

Capital Securities Corporation
2025 Annual Meeting of Shareholders

Meeting Handbook

Time: 9:00 am, May 28, 2025

Meeting Method: Hybrid Shareholders' Meeting

Place: 11F., No. 156, Sec. 3, Minsheng E. Rd., Songshan
Dist., Taipei City (Conference Room)

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Procedure for the 2025 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairperson Takes Chair
- III. Chairperson Remarks
- IV. Report Items
- V. Matters for Proposals
- VI. Matters for Discussion
- VII. Elections
- VIII. Other Motions
- IX. Extemporaneous Motions
- X. Adjournment

Capital Securities Corporation
Agenda of 2025 Annual Meeting of Shareholders

- I. Time: 9:00 am on Wednesday, May 28, 2025
- II. Meeting Method: Hybrid Shareholders' Meeting
- III. Place: 11F., No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City (Conference Room)
- IV. Call the Meeting to Order
- V. Chairperson Remarks
- VI. Report Items:
 - 1. 2024 Business Report. (Handbook pages 10~15)
 - 2. 2024 The Audit Committee's Review Report. (Handbook page 16)
 - 3. 2024 Distribution of Employees' and Directors' Remuneration. (Handbook pages 17)
 - 4. Acquisition of Right-of-Use Assets from Related Parties. (Handbook page 18)
 - 5. Sustainable Development Promotion Plan. (Handbook pages 19~41)
 - 6. Amendments to the "Procedures for Ethical Management and Guidelines for Conduct". (Handbook pages 42~49)
 - 7. Others

VII. Matters for Proposals:

- 1. Subject: Adoption of the 2024 Business Report and Financial Statements
(Proposed by the Board of Directors)

Explanation:

The 2024 financial statements and consolidated financial statements were audited by the accountants WU, CHENG YEN and CHEN, YI REN of KPMG, and an unqualified opinion report was issued. The financial statements together with the business report were sent to the Audit Committee and the review was completed. (Handbook pages 10~15 and 50~69)

Resolution:

- 2. Subject: Adoption of the 2024 Earnings Distribution Plan
(Proposed by the Board of Directors)

Explanation:

- 1. For the Company's 2024 earnings distribution, the proposed total cash dividend to shareholders is NT\$3,256,362,146 (a cash dividend of NT\$1.5 per share), rounded down to the nearest NTD. The fractional balance of dividends less than NT\$1 will be summed up and recognized as other income of the Company. The distribution of dividends shall be subject to the approval of the General

Shareholders' Meeting and the ex-dividend date and related matters shall be set by the Chairman as authorized.

2. In the event that the number of outstanding shares is affected by a change in the share capital of the Company, and an amendment to the shareholder's cash dividend ratio is therefore required, it is proposed that the shareholders' meeting authorize the Chairman to exercise full authority.
3. The 2024 earnings have the priority in this earnings distribution.
4. The Company's 2024 earnings are to be distributed in accordance with the Company's Articles of Incorporation. (Handbook page 70)

Resolution:

VIII. Matters for Discussion:

1. Subject: Amendments to the Company's Articles of Incorporation
(Proposed by the Board of Directors)

Explanation:

1. The Company has made amendments to the Articles of Incorporation in accordance with the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" and the "Securities and Exchange Act" regarding the number of independent directors and the allocation of employee remuneration to non-executive employees.
2. Highlights of the current amendments include:
 - (1) Article 13: Revised the limitation on the number of independent directors in accordance with Article 4, Paragraph 3 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers"
 - (2) Article 20: Added provisions for the allocation ratio of remuneration to non-executive employees in accordance with Article 14, Paragraph 6 of the "Securities and Exchange Act."
 - (3) Article 22: Updated the date of amendments.
3. Comparison Table of amendments and draft revision to the Company's "Articles of Incorporation". (Handbook page 71~77)

Resolution:

IX. Elections:

1. Subject: Election of the 13th Term Board of Directors

(Proposed by the Board of Directors)

Explanation:

1. The term of the Company's 12th Board of Directors will expire on June 26, 2025. Re-election is proposed to take place at this year's General Shareholders' Meeting.
2. In accordance with the Company's Articles of Incorporation and Articles 14-2 and 14-4 of the Securities and Exchange Act, the 13th Board of Directors shall consist of 9 directors, including 3 independent directors. The newly elected directors shall assume office immediately upon election, for a term of three years from May 28, 2025 to May 27, 2028. The term of the current directors shall end when the newly elected directors assume office at this General Shareholders' Meeting.
3. Pursuant to the Company's Articles of Incorporation, the election of directors and independent directors shall adopt the candidate nomination system. The list of candidates was approved by the 18th meeting of the 12th Board of Directors on March 7, 2025. The candidate information is as follows:

Candidate		Education	Experience	Current Positions	Shares Held
Director	Yin Feng Enterprise Co., Ltd. Representative: Chou, Hsiu-Chen	Bachelor's Degree in Accounting, National Taiwan University	1.Capital Securities Corp.- Vice President 2.Taichung Bank Securities Co., Ltd -Director 、 General Manager 3.Capital Markets Department Polaris Securities- Manager	1. Capital Securities Corp. - Chairman 2. CSC Venture Capital Corp. - Chairman 3. CSC Capital Management Co. - Chairman 4. CSC Private Equity Fund I Co. - Chairman	8,040,015
Director	Yin Feng Enterprise Co., Ltd. Representative: Liu, Ching-Tsun	Master of Public Administration , University of San Francisco, USA	1. Fiscal Information Agency, Ministry of Finance- Chief Auditor 2. Securities Commission, Ministry of Finance - Deputy Director 3.Taiwan Securities Association - Executive Director, Supervisor 4.Taipei Exchange - Director, Supervisor 5.Capital Securities Corp.-Vice Chairman and Chairman 6.Yan Fu Venture Capital Co., Ltd. - Director	1.Capital Securities Corp. - Director 2.Taiwan Oasis Technology Co., Ltd. - Director 3.Capital Futures Corp. - Director 4.PharmaEssentia Corp. - Independent Director	8,040,015

Director	Yin Feng Enterprise Co., Ltd. Representative: Chang, Yi-Ping	Bachelor's Degree in Finance, Tamkang University	1.PT KYMCO Indonesia- Administrative Department Manager 2.KYMCO Philippines, Inc.- Administrative Department Manager 3.Changzhou Kwang Yang Motor Co., Ltd.- Administrative Department Manager	1.Capital Securities Corp. - Director 2. Kwang Yang Motor Co., Ltd - Accounting Department Manager 3. Chuan Yang Motor Co., Ltd- Supervisor 4. Kawasaki Motor Taiwan Co., Ltd - Supervisor 5. Guang Da Union Motor Co., Ltd - Supervisor 6. Guang Qun Motor Co., Ltd - Supervisor 7. Klever Mobility Inc.- Supervisor 8. He Yang Motor Co., Ltd - Supervisor 9. Ionex Energy Inc.- Supervisor 10.Toyo Jiann Tsang Electric Co., Ltd.- Supervisor 11.Gao Sheng Motor Co., Ltd - Supervisor 12.Xiang Zheng Motor Co., Ltd - Supervisor 13.China Ocean Enterprise Co., Ltd - Supervisor 14.Jun Qing Motor Co., Ltd - Supervisor 15. Jia Jin Motor Co.,Ltd - Supervisor 16. Hong Zhan Motor Co.,Ltd - Supervisor 17.Shuang Sheng Motor Co., Ltd - Supervisor 18. Xin Yang Motor Co.,Ltd - Supervisor 19. Quan Feng Motor Co., Ltd - Supervisor	8,040,015
Director	Hung Lung Enterprise Co., Ltd. Representative: Chu, Shu-Er	Master's Degree, Graduate Institute of Business Administration, National Taiwan University of Science and Technology	1. Solomon Technology Corporation - CFO 、Corporate Governance Officer 、Executive Assistant 2. Solomon Goldentek Display Corp. - Director 、General Manager 、Supervisor 3.Solomon Data International Corporation-Director	1.Capital Securities Corp. - Director 2.Reng Hsing Co., Ltd. - Chairman 3. Tai Lian Investment Co., Ltd. - Chairman 4.Yue Bow Enterprise Co., Ltd. - Chairman 5. Chuan Suang Construction Devel - Supervisor 6. Tai He Real Estate Management Co., Ltd. -Supervisor 7. Tai Yeh Co.,Ltd.-Supervisor	50,871,288

Director	Hung Lung Enterprise Co., Ltd. Representative: Lin, Tzu-Yi	Master's Degree in International Finance, National Taipei University	1.TCY Cosmetics.Ltd- Administrative Director 2.Carota Corp.- HR Director 3.BQool.Co., Ltd.- Administrative Director 4. Newegg International Service Co.,- HR Director	1.Capital Securities Corp. - Director 2. Sheng Hsiang Co., Ltd. General Management Division Assistant - Vice President 3.Tai Lian Investment Co., Ltd. - Supervisor 4.Fornet Enterprise Co., Ltd - Supervisor 5. Jea Shan Yueh Construction Co., - Supervisor 6.Shang Wei Investment Co., Ltd - Supervisor 7.Hung Lung Enterprise Co., Ltd - Supervisor 8.Capital Futures Corp. - Director	50,871,288
Director	Hung Lung Enterprise Co., Ltd. Representative: Tsai, I-Ching	Master's Degree in Law, Soochow University	1.The Business Development Foundation of the Chinese Straits - Deputy Secretary-General 2. The Chinese Commercial and Industrial Service Co., Ltd - Supervisor 3. Taiwan Federation of Commerce-Secretary general	1.Capital Securities Corp. - Director 2. 3S System Technology Inc.- Member of Compensation committee	50,871,288
Independent Director	Lee, Shen-Yi	Ph.D. of law, Chinese Culture University	1. Ministry of Economic Affairs - Officer 2. Auditing Division, Ministry of Finance - Auditor 3. Chien-Yeh Law Offices - Attorney & Managing Partner 4. Consumers' Foundation Chinese Taipei -Chairman 、 Honorary Chairman 5. Adjunct Associate Professor of National Chengchi University and Chinese Culture University 6. Member of Fair Trade Commission, Executive	1.Capital Securities Corp. - Independent Director 2.WIN Semiconductors Corp. - Independent Director 3.Nan Ya Plastics Corp. - Director 4.East-Tender optoelectronics Corp. - Director 5.Pharmaessentia Corp. - Director 6.RobotLipo Co., Ltd.- Supervisor 7.Chinese Culture University - Supervisor 8.Taiwan New Economy Foundation-Vice Chairman 9. National Policy Advisor to	0

