592
SGD	113,836.27	24.7700	2,820
KRW	318,246,278.00	0.0228	7,256
CNY	66,138,725.58	4.5730	302,452
MYR	242,588.85	7.2195	1,751
THB	3,706,781.82	0.9842	3,648
NZD	46,997.87	18.9300	890
CAD	12,554.44	23.1600	291
ZAR	6,507,974.70	1.8190	11,838
VND	3,395,786,250.00	0.0013	4,415
INR	27,359,548.96	0.3874	10,599
<u>Non-monetary items</u>			
USD	14,045,874.89	33.2050	466,393
HKD	522,690.00	4.2680	2,231
GBP	82.39	43.0500	4
CHF	29,145.61	37.6900	1,098
ZAR	240,816.52	1.8190	438
SGD	25.89	24.7700	1
INR	12,801,524.94	0.3874	4,959

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		March 31, 2025	
		Foreign currency (dollar)	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>		<u>Exchange rate</u>	
<u>Monetary items</u>			
USD	\$ 669,138,502.88	33.2050	22,218,744
EUR	11,673,774.82	35.9700	419,906
GBP	1,383,614.84	43.0500	59,565
JPY	1,822,388,465.08	0.2227	405,846
HKD	398,470,568.92	4.2680	1,700,672
AUD	3,210,272.11	20.8100	66,806
CHF	55,885.23	37.6900	2,106
SGD	127,047.74	24.7700	3,147
KRW	306,179,311.98	0.0228	6,981
CNY	57,433,246.25	4.5730	262,642
MYR	196,379.04	7.2195	1,418
THB	701,318.00	0.9842	690
NZD	18,410.16	18.9300	349
CAD	2,861.00	23.1600	66
ZAR	198,339.39	1.8190	361
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	182,340.38	33.2050	6,055
JPY	5,151,300.00	0.2227	1,147
CAD	616.67	23.1600	14
AUD	30,770.28	20.8100	640
CNY	704,472.79	4.5730	3,222
NZD	20,444.57	18.9300	387

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2024	
		Foreign currency (dollar)	Exchange rate
<u>Financial assets</u>			Thousands of New Taiwan Dollars
<u>Monetary items</u>			
USD	\$ 693,222,555.47	32.7850	22,727,301
EUR	5,693,766.43	34.1400	194,385
GBP	1,398,679.55	41.1900	57,612
JPY	1,792,533,649.00	0.2099	376,253
HKD	292,398,444.28	4.2220	1,234,506
AUD	2,414,728.28	20.3900	49,236
CHF	332,578.66	36.2700	12,063
SGD	102,607.01	24.1300	2,476
KRW	287,545,820.00	0.0225	6,470
CNY	68,573,320.20	4.4780	307,071
MYR	47,739.97	7.0655	337
THB	4,504,132.86	0.9623	4,334
NZD	44,951.30	18.4700	830
CAD	22,254.39	22.8200	508
ZAR	2,688,066.37	1.7500	4,704
VND	3,395,786,250.00	0.0013	4,415
INR	40,175,898.71	0.3830	15,387
<u>Non-monetary items</u>			
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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 692,672,439.28	32.7850	22,709,266
EUR	5,665,808.67	34.1400	193,431
GBP	1,363,056.13	41.1900	56,144
JPY	1,786,157,997.08	0.2099	374,915
HKD	445,790,213.19	4.2220	1,882,126
AUD	2,481,325.74	20.3900	50,594
CHF	26,927.23	36.2700	977
SGD	138,701.68	24.1300	3,347
KRW	284,314,416.98	0.0225	6,397
CNY	60,161,100.57	4.4780	269,401
THB	1,532,588.00	0.9623	1,475
NZD	423.89	18.4700	8
ZAR	157,738.79	1.7500	276
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
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 AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		March 31, 2024	
		Foreign currency (dollar)	Thousands of New Taiwan Dollars
<u>Financial assets</u>		<u>Exchange rate</u>	
<u>Monetary items</u>			
USD	\$ 602,969,758.91	32.0000	19,295,032
EUR	11,922,298.90	34.4600	410,842
GBP	486,200.51	40.3900	19,638
JPY	1,770,383,182.00	0.2115	374,436
HKD	266,963,654.64	4.0890	1,091,614
AUD	757,081.64	20.8200	15,762
CHF	135,681.57	35.4800	4,814
SGD	249,110.10	23.7200	5,909
KRW	150,274,905.00	0.0239	3,592
CNY	63,381,754.62	4.4080	279,387
MYR	1,366,142.27	6.4960	8,874
THB	4,341,229.86	0.8840	3,838
NZD	14,587.86	19.1100	279
CAD	7,271.22	23.6200	172
ZAR	3,043,926.18	1.6890	5,141
VND	3,395,786,250.00	0.0013	4,415
INR	15,740,522.84	0.3837	6,040
<u>Non-monetary items</u>			
USD	11,089,746.44	32.0000	354,872
HKD	74,746.00	4.0890	306
AUD	5,335.88	20.8200	111
CNY	520,696.33	4.4080	2,295
CAD	1,510.85	23.6200	36
CHF	149,029.20	35.4800	5,288
ZAR	353,131.80	1.6890	596
SGD	1,227.45	23.7200	29
INR	840,698.70	0.3837	323