			<p>Yuan</p> <p>7. 2nd and 3rd member of the Control Yuan</p> <p>8. Member of Legal Affairs Committee</p> <p>9. China Airlines Ltd.-Director</p> <p>10. China Steel Corporation-Independent Director</p> <p>11. EnTie Commercial Bank-Independent Director</p>	the President	
Independent Director	Lin, Tsalm-Hsiang	Ph.D. in Finance, Boston University, USA	<p>1.Department of Banking and Finance, Tamkang University - Professor and Cross-Strait Financial Center – Director</p> <p>2.Financial Engineering Association of Taiwan - Chairman</p> <p>3.Institute of Health Policy and Management, National Taiwan University; and IEMBA Program at National Taipei University - Adjunct Professor</p> <p>4.Taiwan Institute of Economic Research - Director</p> <p>5.Yuanta-Polaris Research Institute - Director</p> <p>6.Taiwan Stock Exchange Corp. - Director</p> <p>7.Taiwan Futures Exchange - Director and Supervisor</p> <p>8.Oversea Chinese Bank - Executive Director</p> <p>9.IBF Securities Co., Ltd. - Director</p> <p>10.Hua Nan Securities Co.,Ltd. - Independent Director</p> <p>11.China Development Industrial Bank - Director</p> <p>12.China Development Financial Holding Corp. - Director</p>	<p>1.Capital Securities Corp. - Independent Director</p> <p>2. Eastern Media International Corp. - Independent Director</p> <p>3. IIH Biomedical Venture Fund I Co., Ltd.-Supervisor</p> <p>4. Natural Beauty Bio Technology Limited - Independent Director</p> <p>5. Department of Banking and Finance, Tamkang University –Honorary Professor</p> <p>6.Excellence Op to.INC. - Financial Advisor</p> <p>7. Financial Engineering Association of Taiwan - Lifetime Honorary Chairman</p>	0

Independent Director	Su, Chiu-Hsia	MBA, The George Washington University, USA	1. Standard Chartered Bank (Taiwan) -Executive Director 2. Nielsen IQ Taiwan Ltd. - HR Director 3. Tetra Pak Taiwan Ltd. - HR Director 4. Test Rite Retail Co., Ltd.- HR Manager 5. The Westin Tashee Resort- HR Assistant Manager	1. Enli Technology Co., Ltd.- Independent Director 2. Fulin Plastic Industry (Cayman) Holding Co., Ltd - Independent Director 3. GSD Technology Co., Ltd - Independent Director 4. DBS Bank (Taiwan) Ltd.- HR Advisor 5. Department of Business Management, Fu Jen Catholic University- Adjunct Associate Professor	0
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4. None of the above three independent director candidates are being re-nominated after having served three consecutive terms as independent directors of the Company.

Resolution:

X. Other Motions:

- Subject: Proposal for the Release of Non-Competition Restrictions on Directors
(Proposed by the Board of Directors)

Explanation:

- Pursuant to Article 209 of the Company Act, if a director engages in any business within the scope of the Company's operations for their own or others' benefit, they shall explain the essential contents of such actions to the shareholders' meeting and obtain its approval.
- Concurrent positions held by the 13th-term director :

Name of Directors	Company Name & The Title of Concurrent Position Held in a Similar Business Scope	
Yin Feng Enterprise Co., Ltd. Representative: Liu, Ching-Tsun	Capital Futures Corp.	Director
Hung Lung Enterprise Co., Ltd. Representative: Lin, Tzu-Yi	Capital Futures Corp.	Director

- According to the Ministry of Economic Affairs official letter No. 89206938 dated April 24, 2000, when a representative of a juristic person is elected as a director, both the representative and the juristic person are subject to non-competition restrictions. Therefore, it is proposed to release Yin Feng Enterprise Co., Ltd. and Hung Lung Enterprise Co., Ltd. from such non-competition restrictions.
- As the newly elected directors and their representatives concurrently hold positions in the above subsidiary whose businesses are related or similar to that of the Company, approval is hereby proposed to release them from the non-competition restrictions in accordance with the law.

Resolution:

XI. Extemporaneous Motions

XII. Adjournment.

Capital Securities Corporation

2024 Business Report

The global political and economic landscape underwent significant changes in 2024. Politically, the year commenced with Taiwan's presidential election in January, followed by key leadership transitions in major countries each quarter. The political climax occurred in November with the U.S. presidential election, where former Republican President Donald Trump, campaigning under the slogan Make America Great Again (MAGA), won by a landslide against Democratic candidate Kamala Harris. Trump's return to the White House signals a shift toward right-wing ideology, a strong emphasis on traditional values, and the use of tariffs as a strategic economic tool, all of which will shape the global trajectory in the coming years.

In the technology sector, artificial intelligence (AI) remained the focal point. NVIDIA, whose AI chips are the most critical competitive tools for training AI models, saw its stock price surge by 170% in 2024, bringing its market capitalization beyond \$3 trillion. The Big Tech (Magnificent 7)—Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, and Tesla—all expanded their investments in AI. Coupled with financial market optimism regarding AI's future growth potential, AI has become the driving force behind soaring stock prices of major U.S. technology firms.

The three major U.S. stock indices reached record highs in 2024. The Dow Jones Industrial Average, S&P 500, and Nasdaq gained approximately 13%, 23%, and 29%, respectively. Japan's Nikkei 225 index surged by 20%, surpassing its peak from the 1990s, driven by a resurgence of investor confidence, capital inflows, and government initiatives to develop the semiconductor industry. European stock markets also performed well, with Germany's Frankfurt DAX index rising by 18.9% for the year. However, Germany's economy faced significant challenges from China, as competition intensified in the high-end automobile and precision machinery sectors due to the pricing advantage of Chinese domestic products.

Taiwan's stock market (TAIEX) gained over 5,000 points in 2024, marking a 28% increase. However, Taiwan Semiconductor Manufacturing Company (TSMC) outperformed the market, soaring 84% for the year. Among the Taiwan 50 index components, only one stock outpaced TSMC, while 17 recorded negative returns. This indicates that most large-cap stocks underperformed TSMC. Additionally, the Formosa Plastics Group saw its stock prices and market capitalization decline by over 50% throughout the year. Despite the record high in the TAIEX index, industrial competition, fluctuations in corporate profitability, and market volatility continue to influence stock performance.

Amid this highly volatile business environment, our management team remained committed to a prudent operational strategy, carefully balancing risk and profitability. As a result, in 2024, the company achieved a pre-tax net profit of NT\$5,782,940 thousand and a post-tax net profit of NT\$4,883,776 thousand.

2024 Business Operations Overview:

1. **Brokerage Business:** The combined market share of the centralized and over-the-counter (OTC) markets reached 3.58%, ranking sixth among domestic securities firms and first among independent securities firms. The outstanding balance of non-restricted purpose loans of securities firm grew to NT\$32.4 billion by year-end, ranking second in the market. The annual average balance of customer ledgers of securities firm's settlement account stood at NT\$36.2 billion, securing the top market position.
2. **Underwriting Business:** In 2024, the company acted as the lead underwriter for the IPO of Grade Upon Technology Corp. (GUTC) and the secondary market underwriting of convertible bonds issued by Megawin and Franbo Lines, as well as a cash capital increase for CHIA HER INDUSTRIAL CO., LTD. Additionally, the company participated as a co-underwriter in 77 IPO and SPO cases, including those for Tigerair, ELTA Technology, and Mega Bank. The total underwriting amount and the number of deals both increased compared to the previous year.
3. **Derivative Products Business:** In 2024, the total premium value of listed call (put) warrants reached NT\$83.3 billion, with 11,029 issued warrants, ranking second in market issuance value and third in the number of issues. Meanwhile, the total issuance of structured products amounted to NT\$32.4 billion for the year.
4. **Bond Business:** The company underwrote NT\$38.88 billion in domestic corporate bonds throughout the year, securing a 7.46% market share and ranking fourth among domestic securities firms. In the sustainable bond segment, the company underwrote 17 issues with a total value of NT\$6.83 billion, accounting for 17.6% of the company's total underwriting amount. Moving forward, the company will continue to support green and transition finance initiatives, assisting enterprises in securing funding to facilitate their net-zero transition.

Capital Securities Corporation has always been committed to its vision of “providing high value-added services that exceed client expectations and becoming a long-term growth partner for our clients.” With the collective efforts of the company and all employees, we received the following honors in 2024:

1. “Best Progress Award 2023” in the Assessment of Principle for Financial Service Industries to Treat Clients Fairly – Financial Supervisory Commission (FSC).
2. Continued inclusion in the “F4G TIP TW ESG Index” and “TW EMP 99 IDX” as a constituent stock.
3. “Outstanding Warrant Issuer Award” and “Growth in Warrant Issuance Award” – Awarded by the Taiwan Stock Exchange in recognition of warrant issuance excellence in 2023.
4. “Issuers of the Year,” “Turnover of the Year,” and “Growth of the Year” – Taipei Exchange 2023 OTC warrant competition awards.

5. Best Popular Brand Award – The National Brand Yushan Award for the Capital Securities Eagle APP.
6. “Best Securities Broker Brand for Media Volume Taiwan 2024” – International Business Magazine for outstanding media presence.
7. Highly Commended for Best Innovative Technology Application in Non-Banking Financial Services, Taiwan 2024 – Finance Asia.
8. Selected as one of the “Taiwan FINI FIG 10” – Taiwan Institute of Directors and Corporate Development Research Center (CDRC), ranking among the top 10 financial institutions favored by foreign investors.
9. “Outstanding Award in Corporate Comprehensive Performance” and “Silver Award for Corporate Sustainability Report ” – Taiwan Corporate Sustainability Awards (TCSA) 2024, presented by the Taiwan Institute for Sustainable Energy.
10. “Best Securities Firm” and “Best Financial Management Award” – Excellence Magazine 2024 in the non-financial holding company category.
11. “Digital Service Award,” “Digital Fair Treatment Award,” and “Digital Information Security Award – Anti-Fraud Category” – Commercial Times 2024 Digital Financial Awards.
12. Gold Award for “2024 Happy Enterprise” – 1111 Job Bank, recognizing excellence in workplace satisfaction and employee well-being.

The brand value of Capital Securities Corporation is embodied in “Capital Care.” As a responsible corporate citizen, we have continuously engaged in public welfare initiatives. In 2024, we organized the following philanthropic activities:

1. “Spreading Love and Happiness Through Blood Donation” Campaign: This initiative, now in its 17th year, expanded to 24 donation events in 2024, collecting over 1,500 bags of blood. The company once again received recognition from the Taiwan Blood Services Foundation as an Outstanding Blood Donation Organization. Committed to corporate sustainability, the 2024 campaign featured handcrafted gifts from the FHL Development Center as blood donation incentives. This effort not only encouraged blood donation but also supported individuals with intellectual disabilities in developing self-reliance and vocational skills. Additionally, to promote low-carbon living, donors received Personal Carbon Passbook points, which could be used for green consumption and inclusive finance. This initiative aligns with the United Nations Sustainable Development Goals (SDGs) SDG3 (Good Health and Well-being), SDG12 (Responsible Consumption and Production), and SDG17 (Partnerships for the Goals).
2. “Capital Reading Program”: Now in its 11th year, this program has long promoted reading in remote areas and instilled financial literacy in underserved communities. The number of sponsored schools has grown from 2 to 16, spanning 13 counties and cities, benefiting over 4,000

children. Employees from various branch offices volunteer to mentor students, encouraging reading habits and financial awareness, with the hope of inspiring greater societal engagement in rural education. This year, the program integrated reading and cultural experiences by inviting students and teachers to watch the Oscar-nominated animated film *Robot Dreams* and visit the Songshan Cultural and Creative Park. Additionally, children received books on financial literacy and the UN SDGs, aiming to establish a healthy financial mindset at an early age while fostering an understanding of sustainable development as part of their everyday lives.