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2024		
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 583,020,296.88	32.0000	18,656,650
EUR	11,716,987.29	34.4600	403,767
GBP	477,092.72	40.3900	19,270
JPY	1,775,230,990.08	0.2115	375,461
HKD	416,119,120.67	4.0890	1,701,511
AUD	683,623.88	20.8200	14,233
CHF	15,571.23	35.4800	552
SGD	317,838.55	23.7200	7,539
KRW	148,223,760.98	0.0239	3,543
CNY	55,815,662.92	4.4080	246,035
MYR	1,326,008.33	6.4960	8,614
THB	1,499,530.00	0.8840	1,326
NZD	8,322.94	19.1100	159
ZAR	134,951.22	1.6890	228
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	274,244.42	32.0000	8,776
JPY	2,652,163.00	0.2115	561
GBP	63.12	40.3900	2
NZD	3,762.12	19.1100	72

The Group disclosed the summarized information on exchange gain or loss. The realized and unrealized exchange gains amounted to \$7,405 and \$8,735 for the three months ended March 31, 2025 and 2024, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The currency risk of the Group arises mainly from cash and cash equivalents, customers' margin accounts, financial assets at fair value through profit or loss and futures traders' equity, which are denominated in foreign currency. Foreign exchange gain or loss occurs as foreign currency was translated to TWD currency. For the three months ended March 31, 2025 and 2024, 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 \$6,004 and \$3,530, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the three months ended March 31, 2025 and 2024, 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 \$1,778 and \$1,729. This is mainly due to the Group's time deposits in variable rate, guarantee deposited for business operations in variable rate and settlement fund in variable rate.

(v) Other price risk

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

	For the three months ended March 31,			
	2025		2024	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
securities price on the reporting date				
Increase 1%	\$ 1,901	1,478	1,517	7,771
Decrease 1%	\$ (1,901)	(1,478)	(1,517)	(7,771)

(vi) Fair value and hierarchy information

1) Fair value information

a) General description

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

b) Definition of fair value hierarchy

i) Level 1

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

ii) Level 2

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

iii) Level 3

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

2) Based on fair value measurement

a) Hierarchy information of fair value

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

		March 31, 2025			
		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)
Assets and Liabilities items					
<u>Fair value evaluated on a recurring basis</u>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$	285,656	285,656	-	-
Stock investment		50,188	50,188	-	-
Convertible Bond		13,475	13,475	-	-
Financial assets at fair value through other comprehensive income		190,111	188,358	-	1,753
Liabilities:					
Financial liabilities at fair value through profit or loss		201,501	201,501	-	-
<u>Derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss	\$	812,686	577,472	235,214	-
Liabilities:					
Financial liabilities at fair value through profit or loss		331,673	320,208	11,465	-

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2024			
			Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>				
<u>Fair value evaluated on a recurring basis</u>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$	310,677	310,677	-	-
Stock investment		216,770	216,770	-	-
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	\$	591,558	434,315	157,243	-
Liabilities:					
Financial liabilities at fair value through profit or loss		107,108	92,800	14,308	-
		March 31, 2024			
			Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>				
<u>Fair value evaluated on a recurring basis</u>					
<u>Non derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss					
Beneficiary certificate	\$	294,043	294,043	-	-
Stock investment		667,716	667,716	-	-
Financial assets at fair value through other comprehensive income		151,683	150,002	-	1,681
Liabilities:					
Financial liabilities at fair value through profit or loss		184,630	184,630	-	-
<u>Derivative assets and liabilities</u>					
Assets:					
Financial assets at fair value through profit or loss	\$	511,946	321,389	190,557	-
Liabilities:					
Financial liabilities at fair value through profit or loss		88,226	78,815	9,411	-

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

b) Valuation techniques

i) Non-derivative financial instruments

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

ii) Derivative financial instruments

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

iii) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the three months ended March 31, 2025 and 2024.

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

(In Thousands Dollars)

For the three months ended March 31, 2025							
Item	Beginning Balance	Gains and losses on valuation		Addition		Reduction	
		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	\$ 1,578	-	175	-	-	-	-
							Ending Balance 1,753

For the three months ended March 31, 2024							
Item	Beginning Balance	Gains and losses on valuation		Addition		Reduction	
		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	-	177	-	-	-	-
							Ending Balance 1,681

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

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

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

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

	Change in fair value recognized in other comprehensive income	
	Favorable	Unfavorable
March 31, 2025		
Financial assets fair value through other comprehensive income	\$ <u>18</u>	<u>(18)</u>
December 31, 2024		
Financial assets fair value through other comprehensive income	\$ <u>16</u>	<u>(16)</u>
March 31, 2024		
Financial assets fair value through other comprehensive income	\$ <u>17</u>	<u>(17)</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

c) Financial instruments not measured at fair value

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

(o) Financial risk management

There were no material changes in the Group's financial risk management goals and policies as disclosed in Note 6(o) of the consolidated financial statements for the year ended December 31, 2024.

(p) Capital management

There were no material changes in the Group's financial risk management goals, policies and procedures as disclosed in Note 6(p) of the consolidated financial statements for the year ended December 31, 2024.

(q) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow for the three months ended March 31, 2025 and 2024, were as follows:

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

	Non-cash changes					March 31, 2025
	January 1, 2025	Cash flows	Other	Foreign exchange movement	Fair value changes	
Lease liabilities	\$ 57,156	(8,076)	13,142	66	-	62,288
Total liabilities from financing activities	<u>\$ 57,156</u>	<u>(8,076)</u>	<u>13,142</u>	<u>66</u>	<u>-</u>	<u>62,288</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2024	Cash flows	Other	Non-cash changes		March 31, 2024
				Foreign exchange movement	Fair value changes	
Lease liabilities	\$ 89,500	(8,456)	754	293	-	82,091
Total liabilities from financing activities	<u>\$ 89,500</u>	<u>(8,456)</u>	<u>754</u>	<u>293</u>	<u>-</u>	<u>82,091</u>

(7) Related-party transactions:

- (a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and ultimate controlling party of the Group. As of March 6, 2025, the Company's outstanding common stock ownership changed from 56.58% to 55.46%. The consolidated financial statements have been issued and are available for public use.