Several key trends and focal points are expected to shape global economic and trade dynamics in 2025:

1. Trump 2.0

Trump's approach to increasing tariffs follows a high-stakes strategy with dynamic adjustments, where exemptions will be released in phases. Another major focus is his executive orders aimed at loosening restrictions on federal land drilling, repealing mandates on electric vehicle emissions regulations, reinstating natural gas export approvals, and withdrawing from the Paris Climate Agreement once again.

Trump 2.0 is not entirely about breaking the rules but rather a return to a right-wing policy stance. The Texas energy sector and swing-state automotive industry fully backed Trump in the election, signaling a major shift in U.S. economic and political policies. Wall Street has expressed support, with high expectations for tax cuts and deregulation, which Trump has pledged to deliver. Additionally, Bitcoin briefly surged past the \$100,000 mark in anticipation of Trump easing regulatory measures.

However, Trump's limited political experience and businessman mentality shape his approach to negotiations and deal-making, often prioritizing immediate gains over the traditional responsibilities of an American president as a global leader. His flexibility and strategic unpredictability blur the line between tactical wisdom and opportunism. By using confrontation to force compromise, he operates without a clear moral boundary, which could escalate international tensions and even risk triggering a global conflict.

On the domestic economic front, Trump aims to curb government waste through reforms and spending cuts while keeping economic growth in check to control inflation, hoping to push the Federal Reserve toward interest rate cuts. However, given the uncertainty surrounding tariffs, if consumer demand weakens while prices continue to rise, the U.S. could face a stagflation crisis.

2. Federal Reserve Interest Rate Policy

In 2024, the U.S. maintained high interest rates, while central banks in the EU and other regions began rate cuts, reflecting differences in economic fundamentals and growth prospects between the U.S. and Europe. In 2025, concerns over inflation resurgence and stronger-than-expected

economic data will reinforce U.S. economic resilience, leading to a slower pace of Federal Reserve rate cuts. Meanwhile, the European Central Bank (ECB) is expected to continue cutting rates, given stagnant growth in the Eurozone.

The Federal Reserve holds eight meetings per year, making economic data interpretation and rate-cut timing key variables in financial markets. The Fed will likely adjust market expectations through strategic communication based on real-time economic conditions. Regardless, economic data, interest rate outlooks, bond prices, and yield fluctuations will all significantly impact market sentiment and performance.

3. AI Growth – The Next Technological Revolution

Tesla CEO Elon Musk has repeatedly emphasized that Tesla is now an AI company, stating that autonomous driving is simply an application of AI. He likened the AI revolution to the internet boom 30 years ago, which transformed industries worldwide—just as traditional education evolved into online learning and financial markets shifted to digital trading. Similarly, AI-driven financial trading is expected to expand rapidly, much like online trading did in the past.

At CES 2024, NVIDIA CEO Jensen Huang introduced the Cosmos platform, an AI development tool designed for autonomous vehicles and robotics. He also announced a partnership with Toyota to develop a self-driving fleet powered by automotive AI chips, along with a collaboration with MediaTek to create a mini AI supercomputer targeting edge AI computing. These developments underscore AI's ubiquity in the future, no longer limited by computing power or generative AI constraints.

4. Geopolitics

Donald Trump has reframed geopolitical issues, bringing the Panama Canal and Greenland into U.S. national security discussions. Any geopolitical shifts will disrupt existing international relations, particularly given Trump's history of clashes with EU leaders—ranging from a rising U.S. dollar to Washington's push for increased European defense spending as a percentage of GDP. The Russia-Ukraine war remains a pivotal factor, as its resolution in 2025 could significantly impact Trump's global influence and leadership standing.

Another major geopolitical focus is China. China's real estate crisis, compounded by the escalating U.S.-China trade war, has led to worsening export conditions, rising unemployment, and weakening domestic consumption. The U.S. views China as its greatest strategic rival, with intensifying competition across capital flows, investments, semiconductors, and cybersecurity—suggesting that economic and technological tensions may escalate further.

5. Taiwan Enters a Critical Development Phase

Against the backdrop of geopolitical tensions, Taiwan is positioned between the U.S. and China, making strategic development opportunities and risk management essential. Policies, capital flow,

and talent acquisition must be carefully aligned to optimize growth strategies. From an industrial perspective, AI is the dominant growth trend, but it may also exacerbate resource imbalances. Corporate strategy and competitive strength will be reflected in financial markets—for instance, Taiwan’s semiconductor giants TSMC and UMC have diverged significantly in recent years. Additionally, the once-dominant panel and memory sectors (formerly Taiwan’s “Two-Trillion Twin Stars”) saw sharp declines in performance and stock value in 2024. Moving forward, Taiwan must continue investing in high-growth industries and resources to sustain its long-term competitiveness.

In response to the challenges posed by the evolving economic and financial landscape, our 2025 operational and business development strategies are as follows:

1. **Brokerage Division** – Focus on core business operations and aggressively expand market share.
2. **Asset Management** – Continue to scale up asset management, increasing long-term holdings.
3. **Sales Support** – Strengthen sales teams to maximize distribution value.
4. **Proprietary Trading** – Expand proprietary trading volume and turnover rate to enhance capital efficiency.
5. **Underwriting Business** – Elevate market ranking and strengthen industry position.
6. **Operational Support** – Enhance back-office capabilities to improve service efficiency.
7. **Regulatory Compliance and Risk Management** – Ensure full adherence to regulations and reinforce risk management.
8. **Sustainability Commitment** – Continuously implement and uphold sustainable development initiatives.

As Trump 2.0, interest rate cut timing and frequency, and complex geopolitical uncertainties continue to shape the financial landscape in 2025, we anticipate heightened market volatility. Additionally, extreme weather and natural disasters will increasingly impact the real economy. In the face of these challenges, our company remains committed to integrity, professionalism, and excellence, delivering high-value financial services that exceed client expectations while positioning ourselves as a long-term growth partner for our clients. At the same time, we actively align with sustainable development goals (SDGs) by leveraging financial group resources and fostering shared prosperity. Our approach emphasizes a balanced and diversified focus on environmental protection (E), social responsibility (S), and corporate governance (G). Through dedicated efforts and concrete actions, we strive to contribute to our shared future, generating strong business performance that delivers value to our shareholders.

Chairman:

President:

Chief Accounting Officer:

Capital Securities Corporation

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements (including Consolidated Financial Statements) and Earnings Distribution Proposal. The Financial Statements have been audited and certified by Wu, Cheng-Yen and Chen, Yi-Jen of KPMG Certified Public Accountants, who issued an auditors' report of unqualified opinion.

The aforementioned Business Report, Financial Statements (including Consolidated Financial Statements), and Earnings Distribution Proposal have been reviewed and determined to be fairly presented as stated by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Submitted by

2025 General Shareholders' Meeting of Capital Securities Corporation

Capital Securities Corporation
Convener of the Audit Committee
Shea, Jia-Dong

March 7, 2025

2024 Distribution of Employees' and Directors' Remuneration

- I. The distribution of remuneration to employees for an amount of NT\$88,717,600 and remuneration to directors for an amount of NT\$19,500,000 was resolved in the board meeting of the Company on March 7, 2025. The aforesaid amount accounted for 1.5% and 0.33% of the Company's 2024 earning (the sum of net income before tax and the estimates of remuneration to employees and directors); also, it is to be distributed in cash.
- II. The difference between the amount of remuneration to employees and directors resolved by the Board of Directors and the estimated amount recognized as expense of the fiscal year is as follows:

Unit: New Taiwan Dollar (NT\$)		
Item	Remuneration to Employees	Remuneration to Directors
Estimated amount recognized as expense of the fiscal year (A)	88,717,600	29,285,000
Proposed amount of distribution resolved by the Board of Directors (B)	88,717,600	19,500,000
Amount of difference (A – B)	-	9,785,000
Treatment of difference	The difference will be treated as a change of accounting estimate and adjusted to 2025 profit and loss.	

Acquisition of Right-of-Use Assets from Related Parties in 2024

1. In accordance with Article 11 of the Company's "Rules Governing Financial and Business Matters Between Capital Securities Corporation and its Related Parties," the actual transactions involving the acquisition of right-of-use assets from related parties shall be reported to the most recent General Shareholders' Meeting after the end of the fiscal year.
2. The Company's acquisition of right-of-use assets from related parties in 2024 is summarized as follows:

Related Party	Chuan Yi Construction Co., Ltd.
Purpose	Office use for the Company
Leased Property	15F-5., No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City Area: 168.87 ping
Lease Term	December 1, 2024 to August 31, 2028 (total of 3 years and 9 months)
Rental Terms	<ul style="list-style-type: none"> • Monthly Rent: NT\$442,220 (tax included) from December 1, 2024 to August 31, 2025 NT\$456,937 (tax included) from September 1, 2025 to August 31, 2028 • One rent-free month per lease year for office renovation • Total Rent Amount: NT\$19,058,901 (tax included) • Amount of Right-of-Use Asset Acquired: NT\$18,390,378
Audit Committee	Approved at the 11th meeting of the 3rd Audit Committee on July 15, 2024.
Board of Directors	Approved at the 13th meeting of the 12th Board of Directors on July 29, 2024.

2024 Sustainable Development Implementation Results

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
1	Sustainable Finance	Customers Employees	1. Construct and Develop an ESG Information Platform.	The Company's internal ESG information platform and sustainability website are scheduled to launch in March 2025, aiming to enhance transparency of information between the Company and its stakeholders.
		Customers Government Agencies	2. Guiding capital into sustainable development activities to support corporate sustainability transformation.	<p>1. In 2024, the Company sold four IPO ESG ETFs with a total sales amount of NT\$1.202 billion, demonstrating the Company's influence in promoting ESG-related products and actively guiding investors' attention toward sustainability issues.</p> <p>2. In 2024, the Company underwrote 17 sustainable bonds totaling NT\$6.83 billion, accounting for 17.6% of the Company's total underwriting amount. Compared to NT\$6.23 billion in 2023, this represents a 9.6% increase, showing the Company's continued support for green and transition finance action plans and assisting enterprises in securing funding.</p>
		Customers Government Agencies	3. Digital Financial Innovation Technologies and Services	<p>1. Electronic Ordering Users: The proportion of electronic ordering users has continued to grow steadily, increasing by 1.70% over the year. This reflects the effective adoption of digital trading services and enhanced user convenience and engagement.</p> <p>2. Electronic Order Value: The Company has continuously promoted digital trading, resulting in a significant annual average electronic order value ratio of 83%, showcasing exceptional transaction convenience and efficiency, and strengthening customer confidence and use of digital services.</p> <p>3. Digital Service Cases: Digital service cases accounted for 94%, indicating stable digital operations and a high level of customer satisfaction with digital services.</p>
		Customers Government Agencies	4. Continuously Expanding Inclusive Financial Measures	<p>1. Physical Customer Briefings and Seminars: A total of 265 physical customer briefings and seminars were held throughout the year, serving approximately 4,600 participants. Additionally, 11 large-scale events were held, drawing around 2,600 participants, effectively enhancing close engagement with customers and promoting financial literacy.</p> <p>2. Diverse Financial Seminars: The Company held a total of 286 financial seminars in diverse formats, including: (1) Physical/Online Customer Briefings: 238 sessions (2) Closed-Door/Institutional Investor Conferences: 48 sessions These events provided professional market analysis and financial insights to both retail and institutional customers, enhancing the Company's professional image and customer satisfaction.</p> <p>3. Financial Video Promotion:</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>(1) Through the YouTube channel “Wealth Creation Perspective”, Capital Securities produced and released 509 financial videos in 2024, with a total view count exceeding 720,000. This digital platform significantly expanded the influence of financial education and deepened customer interaction.</p> <p>(2) By promoting financial literacy both in-person and digitally, the total number of people served exceeded 11,000, continuing to enhance inclusive finance efforts and providing the market with a high-quality platform for financial education and information exchange.</p>
		Customers Government Agencies	5. Enhance Customer-Friendly Financial Services	<p>1. Enhanced Services for Middle-Aged and Elderly Customers The proportion of active middle-aged and elderly customers reached 64%, with a year-over-year growth of approximately 4.6%, demonstrating continued efforts to promote related services.</p> <p>2. Optimization of Customer Complaint Handling: The “Business Dispute Resolution Guidelines” were revised, reducing the complaint handling period from 30 days to 25 days.</p> <p>3. Enhancements to Software and Mobile Apps: (1) Enhanced the Capital ETF electronic subscription platform to improve usability for vulnerable groups. (2) Introduced online credit limit adjustment and bank authorization application functions via the e-Counter, making it more accessible to disadvantaged users. (3) Launched new features in the Mobile Winner App, such as ultra-fast trend chart display and IDT intelligent futures orders. (4) Added new functions to the Capital Securities Eagle App, including ETF portfolio rankings and an ESG carbon emissions calculator, enhancing the user experience.</p> <p>4. Anti-Fraud Awareness Promotion: (1) Established a fraud prevention section on the company’s official website, offering educational materials such as warning notices, inquiry hotlines, short videos, awareness campaigns, common fraud types, and related reports, providing investors with comprehensive anti-fraud training. (2) For new sub-brokerage account openings and reactivated dormant accounts, the Company sends SMS and email alerts reminding customers to beware of scams and notifies account managers to proactively reach out to these customers.</p>
		Employees	6. Enhance employees’ digital and information competency.	<p>1. RPA Project Plan and Training: (1) Hosted an RPA project briefing session to lay the foundation for intelligent process automation throughout the year. (2) Launched training courses on “RPA Development Tools & Process Mapping” to enhance employees’ digital capabilities and process improvement skills, continuously</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>empowering internal teams.</p> <p>(3) Held an RPA automation achievement presentation to share participants' knowledge and practical applications of RPA, boosting process efficiency and promoting innovation in automation technologies.</p> <p>2. Process Optimization Achievements:</p> <p>(1) Successfully deployed a daily ex-dividend reconciliation process for SBL, improving efficiency and accuracy.</p> <p>(2) Automated the data entry process for property insurance commission records, reducing manual labor.</p> <p>(3) Launched ICE platform reconciliation to optimize the Corp action data verification process and enhance data handling efficiency.</p> <p>(4) Implemented a notification process for advance payment of ETFs.</p> <p>3. Digital Progress:</p> <p>Continued implementation of Phase 3 of the RPA project, integrating training and intelligent tool deployment to further improve operational efficiency and accuracy, supporting the Company's steady business growth.</p>
		Customers	7. Responsible investment.	<p>1. The Company actively promotes its responsible investment policy by incorporating ESG factors into investment target evaluation and decision-making processes and is planning to procure an ESG database to continuously enhance ESG investing.</p> <p>2. The implementation status of responsible investment in 2024 has been periodically reported to the Integrity and Sustainable Development Committee and the Board of Directors.</p>
		Shareholders Government Agencies	8. Plan industry-alliance meetings.	<p>1. Hosted Sustainability Exchange Activities:</p> <p>Organized sustainability alliance exchange events with industry peers, focusing on the purpose and short-, medium-, and long-term planning of the alliance. These events aim to advance the vision of sustainable development in the financial industry and deepen the foundation for collaboration.</p>
2	Ethical Corporate Management	Shareholders	1. Enhance the professionalism of the Board of Directors and senior executives	<p>I. Promote ESG Literacy and Knowledge Sharing</p> <p>1. Training for Directors and Senior Executives:</p> <p>(1) Sustainability Courses for Directors: In 2024, directors completed a total of 45 courses, accumulating 131 hours. Course topics covered key issues such as corporate governance, information security, fair customer treatment, sustainable development, net-zero transition, and climate change.</p> <p>(2) Senior Executive Consensus Workshop: In Q2, a consensus-building workshop for senior executives was held, featuring participation by three independent directors and top-level executives from the group. The workshop explored the concept of diversity and inclusion and focused on developing sustainable leadership, furthering the ESG</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>ecosystem.</p> <p>2. Sustainability E-Newsletter: :</p> <p>(1) A total of 52 issues of the e-newsletter were published, sharing information on around 100 ESG-related courses, providing directors, senior executives, and all employees with relevant ESG learning resources, and promoting ESG knowledge across the group.</p> <p>II. Deepening Sustainability Education and Training Initiatives</p> <p>1. Expert Seminars and In-Person Training:</p> <p>(1) Numerous expert seminars and training sessions were held on topics such as GHG inventory, carbon credit trading, low carbon footprint, gender equality, and financial inclusion, with approximately 1,589 participants in total. These efforts enhanced employees' professional competence in driving sustainability.</p> <p>(2) ESG workshops and expert-led sessions further supported departments in implementing sustainability practices and developing future material issues.</p> <p>2. Promotion and Participation in E-Learning Courses:</p> <p>A wide range of ESG e-learning courses were launched, covering topics such as gender equality, anti-fraud awareness, human rights policy, information security, and sustainable finance trends. The total number of course completions throughout the year reached 17,536, significantly strengthening employees' ESG awareness and practical capabilities.</p> <p>3. Annual Summary of Results:</p> <p>Through a mix of in-person and online learning, a total of over 19,000 participants engaged in training covering ESG topics including corporate governance, information security, and sustainability. With expert lectures, newsletters, and workshops, the Company promoted ESG knowledge in a well-rounded way and strengthened the entire group's capacity for ESG implementation and understanding.</p>
		Employees Shareholders	2. Strengthen oversight by the Board of Directors	<p>The Company completed various major committee meetings and governance initiatives during the year, including:</p> <p>1. Promotion of Sustainability:</p> <p>To strengthen governance and sustainability oversight, the Fair Customer Treatment Committee and Ethical Corporate Management Committee were merged into the Ethical Corporate Management and Sustainability Development Committee. The newly formed committee holds quarterly meetings to review the annual sustainability plan, Sustainability Report, and TCFD Report. Integrity and Sustainable Development Office reports quarterly on sustainability initiatives and disclosure matters, ensuring continued monitoring of the Company's sustainability efforts.</p> <p>2. Optimization of Internal Controls:</p> <p>The Audit Committee revised the internal control system and reviewed the financial statements and business report to enhance internal oversight effectiveness.</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>3. Review of Human Resources Policies: The Remuneration Committee evaluated senior executive bonus and appointment proposals, submitting them to the Board of Directors for resolution, ensuring that human resources strategies align with corporate needs.</p>
3	Operational Performance	Shareholders	1. Achieve budget profit targets.	<p>1. Monthly Managerial Meetings: Department heads regularly report on the previous month's performance, propose business improvement plans, and review results. Action items assigned to each unit are followed up after the meeting to ensure effective execution of goals and plans.</p> <p>2. Online Investor Conferences: Quarterly online investor conferences are held to update shareholders and the public on the Company's financial performance and business development. The sessions also highlight the Company's sustainability practices and achievements, including efforts toward the Sustainable Development Goals (SDGs), sustainability initiatives, and corporate governance improvements—enhancing transparency and strengthening shareholder communication.</p>
4	Human Rights Policy	Employees	1. Establish human rights due diligence.	<p>1. Human Rights and Gender Equality Commitment: The Company's Chairman and President signed a Human Rights and Gender Equality Commitment, declaring support for the Universal Declaration of Human Rights (UDHR) and commitment to upholding international human rights standards. Key focus areas include gender equality, equal employment, labor law compliance, employee care, information security, data protection, and inclusive finance.</p> <p>2. Employee Training: Courses on sexual harassment prevention and human rights awareness were completed, with a total of 2,121 participants. Online training continues to raise awareness on workplace violence prevention and grievance procedures. In 2024, there were no reported cases of sexual harassment or workplace violence.</p> <p>3. Labor-Management Councils: Four labor-management council meetings were held throughout the year to discuss employee welfare and human rights-related topics.</p> <p>4. Gender Equality & Leadership Training: A leadership consensus workshop for senior executives was held with equal gender participation, reflecting the Company's commitment to gender balance and diversity in leadership.</p> <p>5. Employee Care & Welfare: The Company officially launched the on-site Dunhua Blind Massage service by visually impaired therapists and, starting in July, hired the massage therapist as a full-time employee—demonstrating care for employees with special needs.</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>6. Risk Assessment and Continuous Improvement: An internal human rights risk assessment was conducted based on the Company's human rights policy. Key risks identified include diversity and gender equality, occupational health and safety, employment discrimination, and forced labor. A company-wide survey will be distributed to assess human rights impacts and risk exposure, with follow-up improvements in management measures.</p> <p>7. Strengthening Gender-Based Grievance Mechanisms: In line with the Gender Equality in Employment Act, the Company established clear policies and mechanisms, including "Guidelines on Sexual Harassment Prevention and Disciplinary Actions in the Workplace", "Sexual Harassment Prevention Committee", and "Workplace Violence Complaint Committee". These mechanisms ensure employees have appropriate and accessible grievance channels.</p> <p>8. Promoting Low-Carbon Diet and Gender Equality Awareness: The Company hosted lifestyle-oriented sessions such as "Eat Well, Live Green: The Magic of Low-Carbon Eating" and "Rethinking Parenthood Roles: Gender Equality in Modern Parenting". These events provided practical information on health, well-being, and access to public resources, helping employees build a healthier lifestyle and reduce both economic and emotional stress.</p>
5	Alternation of Generations	Employees Shareholders	<p>1. Establish Work-Study/Internship mechanisms.</p> <p>2. Recruit high-quality talent.</p>	<p>1. Internship and Part-Time Placement: Throughout the year, the Company arranged internships for a total of 83 summer interns and 53 regular interns, spanning departments such as Administration, Brokerage, Settlement & Clearing, and Derivatives, injecting new energy into the Company while providing students with valuable practical experience.</p> <p>2. Industry-Academia Collaboration Programs: The Company collaborated with four universities to design finance-related practical training courses, such as "Practical Operations of Asset Management for Sustainable Business" and "Practical Operations of Asset Management", helping students bridge theoretical knowledge with real-world applications and enhance their employability.</p> <p>3. Company Visits and Industry Exchange Events: A group of 42 faculty members and students from the Department of Finance at Takming University of Science and Technology visited the Company to gain first-hand insight into financial operations. These visits deepen academic-industry engagement and serve as a bridge between academic learning and workplace application.</p> <p>1. The Company identifies high-potential employees from various departments and develops them as future leadership candidates, laying the foundation for succession planning.</p> <p>2. The Company annually hosts the Capital Securities Financial University, a development program for outstanding internal talent, providing cross-departmental training in</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>presentation skills, leadership, strategic thinking, and digital technologies. In 2024, 39 participants completed the program.</p> <p>3. A re-employment interest survey was conducted targeting employees who left the Company within the past five years. The Company continues to follow up with those expressing interest in returning and offers appropriate support.</p> <p>4. To support the Financial Supervisory Commission's "Green Finance Action Plan" and further embed ESG values in the corporate culture, the Company organized a "Sustainable Finance Certification – Core Competency" training program, with 43 department heads completing the course and earning certification.</p> <p>5. By integrating the Talent Quality Management System (TTQS) with its business strategy, the Company strengthened its talent development efforts. In 2024, it was awarded the TTQS Bronze Medal by the Workforce Development Agency, Ministry of Labor, in recognition of its excellence in talent cultivation.</p>
6	Occupational Safety and Health	Employees	1. Zero occupational injuries for employees.	<p>Workplace safety inspections were conducted as scheduled this year—in March for the first half and in September for the second half—to ensure that the working environment complies with safety standards. The Company remains committed to protecting employees' occupational safety.</p>
			2. Continuously promote health education and occupational safety training.	<p>1. Regular Health Checkups: A total of 44 managers received annual health checkups to monitor the wellness of leadership personnel and reinforce employee health protection efforts.</p> <p>2. Health Education Content: The Company continued to share health-related information with employees throughout the year, issuing 13 bulletins on topics such as nutrition, exercise, and mental well-being, actively promoting health awareness and the adoption of healthy lifestyles.</p> <p>3. On-Site Medical Consultation Services: Quarterly health consultations were provided by visiting physicians, totaling four sessions for the year.</p> <p>4. Senior Employee Wellness Program: A special health checkup program was offered to employees aged 65 and above. A total of 13 eligible employees participated and completed the checkups.</p> <p>5. Flu Vaccination Campaign: The Company held an on-site influenza vaccination event, with 115 employees receiving vaccines, effectively reducing the risk of flu transmission and safeguarding workplace health and safety.</p> <p>6. Creating a Family-Friendly Workplace: (1) To support employees in caring for elderly family members or young children, family care leave was increased from 7 days to 14 days per year. Such leave does not affect performance evaluations or other related assessments.</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>(2) To support female employees undergoing assisted reproductive treatments, the Company offers 2 days of paid leave per year under its Assisted Reproductive Care Leave policy.</p> <p>(3) To assist employees with childcare needs, the Company partnered with the Taipei Children's Welfare Center and Kuanhua Kindergarten to offer discounted tuition, as well as after-school care and tutoring programs, helping working parents balance family and career responsibilities.</p>
7	Greenhouse Gas Emission Control	Employees Shareholders Government Agencies	1. Management of greenhouse gas emissions.	In 2024, the Company completed a greenhouse gas inventory for emissions generated in 2023. The emissions data underwent third-party verification in April, confirming a total emission volume of 5,241.75 metric tons of CO ₂ e. A Greenhouse Gas Inventory Report was also prepared to enhance transparency in carbon data. Based on the findings, the Company continues to implement effective emission reduction and control initiatives.
		Suppliers	2. Increase the proportion of Green Procurement.	<p>The Company actively supports the government's Green Procurement Program, prioritizing the purchase of products and services with lower environmental impact to help achieve environmental sustainability goals.</p> <p>1. Green Procurement Results: In 2024, the total value of green procurement reached NT\$68,460,413, representing an increase of NT\$33,754,427 compared to the previous year. The Company continues to integrate environmental considerations into its product and service selection process to maximize ecological benefits.</p> <p>2. Supplier Sustainability Commitments: A cumulative total of 220 suppliers signed Sustainability Commitments in 2024, reinforcing the Company's efforts toward responsible and sustainable supply chain management.</p> <p>3. Promoting Sustainable Partnerships: The Company hosted a Supplier Sustainability Conference to strengthen collaboration with its partners and advance shared sustainability objectives.</p>
8	Social Welfare Activities or Projects	Communities and groups	1. Hold or sponsor a charity event.	<p>The Company actively supported public welfare and community engagement by organizing or sponsoring a variety of charity and sustainability-focused events throughout the year, including:</p> <p>1. Headquarters and branch offices jointly participated in the "Lights Off for One Hour" Earth Day event, encouraging employees and customers to join in energy conservation efforts.</p> <p>2. Joined the UDN and Green Hope Spring, planting 10 native camphor trees at Ming Chuan University (Taoyuan campus) as a contribution to a greener future.</p> <p>3. Took part in the Golden Eagle ESG Micro Movie Voting Campaign and won the "Most Popular Online Award," showcasing the Company's strong commitment to ESG values</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>and social impact.</p> <ol style="list-style-type: none"> 4. Organized a beach cleanup at Shalun Beach, with employees and volunteers collecting marine debris and promoting environmental sustainability. 5. Promoted recycling campaigns on the World Environment Day and distributed custom-made fragrant sachets to employees to raise environmental consciousness. 6. Held 24 sessions of “United in Love, Spreading Happiness Charity” blood donation campaigns, with 1,067 participants donating 1,551 bags of blood. A total of 391 employee service instances and 663.5 hours were recorded. 7. Sponsored the Keelung Park Basketball Tournament, which drew 5,986 participants, to promote community sports and social engagement. 8. Participated in the “River Harmony & Walk in Taiwan” eco-tour initiative to raise awareness of natural conservation and sustainable living 9. Supported Chiayi City Shopping Festival x GreenHope Program initiatives to encourage low-carbon lifestyles among the public. 10. Procured traceable, certified local pomelos as Mid-Autumn Festival gifts, supporting local farmers and sustainable agriculture. 11. Capital Securities Love Reading Program: <ol style="list-style-type: none"> (1) Launch Event and City Tour: Invited teachers and students to a special film screening of the Oscar-nominated animation “Robot Dreams” and a cultural tour at Songshan Cultural and Creative Park, combining reading with cultural education. (2) School Donation and Financial Literacy Sessions: Branches conducted donation ceremonies and financial literacy & anti-fraud awareness volunteer sessions, fostering good financial habits among youth. (3) A total of 16 elementary schools received donations, supported by 39 employee volunteers, with a total donation amount of NT\$1.6 million, demonstrating the Company’s commitment to education and social responsibility. 12. Participated in the “When the Stars Shine - Hope Reading” micro movie premiere to support reading promotion and public welfare efforts. 13. Installed tunnel type blood pressure monitors in 52 branches and joined the “722 Blood Pressure Station” initiative by the Health Promotion Administration, integrating AI health management to promote cardiovascular health awareness. 14. Joined the Taiwan Stock Exchange’s 5D Anti-Fraud Campaign, producing a themed dance video to raise public awareness of scam prevention. 15. Held the “Capital Securities ESG Walking Challenge” with nearly 1,000 employees and board members participated, accumulating over 80.27 million steps, reducing an estimated 2.01 metric tons of carbon emissions. An awards ceremony was held to recognize active participants and promote healthy and eco-friendly lifestyles. 16. Held a sustainability workshop and field activity at Yilan Stonbo Organic Farm, joined