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

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

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

- (c) Key management personnel compensation

	For the three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 59,032	54,733
Post-employment benefits	374	342
Share-based payment	1,962	-
Total	<u>\$ 61,368</u>	<u>55,075</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Significant transactions with related parties

- (i) The amounts of futures trading between the Group and related parties for the three months ended March 31, 2025 and 2024 were as follows:

		For the three months ended March 31,	
		2025	2024
<u>Brokerage fee revenue</u>			
Capital Securities Corporation	\$	19,069	14,269
Funds issued by Capital Investment Trust Corp.		617	681
Other related parties		47	45
Total	\$	<u>19,733</u>	<u>14,995</u>
		December 31,	
	March 31, 2025	2024	March 31, 2024
<u>Futures traders' equity</u>			
Capital Securities Corporation	\$	2,716,300	2,824,713
Funds issued by Capital Investment Trust Corp.		2,476,108	127,471
Other related parties		6,884	1,282
Total	\$	<u>5,199,292</u>	<u>2,953,466</u>

Transaction terms are the same as those with general clients.

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

		For the three months ended March 31,	
		2025	2024
<u>Interest expense</u>			
Capital Securities Corporation	\$	<u>18</u>	<u>7</u>

- (ii) Accounts payable and receivable:

		December 31,	
		2024	
<u>Accounts receivable</u>	March 31, 2025		March 31, 2024
Capital Securities Corporation	\$	<u>3,086</u>	<u>1,482</u>
<u>Accounts payable</u>			
Capital Securities Corporation	\$	<u>13,235</u>	<u>13,275</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other receivables (Note 1)			
Capital Securities Corporation	\$ 3,428	3,615	3,962
CSC Securities (HK) Ltd.	<u>1,253</u>	<u>1,230</u>	<u>1,269</u>
Total	<u>\$ 4,681</u>	<u>4,845</u>	<u>5,231</u>
Other payables			
Capital Securities Corporation (Note 2)	\$ 15,406	340	14,601
CSC Securities (HK) Ltd. (Note 3)	<u>3,142</u>	<u>627</u>	<u>815</u>
Total	<u>\$ 18,548</u>	<u>967</u>	<u>15,416</u>

(Note 1) Receivables from future interactive brokers and interest from bonds purchased under resale agreements.

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

(Note 3) Payables for routine expenses.

(iii) Prepayments:

<u>Related parties</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
CSC International Holdings Ltd.	<u>\$ 96</u>	<u>236</u>	<u>-</u>

(iv) Bonds purchased under resale agreements

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Bonds purchased under resale agreements	<u>\$ 71,243</u>	<u>61,068</u>	<u>28,494</u>
Resale price under the agreements	<u>\$ 71,312</u>	<u>61,137</u>	<u>28,516</u>
Interest rates	<u>1.15%</u>	<u>1.15%</u>	<u>1.00%</u>
Date of repurchase	<u>2025.04.14</u>	<u>2025.01.17</u>	<u>2024.04.12</u>
		For the three months ended March 31,	
		<u>2025</u>	<u>2024</u>
Interest income		<u>\$ 197</u>	<u>74</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Leases

The Group entered into a three-year lease agreement with Capital Securities Corporation:

	March 31, 2025	December 31, 2024	March 31, 2024
Total contract value	<u>\$ 53,289</u>	<u>53,289</u>	<u>53,289</u>
Balance of lease liabilities	<u>\$ 23,341</u>	<u>27,646</u>	<u>40,428</u>
Refundable deposits	<u>\$ 4,633</u>	<u>4,633</u>	<u>4,633</u>
		For the three months ended March 31,	
		2025	2024
Interest expense		<u>\$ 136</u>	<u>224</u>

The Group entered into a five-year and three-month lease agreement with Fu Tai Construction Corporation:

	March 31, 2025	December 31, 2024	March 31, 2024
Total contract value	<u>\$ 24,090</u>	<u>24,090</u>	<u>24,090</u>
Balance of lease liabilities	<u>\$ 15,013</u>	<u>16,159</u>	<u>19,158</u>
Refundable deposits	<u>\$ 1,165</u>	<u>1,165</u>	<u>1,165</u>
		For the three months ended March 31,	
		2025	2024
Interest expense		<u>\$ 77</u>	<u>98</u>

The Group entered into a one-year lease agreement with CSC International Holdings Ltd.:

	March 31, 2025	December 31, 2024	March 31, 2024
Total contract value	<u>\$ -</u>	<u>-</u>	<u>552</u>
Balance of lease liabilities	<u>\$ -</u>	<u>-</u>	<u>93</u>
Refundable deposits	<u>\$ 145</u>	<u>142</u>	<u>139</u>
		For the three months ended March 31,	
		2025	2024
Interest expense		<u>\$ -</u>	<u>-</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Rental expenses

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

Related parties	For the three months ended March 31,	
	2025	2024
Capital Securities Corporation	\$ 212	227
CSC International Holdings Ltd.	144	-
Total	<u>\$ 356</u>	<u>227</u>

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

(vii) Securities commission income

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

Related parties	For the three months ended March 31,	
	2025	2024
Capital Securities Corporation	\$ 7,814	3,214
CSC Securities (HK) Ltd.	186	530
Total	<u>\$ 8,000</u>	<u>3,744</u>

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

Related parties	For the three months ended March 31,	
	2025	2024
Capital Securities Corporation	<u>\$ 138</u>	<u>197</u>

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

Related parties	For the three months ended March 31,	
	2025	2024
Capital Securities Corporation	<u>\$ 109</u>	<u>41</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Commission cost

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>32,772</u>	<u>32,466</u>

(xi) Information technology expenses

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>15,060</u>	<u>14,393</u>

(xii) Stock service fees

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>162</u>	<u>162</u>

(xiii) Human resource and legal service fees

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>75</u>	<u>75</u>

(xiv) Securities transaction fees

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>82</u>	<u>92</u>

(xv) Discretionary service commission fees

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>257</u>	<u>85</u>

(xvi) Brokerage fees - proprietary trading

	For the three months ended March 31,	
Related parties	2025	2024
Capital Securities Corporation	\$ <u>42</u>	<u>55</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xvii) Management service fees

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
CSC Securities (HK) Ltd.	\$ <u>2,972</u>	<u>1,577</u>

(xviii) Stationery and printing fees

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Capital Securities Corporation	\$ <u>7</u>	<u>1</u>

(8) Pledged assets:

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>collateral purpose</u>
Restricted assets — current	\$ <u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>	Bank loan — unused

(9) Significant commitments and contingencies:

The Group purchased software and hardware systems for business development. As of March 31, 2025, the Group had outstanding balance payment \$17,653.

(10) Losses due to major disasters:None.

(11) Significant subsequent events:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Derivative instrument transactions:

- (a) As of March 31, 2025, December 31 and March 31, 2024, the open positions of futures and option contracts were as follows:

March 31, 2025

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	135	\$ 595,214	554,297	
	TAIEX Futures	Short	286	(1,199,082)	(1,187,603)	
	Mini Taiex Futures	Long	17	18,734	17,465	
	Mini Taiex Futures	Short	1,214	(1,323,038)	(1,255,839)	
	Electronic Sector Index Futures	Long	15	68,270	66,753	
	Financial Insurance Index Futures	Long	1	2,133	2,088	
	Financial Insurance Index Futures	Short	3	(6,283)	(6,260)	
	NTD Gold Futures	Short	22	(26,360)	(27,694)	
	Taiwan Stock Futures	Long	1,369	566,911	515,039	
	Taiwan Stock Futures	Short	4,647	(408,037)	(382,262)	
	US Dollar Index Futures	Short	38	(130,403)	(131,079)	
	JPY Futures	Long	21	59,157	58,565	
	JPY Futures	Short	5	(13,980)	(13,944)	
	Hang Seng Index Futures	Short	5	(24,596)	(24,714)	
	Mini Taiex Weekly Futures	Short	26	(27,789)	(26,996)	
	Mini Financial Futures	Short	12	(6,303)	(6,262)	
	Mini Electronic Future	Short	95	(54,025)	(52,846)	
	Micro Gold Futures	Long	20	20,651	20,921	
	Micro TAIEX Futures	Short	960	(209,449)	(199,334)	
	CME BTC	Short	6	(87,771)	(81,728)	
	Subtotal			(2,186,046)		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2025