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>by employees and VIP customers (~30 participants), focusing on hands-on ecological exploration and nature preservation.</p> <p>17. Participated in the UDN marine conservation initiative to support coral reef restoration efforts.</p> <p>These activities reflect the Company's strong commitment to corporate social responsibility (CSR) and fostering positive engagement between employees and the broader community.</p> <p>To encourage employees to actively participate in public welfare activities, the Company has implemented a volunteer leave management policy and provides corresponding leave support. The recruitment, training, and participation in volunteer activities were carried out as follows:</p> <ol style="list-style-type: none"> 1. Information about public service opportunities was disseminated through internal platforms and bulletin boards, encouraging employees to sign up. 2. Employees were successfully recruited to serve in volunteer roles such as blood donation event assistants. Invitation emails and registration notices were sent to ensure smooth participation. 3. Employees were invited to attend volunteer training programs to strengthen their professional service skills as volunteers. <p>In 2024, a total of 64 volunteer service sessions were held. The Company continues to encourage employees to take part in various volunteer activities, motivating more staff to contribute their time and talents across different service areas.</p>
		Employees Communities and groups	2. Implement volunteer leave management policies to encourage employees to engage in volunteer activities.	
		Employees Communities and groups	3. Reach ten volunteer service sessions.	
		Suppliers	4. Commit to purchasing local products or those from disadvantaged industries.	<p>The Company continues to support local industries and disadvantaged groups, demonstrating corporate social responsibility by purchasing a variety of local products for employee care programs and Company events. Items purchased throughout the year included:</p> <ol style="list-style-type: none"> 1. Supporting local agriculture, underprivileged communities, and employee well-being: <ol style="list-style-type: none"> (1) 30 gift sets of fruit tea from Tian Yue Sang Shi, made with local Taiwanese fruits, used as event giveaways. (2) 30 aromatic gift sets from Blueseeds, a brand that handles planting, harvesting, distillation, and packaging entirely in Taiwan using natural farming methods—representing eco-friendly and organic values. (3) 2,300 bouquets of carnations from Tianwei Township, given to employees in celebration of Mother's Day to support local floriculture. (4) 2,435tkg of Madou pomelos, distributed to employees as Mid-Autumn Festival gifts. (5) 75tkg of onions from Hengchun Township, Pingtung, used for employee events and care packages. (6) 1,700 gift items from the Faith Hope Love Intelligent Development Center, with a total value of NT\$272,000, given to employees participating in blood donation events.