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	146	\$ 1,347	374	
	Stock Options (Call)	Short	81	(506)	(131)	
	Stock Options (Put)	Short	65	(793)	(1,456)	
	Stock Options (Put)	Long	177	1,411	2,876	
	TAIEX Options (Call)	Long	8,015	156,017	84,066	
	TAIEX Options (Call)	Short	2,591	(36,582)	(12,280)	
	TAIEX Options (Put)	Long	3,678	176,123	271,351	
	TAIEX Options (Put)	Short	5,074	(98,468)	(250,685)	
	TAIEX Weekly Options (Call)	Long	1,971	5,086	1,118	
	TAIEX Weekly Options (Call)	Short	1,766	(4,846)	(2,460)	
	TAIEX Weekly Options (Put)	Long	1,753	13,165	46,366	
	TAIEX Weekly Options (Put)	Short	1,575	(13,051)	(51,725)	
	Electronic Sector Index Options (Call)	Long	6	250	10	
	Electronic Sector Index Options (Put)	Long	25	418	1,011	
	Electronic Sector Index Options (Put)	Short	1	(29)	(91)	
	Financial Insurance Index Options (Call)	Long	197	2,223	929	
	Financial Insurance Index Options (Call)	Short	144	(435)	(177)	
	Financial Insurance Index Options (Put)	Long	71	545	1,228	
	Financial Insurance Index Options (Put)	Short	89	(112)	(272)	
	Gold Options (Call)	Long	46	569	2,626	
	Gold Options (Call)	Short	3	(38)	(108)	
	Gold Options (Put)	Long	37	454	57	
	Gold Options (Put)	Short	52	(511)	(56)	
	Nifty 50 Options (Call)	Long	900	64	53	
	Nifty 50 Options (Put)	Long	600	36	32	
	Nifty 50 Options (Call)	Short	525	(44)	(77)	
	Nifty 50 Options (Put)	Short	825	(70)	(45)	
	Nifty Bank Options (Call)	Long	1,080	306	338	
	Nifty Bank Options (Put)	Long	240	70	71	
	Nifty Bank Options (Call)	Short	240	(67)	(66)	
	Nifty Bank Options (Put)	Short	1,080	(316)	(285)	
	Nifty Fin Options (Put)	Long	1,820	251	228	
	Nifty Fin Options (Call)	Short	1,820	(265)	(294)	
	Subtotal			<u>202,202</u>		
Total				<u>\$ (1,983,844)</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated 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			
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 Futures	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 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	
	Soybean Futures	Long	4	6,510	6,626	
	Micro TAIEX Futures	Short	1,165	(269,476)	(268,582)	
	CME BTC	Short	6	(95,393)	(91,945)	
	Subtotal			<u>1,105,174</u>		
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			<u>169,813</u>		
Total				<u>\$ 1,274,987</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 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	13	\$ 52,000	52,302	
	TAIEX Futures	Short	24	(96,608)	(96,814)	
	Mini Taiex Futures	Long	301	304,374	304,788	
	Mini Taiex Futures	Short	33	(33,030)	(33,191)	
	Electronic Sector Index Futures	Short	2	(8,522)	(8,521)	
	Financial Insurance Index Futures	Short	4	(7,347)	(7,355)	
	NTD Gold Futures	Long	25	21,211	21,655	
	Taiwan Stock Futures	Long	2,786	425,259	419,202	
	Taiwan Stock Futures	Short	3,805	(833,869)	(861,037)	
	US Dollar Index Futures	Short	63	(206,567)	(210,206)	
	JPY Dollar Futures	Long	12	32,935	32,090	
	Hang Seng Index Futures	Short	1	(3,411)	(3,388)	
	Mini Taiex Weekly Futures	Long	5	5,050	5,066	
	Mini Financial Futures	Short	32	(14,650)	(14,710)	
	Mini Electronic Futures	Long	83	44,068	44,204	
	TPEX 200 Index Futures	Short	11	(5,419)	(5,499)	
	Soybean Futures	Short	2	(3,818)	(3,813)	
	CME BTC	Short	7	(77,965)	(79,421)	
	CME MBT	Short	5	(1,113)	(1,134)	
	Subtotal			(407,422)		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 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	136	\$ 973	893	
	Stock Options (Call)	Short	124	(623)	(3,355)	
	Stock Options (Put)	Short	37	(406)	(210)	
	Stock Options (Put)	Long	94	323	227	
	TAIEX Options (Call)	Long	4,777	148,329	184,437	
	TAIEX Options (Call)	Short	3,604	(32,709)	(61,955)	
	TAIEX Options (Put)	Long	4,780	43,462	27,583	
	TAIEX Options (Put)	Short	3,600	(15,647)	(6,686)	
	TAIEX Weekly Options (Call)	Long	744	1,823	2,045	
	TAIEX Weekly Options (Call)	Short	597	(1,781)	(1,819)	
	TAIEX Weekly Options (Put)	Long	628	1,576	1,303	
	TAIEX Weekly Options (Put)	Short	897	(1,604)	(1,196)	
	Electronic Sector Index Options (Call)	Long	26	166	56	
	Electronic Sector Index Options (Call)	Short	61	(1,330)	(1,422)	
	Electronic Sector Index Options (Put)	Long	20	203	-	
	Electronic Sector Index Options (Put)	Short	1	(11)	(1)	
	Financial Insurance Index Options (Call)	Long	135	732	1,758	
	Financial Insurance Index Options (Call)	Short	87	(241)	(558)	
	Financial Insurance Index Options (Put)	Long	70	187	56	
	Financial Insurance Index Options (Put)	Short	116	(313)	(95)	
	Gold Options (Call)	Long	56	344	749	
	Gold Options (Call)	Short	56	(387)	(1,432)	
	Gold Options (Put)	Long	88	596	255	
	Gold Options (Put)	Short	53	(147)	(3)	
	India 50 Options (Call)	Short	1,000	(57)	(37)	
	India 50 Options (Call)	Long	1,000	62	42	
	India 50 Options (Put)	Short	900	(38)	(46)	
	India 50 Options (Put)	Long	1,000	36	45	
	Subtotal			143,518		
Total				<u>\$ (263,904)</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) As of March 31, 2025, December 31 and March 31, 2024, the nominal amount of open positions of leverage derivatives contracts were as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Leverage derivatives- long	\$ <u>5,032,470</u>	<u>5,647,635</u>	<u>3,167,899</u>
Leverage derivatives- short	\$ <u>4,957,740</u>	<u>5,645,208</u>	<u>3,164,337</u>
Equity derivatives- long	\$ <u>1,001,217</u>	<u>245,876</u>	<u>254,410</u>
Equity derivatives- short	\$ <u>1,007,909</u>	<u>278,656</u>	<u>254,360</u>

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

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

Art.	Calculation formula	Current Period		Last Period		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity (Total liabilities– futures traders' equity)	10,147,435	4.88	7,490,962	4.23	≥ 1	Satisfactory to requirement
		2,081,084		1,771,379			
17	Current Assets	61,194,603	1.16	51,987,962	1.12	≥ 1	"
	Current Liabilities	52,872,994		46,235,237			
22	Stockholders' equity	10,147,435	910.08 %	7,490,962	671.84 %	$\geq 60\%$	"
	Minimum paid-in capital	1,115,000		1,115,000		$\geq 40\%$	
22	Post-adjustment net capital		61.36 %		47.32 %	$\geq 20\%$	"
	Total customer margin	7,657,556		5,374,346		$\geq 15\%$	
	deposits required for open positions of customers	12,480,548		11,357,891			

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

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

(15) Other:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(16) Other disclosures:

(a) Information on significant transactions:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	CSC Futures (HK) Ltd.	F190402	Account receivables -Customer	No	65,933	65,933	-	9.37%	1	377		-		-	223,126	1,115,629
1	CSC Futures (HK) Ltd.	F611702	Account receivables -Customer	No	461,532	461,532	197,799	5.62%~ 6.87%	1	299,313		-		-	461,532	1,115,629
1	CSC Futures (HK) Ltd.	F613059	Account receivables -Customer	No	98,900	98,900	-	8.37%	1	18,260		-		-	223,126	1,115,629
1	CSC Futures (HK) Ltd.	F612688	Account receivables -Customer	No	330	330	-	7.37%	1	-		-		-	223,126	1,115,629
1	CSC Futures (HK) Ltd.	F613091	Account receivables -Customer	No	330	330	-	7.37%	1	857		-		-	223,126	1,115,629
1	CSC Futures (HK) Ltd.	F190416	Account receivables -Customer	No	230,766	230,766	-	5.87%	1	12,714		-		-	230,766	1,115,629
Remark: Besides those approved by the board of directors, each loan limit by an individual is 20% amount of the net assets of CSC Futures (HK) Ltd. on the financial statements. The loan limit of total credit lines is calculated by net value of CSC Futures (HK) Ltd. and in line with the rules of liquid capital of Securities & Futures Commission of Hong Kong. CSC Futures(HK) Ltd. obtained its money lender's license in June 2016 and engaged in lending business according to local laws and regulations in Hong Kong.																

Note 1: Type of Numbering:

(1) 0 represents Parent company.

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

Note 2: Type of Loans:

(1) Business transactions.

(2) Necessaries of short-term financing.

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

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

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

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

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

(vii) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Information technology expenses	12,763	General transaction	1.81%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	12,763	General transaction	1.81%
1	CSC Futures (HK) Ltd.	Capital Futures Technology (Shanghai) Co.,Ltd.	3	Professional service fees	1,546	General transaction	0.22%
2	Capital Futures Technology (Shanghai) Co.,Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	1,546	General transaction	0.22%
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Other payables	4,275		0.01%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Accounts receivable	4,275		0.01%

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures traders' equity	562,065		0.85%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	541,588		0.82%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	20,477		0.03%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures traders' equity	4,979,628		7.53%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	4,667,447		7.06%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	312,182		0.47%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission revenue	4,218	General transaction	0.60%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures commission expenses	4,218	General transaction	0.60%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Brokerage fee revenue	21,687	General transaction	3.08%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission expenses	21,687	General transaction	3.08%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Interest revenue	3,660	General transaction	0.52%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Financial cost	3,660	General transaction	0.52%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Other payables	5,929		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Other receivables	5,929		0.01%

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

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Date of establishment	FSC Rule No.	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Revenue of investee	Net income (losses) of investee	Share of profits/losses of investee	Cash dividend	Note
						March 31, 2025	December 31, 2024	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 %	1,115,629	150,014	(2,669)	(2,669)	-	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 %	12,157	-	(447)	(447)	-	Subsidiary

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

(d) Information on investment in Mainland China:

(i) Investment in Mainland China and related information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	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	(178)	51.00%	51.00%	(91) B (3)	4,421	-
Capital Futures Technology (Shanghai) Co., Ltd.	Management consulting and information service business	18,863	(C)	18,863	-	-	18,863	(344)	100.00%	100.00%	(344) B (3)	1,566	-

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

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

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

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

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

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Company Name	Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Capital International Technology Corp.	43,235	43,235	80,000

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

(e) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Capital Securities Corporation		138,619,711	55.46 %

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(17) Segment information:

(a) General information

The Group has one reportable segment: the brokerage segment. This segment is mainly involved in futures brokerage business. The Group's other operating segments are mainly involved in futures and securities business on a proprietary basis and advisory business, etc. For the three months ended March 31, 2025 and 2024, none of the above segments met the quantitative thresholds for reportable segments.

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

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

For the three months ended March 31, 2025				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u>726,707</u>	<u>324,050</u>	<u>(345,937)</u>	<u>704,820</u>
Segment profit or loss	\$ <u>171,348</u>	<u>174,558</u>	<u>-</u>	<u>345,906</u>
For the three months ended March 31, 2024				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ <u>608,996</u>	<u>237,009</u>	<u>(276,517)</u>	<u>569,488</u>
Segment profit or loss	\$ <u>193,705</u>	<u>140,169</u>	<u>-</u>	<u>333,874</u>

(c) Information about regions

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

(d) Information about major customers

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

CAPITAL FUTURES CORPORATION**Financial Statements of Securities Dealing Department****For the Three Months Ended March 31, 2025 and 2024**

Table of contents

Contents	Page
1. Cover Page	62
2. Table of Contents	63
3. Securities Dealing Department's Balance Sheets	64
4. Securities Dealing Department's Statements of Comprehensive Income	65
5. Notes to the Financial Statements of Securities Dealing Department	
(1) Company history	66
(2) Approval date and procedures of the financial statements	66
(3) New standards, amendments and interpretations adopted	66
(4) Summary of material accounting policies	66
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	66
(6) Explanation of significant accounts	66~72
(7) Related-party transactions	72~73
(8) Pledged assets	73
(9) Significant commitments and contingencies	73
(10) Losses Due to Major Disasters	73
(11) Significant subsequent events	73
(12) Other	74
(13) Other disclosures	
(a) Information on significant transactions	74
(b) Information on investees	74
(c) Information on overseas branches and representative offices	74
(d) Information on investment in Mainland China	74
(e) Major shareholders	74
(14) Segment information	74