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>2. Supporting cultural creativity and education: (1) 110 copies of illustrated books by local Taiwanese illustrator Liang Gen, promoting environmental awareness and cultural education. Through these purchases, the Company not only demonstrated its support for local agriculture, cultural innovation, and social welfare but also expressed care for employees and the broader community—contributing to sustainable development and the prosperity of the local economy.</p>
		Customers	<p>5. Continuously promote Tea-Serving Action, using personal cups instead of bottled water, and reducing at least 100,000 bottles.</p>	<p>Reducing at least 440,000 bottles by the end of 2024. The Company will continue working with employees and customers to reduce resource waste through recycling initiatives and environmental protection efforts.</p>
9	Climate Change Risks and Opportunities	Shareholders Government Agencies	<p>1. To effectively manage extreme weather events and the related risks of transitioning toward a low-carbon economy, incorporating climate change risks into operational decisions, identifying and managing these risks.</p> <ul style="list-style-type: none"> ● For industries sensitive to climate change, quantifying investment and financing risks related to climate change; adopting climate scenario analysis tools. ● For industries sensitive to climate change, quantifying investment and financing risks related to climate change; adopting climate scenario analysis tools. 	<p>1. Risk Management Framework: (1) Revised the Risk Management Policy to incorporate climate risk management, establishing a framework for responding to climate-related risks. (2) Completed the Task Force on Climate-related Financial Disclosures (TCFD) report to serve as a reference for business operations and investment decisions.</p> <p>2. Risk Quantification and Inventory: (1) Completed the Scope 3 financed emissions inventory for 2023. Investment exposure limits will be set for high carbon-emitting industries. (2) Provided accounting firms with Scope 3 calculation formulas and relevant data to support greenhouse gas inventory and assurance processes.</p> <p>3. Climate Risk Disclosure in the Risk Management Committee: (1) Climate risk indicators and related disclosures were reported quarterly to the Risk Management Committee, totaling four reports for the year. (2) The annual report disclosed “Climate Risk Information” and “High Carbon Emission Industry Rankings” to enhance transparency on climate-related risks.</p>
10	Risk Management	Shareholders	<p>Optimize the regulations, capital adequacy, and system enhancement as follows:</p> <p>1. Regulatory framework: Enhance and amend relevant regulatory frameworks to address crisis management and impacts from various emerging risk events.</p> <p>2. Capital adequacy ratio: Transition the current methodology for</p>	<p>1. Regulatory framework: Revise the “Business Emergency Response Procedures” to address crisis management and impacts from various emerging risk events.</p> <p>2. Capital adequacy ratio: The adoption of the advanced approach is expected to improve the capital adequacy ratio by approximately 10%.</p> <p>3. System Optimization: (1) Completed the development of the foreign exchange risk value calculation module, including trial runs and validation. (2) Gradually expanded the Company-wide risk value estimation to include newly added</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
			margin trading to the advanced approach to enhance the capital adequacy ratio and improve capital utilization efficiency. 3. System optimization: (1) Enhance the risk value calculation model of the risk control system. (2) Plan to establish a database for significant market events, enhancing scenario analysis to address risk assessments for various events.	product lines. The current model incorporates correlations among product lines and undergoes continuous backtesting to ensure its validity. (3) Launched a project to standardize risk management data specifications, with system implementation scheduled for completion in Q4 2025, further strengthening the foundation of the Company's risk management.
		Customers Government Agencies	1. In response to "Financial Action Plan 2.0," strengthen information security management regulations.	1. Obtained ISO 27001:2022 transition certification and completed verification to maintain certificate validity. 2. Completed selection and procurement for outsourced anti-counterfeiting website protection services to safeguard customer interests and corporate reputation. 3. Completed cybersecurity insurance coverage to protect against potential customer losses. 4. Reported the overall execution status and cross-departmental implementation results of cybersecurity measures to the Board of Directors. 5. Provided secure coding training for the IT department's development personnel. 6. Adjusted the selection and periodic audit mechanisms for IT service providers and scheduled a cross-departmental meeting in 2025 to promote implementation.
11	Information Security	Customers Government Agencies	2. Search for best practices in internet security governance to enhance our company's cybersecurity governance maturity.	The Company completed a cybersecurity governance maturity assessment. The inherent risk profile was rated as "Moderate," and improvement recommendations were proposed for non-compliant areas to continually enhance the Company's cybersecurity resilience.
		Employees Customers Government Agencies	3. Comprehensively promote and construct the company's information environment with the goal "Zero Trust."	In alignment with regulatory guidance, the Company is progressively adopting a Zero Trust Architecture. A DDoS attack-defense drill has been completed, and the Company is evaluating outsourced BAS (Breach and Attack Simulation) testing to validate defense mechanisms. Assessments and testing of privileged account management tools have also been conducted, along with a consultant procurement process for Zero Trust implementation planning.
		Shareholders	4. Continuously promote deeper involvement and participation of directors in the field of information security.	The Company has made external e-learning cybersecurity courses available to board members and incorporated cybersecurity-related training into board meetings to ensure all directors are well-informed on information security topics.
		Customers Government Agencies	5. Enhance data security and personal information management controls by digitizing cybersecurity measures.	In coordination with regulatory authorities, the Company is promoting digital audits. In the future, audit documents will be uploaded electronically via the Financial Supervisory Commission's platform, replacing the traditional paper-based submission method.

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
12	Business Continuity	Customers	1. Establish an information environment for core systems that is fully uninterrupted, ensuring that customer equity are not compromised.	1. Stress Testing: Completed stress testing for transaction volumes at five times the normal rate, verifying system stability and ensuring operational continuity under high-load conditions. 2. Off-Site Backup Drills: Successfully conducted off-site backup drills to ensure rapid restoration of system services in case of emergencies, safeguarding uninterrupted business operations. 3. System Optimization and Capacity Planning: Performed stress testing and capacity planning for core systems, continuing to optimize system performance to meet future business demands and ensure operational stability and sustainable growth.
			2. Achieve the goal of providing information services throughout the year.	To ensure uninterrupted year-round information services: 1. Implemented 24/7 on-call operations during long holidays and conducted real-time system monitoring to ensure service continuity. 2. On regular holidays, maintenance personnel continued to monitor system alerts via SMS and maintained readiness through remote standby procedures.
		Customers	1. To offer customers a more diverse range of trading services, we will continue to enhance the intelligent order strategies of our electronic trading platform.	In 2024, a total of 24 types of intelligent orders were available, including 9 for securities, 7 for domestic futures, and 6 for international futures. New additions included the Spiderweb Order for securities and the Entry/Exit Order for Futures, further meeting the diverse trading needs of customers.
13	Digital Financial Innovation Technologies and Services	Customers	2. Continuously introduce user-friendly service interfaces tailored for vulnerable groups.	Customer service contact information has been placed in prominent positions across various platforms, along with the launch of multiple accessibility features, including the ETF subscription platform and online credit limit adjustment via the e-service counter. In addition, the newly designed Capital Securities One Account service was introduced. A new video learning section was also added to both the Capital Securities Website and e-service counter App, making it easier for customers to find relevant instructional videos.
		Customers	3. Continuously refine and optimize our services.	To provide customers with more convenient services, we continue to enhance mobile app functionality. 1. Mobile Winner APP: (1) Added ETF stock selection, STP good-till-cancelled orders, and IDT futures smart orders. (2) Added after-hours strategy-based stock selection. (3) Added and optimized the Spiderweb Order function. (4) Introduced ultra-fast trend chart display. (5) Added good-till-cancelled international futures orders and multiple day-trading strategy combinations. (6) Introduced the withholding fund function.

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>2. Capital Securities Eagle APP: (1) Added ETF portfolio ranking. (2) Introduced the ESG Carbon Emission Calculator. 3. CB Expert: (1) Added historical profit/loss with actual conversion record query. (2) Optimized the five-level quote display.</p>
14	Legal Compliance	Employees	1. Strengthen compliance mechanisms with regulations.	<p>1. Completed the compliance report and presented it to the Board of Directors to ensure that internal legal compliance risks are properly identified and managed. 2. Revised relevant procedures such as the “Know Your Customer Assessment Guidelines” to reduce compliance risk and enhance service quality. 3. Included employee-related customer complaint cases resulting in disciplinary action as part of the risk assessment process. Through evaluating such cases, the Company strengthened its ability to identify and manage potential risks and reduce future legal disputes. 4. Conducted compliance assessments to ensure active participation from all departments in legal compliance execution and to reinforce the effectiveness of internal control.</p>
			2. Internalize the concepts of legal compliance and internal control among company personnel.	<p>1. Provided legal education courses to employees through the internal e-learning platform to strengthen awareness of regulatory compliance. 2. Conducted a personal data breach drill to simulate incident response scenarios, ensuring the Company’s ability to respond quickly in the event of data leakage. 3. Offered multiple legal compliance courses, including the Personal Data Protection Act, the Financial Consumer Protection Act, and Anti-Money Laundering and Counter-Terrorism Financing regulations, to improve employee understanding and practical application of relevant laws.</p>
15	Fair Customer Treatment	Customers Employees	1. Enhance the awareness of directors and internal personnel regarding the policy of fair treatment of customers.	<p>1. Fair Treatment Policy and Implementation: Completed the compliance report and the fair treatment of customers report, drafted the 2025 fair treatment policy guidelines, and provided education and training to directors to raise awareness on fair treatment practices and customer protection. 2. Product Suitability and Education: Held a structured product review committee for offshore products to reassess product suitability. 3. Accessibility and Senior-Friendly Services: Completed the installation of low counters at 90% of branch locations, and provided reading glasses, magnifiers, and personalized assistance. Guide dog-friendly signs were posted, and the digital trading platform was enhanced with various accessibility features. 4. Optimization of Counter Services: Continued to offer personalized service to individuals with disabilities and elderly</p>

Item	Material Issues	Stakeholders	2024 Annual Action Plan	Implementation Status
				<p>customers.</p> <p>5 Optimization of Online and Centralized Account Opening: Established a centralized back-office process for reviewing online account opening applications, improving efficiency and accuracy.</p>
		Customers Employees	<p>2. Conduct training to ensure that all departments adhere to the principles outlined in our company's fair treatment of customers guidelines when conducting business.</p>	<p>1. Internal Training: (1) Provided e-learning courses on topics including fair treatment of customers, internal account management, and disclosure of material information and insider trading, to enhance compliance awareness. (2) Offered training for new employees and interns on anti-money laundering regulations and legal responsibilities to ensure familiarity with relevant rules. 2. Customer Complaint Review and Improvement: (1) Incorporated the review of customer complaint cases into the compliance risk assessment report and proposed improvement measures based on root causes. (2) Reported on the status and resolution of customer complaints in monthly meetings, accompanied by review reports. (3) Conducted a comprehensive review of customer complaints within the Risk Management Committee and optimized related processes. 3. Investor Education: Used the Company's official website to promote awareness on dollar-cost averaging in stock investment and the risks of day trading, helping enhance investors' financial knowledge. 4. Public Welfare and Remote Area Outreach: The Capital Securities Love Reading Program held events at rural elementary schools to promote financial education and fraud prevention awareness, enhancing students' financial literacy and anti-fraud awareness.</p>

2025 Sustainable Development Promotion Plan

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
1	Green Finance	Customers Suppliers	1. Guide capital toward sustainable development-related products.	1.1 Propose green finance collaboration initiatives. 1.2 Present and review the implementation results of green finance products.	1.1 Launch and promote ESG-related product sales. 1.2 Adjust existing green finance products already on the market.	1.1 Propose green finance collaboration initiatives. 1.2 Present and review the implementation results of green finance products.	1.1 Launch and promote ESG-related product sales. 1.2 Adjust existing green finance products already on the market.
		Customers	2. Active stewardship and themed engagement.	2.1 Select annual engagement themes. 2.2 Establish the annual engagement target list.	2.1 Inquire target companies' willingness to engage. 2.2 Initiate preliminary engagement, collect feedback, and refine approach.	2. Expand the number of engagement targets.	2.1 Analyze responses from themed engagement surveys. 2.2 Conduct analysis on emerging issues and future outlook.
2	Inclusive Finance	Customers	1. Lower investment thresholds.	1. Provide small-amount investment channels.	1. Offer low-threshold investment options to enable participation in the investment market even with small funds.	1.1 Provide small-amount investment channels. 1.2 Promote inclusive financial lending programs.	1. Offer low-threshold investment options to enable participation in the investment market even with small funds.
			2. Develop financial services for young adults.	2. Offer financial education tailored for young people.	2. Educate the younger generation on financial planning.	2. Offer financial education tailored for young people.	2. Educate the younger generation on financial planning.
			3. Promote financial education.	3. Organize financial education seminars.	3. Host investment-themed information sessions.	3.1 Organize financial education seminars (targeting elementary/middle school students and seniors over 65). 3.2 Engage in cross-sector collaboration. 3.3 Promote inclusive finance through community outreach.	3. Host investment-themed information sessions.
			4. Offer diversified investment products.	4. Provide a wide range of investment products to meet the needs of customers with varying risk tolerance and investment goals.	4. Launch new product types to meet the needs of customers with different levels of risk tolerance and investment goals.	4. Provide a wide range of investment products to meet the needs of customers with varying risk tolerance and investment goals.	4. Launch new product types to meet the needs of customers with different levels of risk tolerance and investment goals.
		Customers	5. Strengthen	5. For online account	5. For online account	5. For online account	5. For online account

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
			mechanisms to protect the financial investment rights of senior customers.	openings by customers aged 65 and above, proactively ask questions during document review.	openings by customers aged 65 and above, proactively ask questions during document review (testing and launch).	openings by customers aged 65 and above, proactively ask questions during document review (testing and launch).	openings by customers aged 65 and above, proactively ask questions during document review (testing and launch).
		Employees	6. Implement customer-friendly financial services and fraud prevention awareness campaigns.	6. Conduct training sessions on customer-friendly financial services and fraud prevention.	6. Conduct training sessions on customer-friendly financial services and fraud prevention.	6. Conduct training sessions on customer-friendly financial services and fraud prevention.	6. Conduct training sessions on customer-friendly financial services and fraud prevention.
		Customers Employees	7. Digitalize various businesses and product services while continuously optimizing online services.	7.1 Optimize the account opening process. 7.2 Promote digital culture awareness.	7. Optimize digital services to enhance the customer experience.	7. Data-driven insights and marketing.	7. Optimize digital services to enhance the customer experience.
3	Employee Care	Employees	1. Healthy workplace.	1.1 Plan on-site blind massage services at branch offices. 1.2 Plan for the implementation of the Employee Assistance Program (EAP). 1.3 Provide employee health consultation services. 1.4 Conduct occupational safety and health workplace environment inspections. 1.5 Promote employee health education. 1.6 Carry out routine disinfection of the headquarters' office workplace.	1.1 Launch on-site blind massage services at branch offices. 1.2 Launch the Employee Assistance Program (EAP). 1.3 Provide employee health consultation services. 1.4 Provide "2025 Gender Equality Awareness and Rights" e-learning course. 1.5 Promote employee health education. 1.6 Host the Capital Securities Sustainability Family Day and Fun Run event. 1.7 Provide blind massage services for employees in the northern region. 1.8 Carry out routine disinfection of the	1.1 Launch on-site blind massage services at branch offices. 1.2 Launch the Employee Assistance Program (EAP). 1.3 Provide employee health consultation services. 1.4 Conduct occupational safety and health workplace environment inspections. 1.5 Provide "2025 Workplace Violence Prevention" e-learning course. 1.6 Promote employee health education. 1.7 Provide blind massage services for employees in the central region. 1.8 Carry out routine disinfection of the	1.1 Launch on-site blind massage services at branch offices. 1.2 Launch the Employee Assistance Program (EAP). 1.3 Provide employee health consultation services. 1.4 Provide flu vaccinations to promote workplace health and safety. 1.5 Conduct health checkups for employees aged 65 and above. 1.6 Promote employee health education. 1.7 Provide blind massage services for employees in the southern region. 1.8 Carry out routine disinfection of the headquarters' office workplace.

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
					headquarters' office workplace.	headquarters' office workplace.	
4	Greenhouse Gas Emission	Employees Shareholders Government Agencies	1. Management of greenhouse gas emissions.	1.1 Collect Carbon inventory data for the headquarters and branches (Including subsidiaries) (complete 2024 Inventory Data). 1.2 Conduct internal verification at the headquarters and branches (Including subsidiaries). 1.3 Propose a greenhouse gas emission reduction plan.	1.1 Completion of the inventory list and Inventory report draft for the headquarters and branches. 1.2 Engage certified public accountants to conduct assurance for the headquarters and branches, with the assurance scope expanded from Scope 1 and 2 to Scope 3.	1.1 Conduct training for verification personnel at the headquarters and branches (Including subsidiaries).	1.1 Submit a report on the results of the greenhouse gas emission reduction plan.
			2. Energy management.	2. Address the deficiencies identified in the 2024 ISO 50001 energy management audit.	2. Replace certain outdated and high-energy-consuming equipment.	2. Request an ISO 50001 energy management re-certification audit for 2025.	2. Address the deficiencies identified in the 2025 ISO 50001 energy management audit.
			3. Increase the proportion of Green Procurement.	3. Submit the 2024 Civilian Green Procurement Declaration to the Environmental Protection Administration, Executive Yuan.	3. Promote 'Supplier Human Rights and Environmental Sustainability Clauses' to suppliers.		3. Promote 'Supplier Human Rights and Environmental Sustainability Clauses' to suppliers.
5	Risk Management	Customers Shareholders	1. Strengthen risk mitigation measures and enhance disclosure in risk-related reports.	1.1 Disclose qualitative information on annual risk management performance. 1.2 Include climate-related risks and opportunities in the annual report disclosure. 1.3 Incorporate climate risk into financial reporting items in line with IFRS. 1.4 In accordance with the industry association's guidelines, conduct trial calculations of the	1.1 Complete the annual Task-Force on Climate-Related Financial Disclosures. 1.2 Complete the annual Climate Scenario Analysis Report. 1.3 Disclose risk management content in both Chinese and English versions of the annual report. 1.4 Disclose quarter-end exposure of the Top 5 industries by carbon	1.1 Integrate key external regulations and the risk concentration control system to ensure all internal limits comply with applicable laws and reduce operational risks. 1.2 Participate in and obtain a compliance statement from an international verification body for the Task-Force on Climate-Related Financial Disclosures, targeting Level 5+.	1.1 Develop a systematic simulation tool for major historical events and their profit/loss impacts, enabling rapid assessment of potential effects on existing positions and ensuring that changes remain within the company's risk tolerance. 1.2 Disclose quarter-end exposure of the Top 5 industries by carbon emissions at the Risk

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
				carbon emissions of 2024 investment targets, identify the Top 5 industries by carbon emissions, and plan to disclose quarter-end exposure at each quarterly Risk Management Committee meeting.	emissions at the Risk Management Committee.	1.3 Disclose quarter-end exposure of the Top 5 industries by carbon emissions at the Risk Management Committee.	Management Committee.
6	Information Security	Customers Shareholders Suppliers Government Agencies	1. In response to “Financial Action Plan 2.0,” strengthen information security management regulations.	1.1 Launch dedicated information security training courses for board directors and supervisors. 1.2 In accordance with FSC’s Zero Trust guidelines, gradually implement mechanisms aligned with the five pillars of Zero Trust. 1.3 Encourage information security personnel to obtain international or professional information security certifications.	1.1 Adopt hacker mindset testing—conduct periodic simulated cyberattacks to assess the effectiveness of monitoring and defense mechanisms. 1.2 Strengthen data protection measures, including daily backups of key market data and periodic restoration tests.	1.1 Continue to pass international information security certifications, including ISO 27001 and BS 10012. 1.2 Continue cooperating with FISAC to implement the Financial Cybersecurity Baseline (FCB) for IT systems.	1.1 Purchase information security insurance to protect customer interests. 1.2 Conduct an information security governance maturity assessment to enhance the Company’s defense capabilities. 1.3 Continue implementing the five pillars of Zero Trust in accordance with FSC guidelines.
			2. Comply with information security standards and regulations.	2.1 Report to the board on the overall implementation of information security in 2024, the resilience of core systems, and the effectiveness of cross-departmental initiatives for information security protection. 2.2 Conduct the annual management review meeting. 2.3 Conduct Q1 information	2.1 Conduct vulnerability scans and annual mobile app security assessments. 2.2 Perform information asset inventory and classification. 2.3 Conduct Q2 information security training. 2.4 Perform mid-year information security performance evaluation.	2.1 Conduct the annual information security health check. 2.2 Conduct the annual social engineering drill. 2.3 Perform stress testing and capacity planning. 2.4 Conduct Q3 information security training. 2.5 Cooperate with regulatory authorities to undergo a comprehensive information security inspection.	2.1 Conduct vulnerability scans for the second half of the year. 2.2 Perform annual penetration testing. 2.3 Conduct stakeholder list review and routine supplier audits. 2.4 Report on order service quality. 2.5 Conduct Q4 information security training. 2.6 Perform year-end information security performance evaluation.

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
				security training.			
		Customers Suppliers	3. Enhance information security and personal data protection through digital technologies.			3. Implement a vulnerability management platform to track and manage all known information security risks across the Company.	3. Evaluate the implementation of AI-powered anti-fraud tools.
		Customers Suppliers Government Agencies	4. Achieve continuous operation of core and critical business functions.	4.1 Perform business impact analysis. 4.2 Provide business continuity training to all employees. 4.3 Develop and execute maintenance plans to ensure uninterrupted market services during the Lunar New Year holiday.	4.1 Conduct the annual business continuity risk assessment. 4.2 Conduct system impact analysis. 4.3 Include real-world external service validation and vendor service assurance in off-site data center backup drills.	4.1 Continue to maintain ISO 22301 certification for business continuity. 4.2 Conduct emergency evacuation drills.	4.1 Conduct remote office drills for staff. 4.2 Conduct tabletop exercises on business continuity risk scenarios.
		Employees	1. Enhance employees' digital and information competency.	1.1 Conduct the third phase RPA Project briefing for 2024. 1.2 Arrange the deployment of processes developed by the RPA seed participants.	1.1 Initiate the third phase of the RPA project, organizing a series of courses and empowerment training. 1.2 Arrange the deployment of processes developed by the RPA seed participants.	1.1 Promote RPA project process development and provide technical guidance for process documentation. 1.2 Arrange the deployment of processes developed by the RPA seed participants.	1.1 Hold RPA training achievement presentation. 1.2 Arrange the deployment of processes developed by the RPA seed participants.
		Employees	2. Utilize digital tools to strengthen sustainable services.			2. Training: Leverage CTI tools to harness voice influence and build resilient and sustainable customer service.	
		Customers Employees	3. Optimize securities trading and account reconciliation services.	3. Automated reconciliation and notification for One Account settlement.	3. Launch foreign currency sub-accounts within One Account service.	3. Optimize online service category conversion for securities trading.	3. Expand the scope of trade items under the TDCC service.
		Customers	4. Strengthen financial technology resilience through digital identity	4. Propose and develop use cases for Fast-ID digital identity authentication in financial services.	4. Propose, test, and launch Fast-ID digital identity authentication use cases.	4. Propose, test, and launch Fast-ID digital identity authentication use cases.	
7	Digital Finance and Resilience						