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

CAPITAL FUTURES CORPORATION
Securities Dealing Department's Balance Sheets
March 31, 2025, December 31, 2024, and March 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
111100	Cash and cash equivalents (Note 6(a))	\$ 726,378	55	590,883	49	390,836	25	212000	Financial liabilities at fair value through profit or	\$ 82,620	6	8,925	1	11,425	1
112000	Financial assets at fair value through profit or loss-	96,678	7	306,354	25	750,961	48		loss- current (Note 6(d))						
	current (Note 6(b))							214130	Accounts payable	28,698	2	6,130	-	217,411	14
113200	Financial assets at fair value through comprehensive	12,179	1	12,046	1	12,217	1	214170	Other payables	827	-	1,517	-	882	-
	income- current (Note 6(b))							216000	Lease liabilities- current	299	-	306	-	124	-
114010	Bonds purchased under resale agreements(Note	250,116	19	250,121	21	130,003	9			112,444	8	16,878	1	229,842	15
	6(b))							Non-current liabilities:							
114100	Security borrowing margin	143,742	11	14,822	1	19,254	1	226000	Lease liabilities- non-current	110	-	183	-	144	-
114130	Accounts receivable	45,232	4	15,882	1	233,989	15	229110	Inter-department accounts, credit(note 6(e))	170,488	13	147,671	12	297,489	19
114150	Prepayments	23	-	22	-	11	-		Total liabilities	283,042	21	164,732	13	527,475	34
114170	Other receivables	17,049	1	1,324	-	1,483	-	Equity:							
114600	Current income tax assets	513	-	361	-	583	-	301110	Assigned working capital	800,000	61	800,000	66	800,000	51
		1,291,910	98	1,191,815	98	1,539,337	99	304000	Retained earnings	237,551	18	252,243	21	236,663	15
Non-current assets:								305000	Other equity	(3,714)	-	(3,847)	-	(3,676)	-
125000	Property and equipment	3,485	-	1,630	-	1,692	-		Total equity	1,033,837	79	1,048,396	87	1,032,987	66
125800	Right-of-use assets	402	-	482	-	267	-								
127000	Intangible assets	69	-	49	-	14	-								
129000	Other non-current assets (Note 6(c))	21,013	2	19,152	2	19,152	1								
		24,969	2	21,313	2	21,125	1								
Total assets		\$ 1,316,879	100	1,213,128	100	1,560,462	100	Total liabilities and equity		\$ 1,316,879	100	1,213,128	100	1,560,462	100

See accompanying notes to financial statements of securities dealing department.

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

CAPITAL FUTURES CORPORATION**Securities Dealing Department's Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

		For the three months ended March 31, ,			
		2025		2024	
		Amount	%	Amount	%
Income:					
410000	Net gains (losses) on sale of trading securities	\$ (12,531)	(88)	36,533	69
421300	Dividend revenue	635	4	1,070	2
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(2,013)	(14)	15,490	29
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	1,360	10	-	-
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	(1,714)	(12)	4	-
428000	Other operating losses	(1)	-	-	-
		<u>(14,264)</u>	<u>(100)</u>	<u>53,097</u>	<u>100</u>
Expenses:					
502000	Brokerage fees- proprietary trading	67	-	310	1
521200	Financial costs	2	-	2	-
531000	Employee benefits expense	650	4	1,286	2
532000	Depreciation and amortization expense	242	2	123	-
533000	Other operating expenses	<u>2,379</u>	<u>17</u>	<u>7,521</u>	<u>14</u>
		<u>3,340</u>	<u>23</u>	<u>9,242</u>	<u>17</u>
	Net operating income (loss)	<u>(17,604)</u>	<u>(123)</u>	<u>43,855</u>	<u>83</u>
Non-operating income and expenses:					
602000	Other gains and losses	<u>2,912</u>	<u>20</u>	<u>1,724</u>	<u>3</u>
		<u>2,912</u>	<u>20</u>	<u>1,724</u>	<u>3</u>
902001	Net income (loss) before income tax	<u>(14,692)</u>	<u>(103)</u>	<u>45,579</u>	<u>86</u>
701000	Less: Income tax expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Net income (loss)	<u>(14,692)</u>	<u>(103)</u>	<u>45,579</u>	<u>86</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified subsequently to profit or loss:				
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	133	1	(1,026)	(2)
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Subtotal of components that may not be reclassified subsequently to profit or loss	<u>133</u>	<u>1</u>	<u>(1,026)</u>	<u>(2)</u>
805000	Other comprehensive income	<u>133</u>	<u>1</u>	<u>(1,026)</u>	<u>(2)</u>
902006	Total comprehensive income	<u><u>\$ (14,559)</u></u>	<u><u>(102)</u></u>	<u><u>44,553</u></u>	<u><u>84</u></u>

See accompanying notes to financial statements of securities dealing department.

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

CAPITAL FUTURES CORPORATION

Notes to the Financial Statements of Securities Dealing Department

For the three months ended March 31, 2025 and 2024

(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 May 8, 2025.

(3) New standards, amendments and interpretations adopted:

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

(4) Summary of material accounting policies:

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

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

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

The preparation of the financial statements of the Department in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Demand deposits	\$ 132,378	96,883	96,836
Time deposits	594,000	494,000	294,000
Total	<u>\$ 726,378</u>	<u>590,883</u>	<u>390,836</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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Trading securities- proprietary trading	\$ 104,659	299,854	722,343
Trading securities- proprietary trading valuation adjustment	(7,981)	6,500	28,618
Total	<u>\$ 96,678</u>	<u>306,354</u>	<u>750,961</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	15,893
Valuation adjustment	(3,714)	(3,847)	(3,676)
Total	<u>\$ 12,179</u>	<u>12,046</u>	<u>12,217</u>

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

During the three months ended March 31, 2025 and 2024, the dividends of all \$0, related to equity investment at fair value through other comprehensive income held on the years then ended were recognized. For investments in equity securities were not disposed of for the three months ended March 31, 2025 and 2024, and the cumulative gains and losses during these periods were not transferred to equity.

(iii) Bonds purchased under resale agreements

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Bonds purchased under resale agreements	<u>\$ 250,116</u>	<u>250,121</u>	<u>130,003</u>
Resale price under the agreements	<u>\$ 250,171</u>	<u>250,158</u>	<u>130,032</u>
Interest rates	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Date of repurchase	<u>2025.04.02~2025.04.08</u>	<u>2025.01.02~2025.01.06</u>	<u>2024.04.01~2024.04.08</u>

(Continued)

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

(c) Other non-current assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Guarantee deposited for business operations	\$ 10,000	10,000	10,000
Settlement fund	11,013	9,152	9,152
Total	<u>\$ 21,013</u>	<u>19,152</u>	<u>19,152</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Liabilities on sale of borrowed securities - non-hedging	\$ 92,103	11,164	11,267
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	(9,483)	(2,239)	158
Total	<u>\$ 82,620</u>	<u>8,925</u>	<u>11,425</u>

(e) Inter-department accounts, credit

As of March 31, 2025, December 31 and March 31, 2024, the Department and the Company's futures department inter-department transactions of \$170,488, \$147,671 and \$297,489, respectively.

(f) Financial Instruments

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of March 31, 2025, December 31 and March 31, 2024, the maximum credit exposure amounted to \$1,312,387, \$1,210,584 and \$1,557,895, 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>
March 31, 2025							
Financial liabilities at fair value through profit or loss	\$ 82,620	82,620	82,620	-	-	-	-
Accounts payable	28,698	28,698	28,698	-	-	-	-
Other payables	827	827	827	-	-	-	-
Lease liabilities	409	416	157	148	102	9	-
Total	<u>\$ 112,554</u>	<u>112,561</u>	<u>112,302</u>	<u>148</u>	<u>102</u>	<u>9</u>	<u>-</u>

(Continued)

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

	<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>
December 31, 2024							
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	\$ 17,061	17,070	16,737	148	175	10	-
March 31, 2024							
Financial liabilities at fair value through profit or loss	\$ 11,425	11,425	11,425	-	-	-	-
Accounts payable	217,411	217,411	217,411	-	-	-	-
Other payables	882	882	882	-	-	-	-
Lease liabilities	268	275	64	64	103	44	-
Total	\$ 229,986	229,993	229,782	64	103	44	-

(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:

March 31, 2025			
	<u>Foreign currency (dollar)</u>	<u>Exchange rate</u>	<u>Thousands of New Taiwan Dollars</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 43.74	33.2050	1
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD	480.06	24.7700	12
December 31, 2024			
	<u>Foreign currency (dollar)</u>	<u>Exchange rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 43.74	32.7850	2
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD	849.48	24.1300	20

(Continued)

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

March 31, 2024			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 43.74	32.0000	2
<u>Financial liabilities</u>			
<u>Monetary items</u>			
SGD	1,950.55	23.7200	46

For the three months ended March 31, 2025 and 2024, the foreign exchange (losses) gains (including realized and unrealized) were \$(1) and \$0, 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. For the three months ended March 31, 2025 and 2024, with all other variable factors remained constantly, 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 all \$0. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the three months ended March 31, 2025 and 2024, 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 \$22 and \$18. 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 three months ended March 31,			
	2025		2024	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increase 1%	\$ 122	141	122	7,395
Decrease 1%	\$ (122)	(141)	(122)	(7,395)

(Continued)

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

(vi) Fair value and hierarchy information

1) Fair value information

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

2) Based on fair value measurement

a) Hierarchy information of fair value

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

		March 31, 2025		
		Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>			
<u>Fair value evaluated on a recurring basis</u>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 33,103	33,103	-	-
Stock investment	50,100	50,100	-	-
Convertible Bond	13,475	13,475	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,179	12,179	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	82,620	82,620	-	-
		December 31, 2024		
		Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<u>Assets and Liabilities items</u>	<u>Total</u>			
<u>Fair value evaluated on a recurring basis</u>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 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

March 31, 2024				
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)
<u>Fair value evaluated on a recurring basis</u>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 83,296	83,296	-	-
Stock investment	667,665	667,665	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,217	12,217	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	11,425	11,425	-	-

b) Valuation techniques

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

3) Financial instruments not measured at fair value

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

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and ultimate controlling party of the Group. As of March 6, 2025, the Company's outstanding common stock ownership changed from 56.58% to 55.46%. The consolidated financial statements have been issued and are 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

(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 entered into a lease agreement to lease an office building from Capital Securities Corporation:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Total contract value	\$ <u>872</u>	<u>872</u>	<u>266</u>
Balance of lease liabilities	\$ <u>382</u>	<u>452</u>	<u>201</u>
		<u>For the three months ended March 31,</u>	
		<u>2025</u>	<u>2024</u>
Interest expense		\$ <u>2</u>	<u>1</u>

(ii) Rental expenses

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

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Related parties</u>		
Capital Securities Corporation	\$ <u>24</u>	<u>24</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

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Related parties</u>		
Capital Securities Corporation	\$ <u>144</u>	<u>144</u>

(8) Pledged assets:None.

(9) Significant commitments and contingencies:None.

(10) Losses Due to Major Disasters:None.

(11) Significant 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.