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
			verification.				
		Customers	5. Innovative technology applications: introduce AI customer service to enhance service experience.	5. Conduct needs analysis and supplier selection.	5. Project initiation and infrastructure setup.	5. Development and testing.	5. Test run and implementation plan.
		Customers	1. Personnel handling relevant business must possess legally required licenses and qualifications.	1. Employees appointed by the Company must be qualified and competent, having obtained the relevant licenses and completed mandatory on-the-job training programs.	1. Maintain legal qualifications of the Company's employees.	1. Maintain legal qualifications of the Company's employees.	1. Maintain legal qualifications of the Company's employees.
		Customers	2. Provide post-investment follow-up services for customers.	2. Establish a customer database to record key information such as investment products, amount, risk tolerance, and contact details to facilitate tracking and management.	2. Review customer investment gains/losses and provide care for customers with significant losses (particularly elderly or disabled individuals).	2 Review customer investment gains/losses and provide care for customers with significant losses (particularly elderly or disabled individuals).	2. Compile the asset size of each wealth management product. Based on whether asset retention continues to grow, use this as an indicator of customer confidence in investment services.
		Customers	3. Ensure customers fully understand the key terms of financial products, services, and contracts, and disclose related risks thoroughly.	3. Add system reminders for customers purchasing overseas bonds rated BBB or when elderly customers intend to purchase overseas bonds, to help them understand investment risks.	3. Collect customer feedback to identify unclear content in current product descriptions, contracts, or website information as a reference for improvements.	3. Revise transaction system interfaces or product documentation to more clearly disclose and notify customers about returns, fees, and collection methods, as well as adequately disclose associated risks.	3. Revise the explanations on the wealth management website to more clearly disclose and notify customers about returns, fees, and collection methods, and to adequately disclose associated risks.
		Customers Employees Government Agencies	4. Ask each department to submit the guidelines for fair treatment of customers for 2024 and report to the Sustainability	4. Consolidate the guidelines for fair treatment of customers for 2025 proposed by each department and follow up on the execution progress for Q4 of 2024.	4.1 Track execution progress for Q1 of 2025. 4.2 Report to the Sustainability Committee, Audit Committee, and Board of Directors.	4. Track execution progress for Q2 of 2025.	4.1 Track execution progress for Q3 of 2025. 4.2 Report to the Sustainability Committee, Audit Committee, and Board of Directors. 4.3 Notify each department
8	Fair Customer Treatment						

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
			Committee, Audit Committee, and Board of Directors.				to submit the guidelines for fair treatment of customers for 2026.
		Customers Employees Government Agencies	5. Conduct a reassessment of structured products from overseas.	5. Conduct a reassessment of structured products from overseas.		5. Conduct a reassessment of structured products from overseas.	
		Customers Employees Government Agencies	6. Review the cause of customer complaint cases.	6. Review the cause of customer complaint cases.	6. Conduct training sessions based on the findings from customer complaint reviews.	6. Review the cause of customer complaint cases.	6. Conduct training sessions based on the findings from customer complaint reviews.
		Customers Employees Government Agencies	7. Use the company's online platforms to provide customers with basic knowledge about product investments and anti-fraud education and training.	7. Maintain and update anti-fraud case studies.	7. Provide anti-fraud education and training.	7. Maintain and update anti-fraud case studies.	7. Provide customers with basic investment knowledge about financial products.
		Customers	8. Upgrade the information service experience by leveraging data collection and improving various information systems to create a more personalized customer experience.	8. Integrate One-Account (NTD) services with third-party platforms to improve fund allocation efficiency for users' investments.	8. Continue to optimize the UI of all platforms for more intuitive user operations.	8. Continue enhancing the performance, stability, and flexibility of the Capital Securities Winner PRO.	8. Continue developing and optimizing multiple performance-tracking features in the Capital Securities Eagle APP to enable more efficient and real-time monitoring, enhancing team service effectiveness.
		Customers	9. Notification and disclosure principles: optimize mechanisms for notifying customers about their rights in financial product investments.		9. Customers should be promptly informed of relevant information regarding their equity via letter, email, or other forms of communication upon receipt, and records of the notification should be retained.		9. Customers should be promptly informed of relevant information regarding their equity via letter, email, or other forms of communication upon receipt, and records of the notification should be retained.
		Customers	10. Implement fair	10.1 Develop diversified	10.1 Assign dedicated	10. Evaluate the suitability	10. Recommend ESG

Item	Material Issues	Stakeholders	Expected Plans and Directions	2025 Q1	2025 Q2	2025 Q3	2025 Q4
			treatment of customers in all business operations and interactions.	<p>real-time trading and tracking systems that allow customers to instantly view transaction prices and fee details.</p> <p>10.2 Plan and propose ESG activities that both customers and employees can participate in.</p>	<p>personnel to track unresolved customer complaints to ensure timely responses.</p> <p>10.2 Activate transaction alert functions to notify customers when their trades exceed their risk tolerance levels.</p> <p>10.3 Design promotional materials aligned with the principles of fair customer treatment.</p> <p>10.4 Recommend ESG investment products that have passed internal review.</p>	<p>between investors and the products being sold.</p>	<p>investment products that have passed internal review.</p>
9	Legal Compliance	Employees Government Agencies	<p>1. Strengthen legal compliance mechanisms and enhance employees' awareness of legal compliance.</p> <p>2. Reinforce the implementation of anti-money laundering and counter-terrorism financing procedures among internal staff.</p>	<p>1. Conduct legal compliance risk assessment and provide reports.</p> <p>2. Conduct training on newly amended laws and regulations for the second half year of 2024.</p> <p>3. Prepare a comprehensive risk assessment report on anti-money laundering and counter-terrorism financing for the Company.</p>	<p>1. Present the legal compliance and anti-money laundering and counter-terrorism financing risk assessment report to the Board of Directors.</p> <p>2. Improve internal procedures based on the results of the legal compliance and anti-money laundering and counter-terrorism financing risk assessments.</p> <p>3. Conduct a response drill for personal data breach incidents.</p>	<p>1. Conduct training on the Personal Data Protection Act.</p> <p>2. Conduct training on the Financial Consumer Protection Act.</p> <p>3. Conduct training on newly amended laws and regulations for the first half year of 2025.</p>	<p>1. Present the legal compliance and anti-money laundering and counter-terrorism financing operation report to the Board of Directors.</p> <p>2. Conduct legal education on account opening, transaction, anti-money laundering and counter-terrorism financing procedures, and CRS-related regulations.</p> <p>3. Review the causes of customer complaint cases and include them as items in the next year's legal compliance risk assessment.</p>

Capital Securities Corporation

Comparison Table of “Procedures for Ethical Management and Guidelines for Conduct”

After Amendments	Before Amendments	Description
<p>Article 5 Responsible unit and duties The Company has established the <u>Integrity and Sustainable Development</u> Committee, which is responsible for formulating and supervising the implementation of ethical corporate management policies and prevention programs. The committee shall handle the following matters and report to the Board of Directors regularly (at least once a year).</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. 	<p>Article 5 Responsible unit and duties The Company has established the <u>Ethical Corporate Management</u> Committee, which is responsible for formulating and supervising the implementation of ethical corporate management policies and prevention programs. The committee shall handle the following matters and report to the Board of Directors regularly (at least once a year).</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company’s operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating 	<p>To elevate the Ethical Corporate Management Committee to the level of a functional committee, the Company has incorporated the responsibilities and authorities of the Ethical Corporate Management Committee into the Ethical Corporate and Sustainability Development Committee. Accordingly, the name of the responsible unit in these Procedures and Guidelines has been revised.</p>

7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.	procedures. 7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.	
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Capital Securities Corporation

Procedures for Ethical Management and Guidelines for Conduct

Date of establishment: March 29, 2012

Amendment for the 1st instance: January 28, 2015

Amendment for the 2nd instance: March 28, 2016

Amendment for the 3rd instance: March 26, 2020

Amendment for the 4th instance: November 11, 2024

Article 1 Purpose of adoption and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, “Procedures and Guidelines”) are adopted pursuant to Article 21 of the “Ethical Corporate Management Best Practice Principles” of the Company, with a view to providing all personnel of the Company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company’s accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term “personnel of the Company” refers to any director, managerial officer, employee, or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 Responsible unit and duties

The Company has established the Integrity and Sustainable Development Committee, which is responsible for formulating and supervising the implementation of ethical corporate management policies and prevention programs. The committee shall handle the following matters and report to the Board of Directors regularly (at least once a year).

1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.

2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Company's "Ethical Corporate Management Best Practice Principles" and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. In compliance with the laws and regulations of the place of operation.
2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
5. Attendance at folk festivals that are open to and invite the attendance of the general public.
6. Rewards, emergency assistance, condolence payments, or honorariums from the management.
7. Conduct aligned with social etiquette or other circumstances that comply with Company regulations.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the Chairman.

Article 8 Prohibition of and handling procedure for facilitating payments

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Procedures for handling political contributions

When the Company makes political contributions, it shall follow the Company's "General Expenditure Approval Authority Table" and comply with the following provisions:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 10 Procedures for handling charitable donations or sponsorships

When the Company provides charitable donations or sponsorships, it shall follow the Company's "General Expenditure Approval Authority Table" and comply with the following provisions:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 Recusal

The directors of the Company shall uphold a high level of self-discipline. If any matters on the agenda of the Board of Directors involve a conflict of interest between the director or the juristic person he or she represents and the Company, and may be detrimental to the interests of the Company, the director may state his or her opinions and respond to inquiries but shall not participate in the discussion or voting of such matters. The director shall also recuse himself or herself from any discussion and voting, and shall not

exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her department supervisor and the responsible unit, and the department supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Special unit in charge of confidentiality regime and its responsibilities

Each department of the Company shall be responsible for the management, preservation, and confidentiality of the Company's trade secrets under its purview.

Article 13 Prohibition against disclosure of trade secrets

Personnel of the Company shall not disclose any trade secrets of the Company that they become aware of to others, nor shall they inquire about or collect trade secrets of the Company that are not related to their duties.

Article 14 Prohibition against insider trading

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Article 15 Non-disclosure agreement

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 Compliance and announcement of policy of ethical management

The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy.
3. Whether the enterprise has had any record in the past year of unethical conduct, such as bribery or illegal political contributions, as recorded by the Judicial Yuan.

Article 18 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or the offering or acceptance of improper benefits through other means.

Article 19 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations. However, if otherwise stipulated by the competent authority, such provisions shall prevail.

Article 21 Handling of unethical conduct by personnel of the Company

If the Company discovers or receives a report that any of its personnel is involved in unethical conduct, it shall immediately investigate the relevant facts. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.

If the reported matter is verified to be true, the whistleblower shall be rewarded appropriately based on their contribution to corporate governance, in accordance with the Company's relevant personnel

regulations.

For any confirmed unethical conduct, the Company shall instruct the relevant departments to review the internal control system and operating procedures, and propose improvement measures to prevent recurrence of similar incidents.

The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22 Actions upon event of unethical conduct by others towards the Company

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting.

Independent Auditors' Report

To the Board of Directors of Capital Securities Corporation:

Opinion

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

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Company's financial statements are stated as follows:

1. Valuation of financial instruments

Please refer to Note 4(f) for the related accounting policy regarding the valuation of financial instruments, Note 6(b) financial assets, Note 6(l) financial liabilities at fair value through profit or loss and Note 6(v)(v), fair value and fair value hierarchy of financial instruments for details.

Risk and descriptions of the key audit matter:

The Company's valuation of financial instruments is one of audit processes refer to important judgements. Financial products on balance sheets mainly belong to first or secondary level in fair value hierarchy, and can be achieved by available quoted market prices in an active market and direct or indirect evaluation of observation. Fair value of some derivative financial products invested and issued depends on models and observably variable factors in the market, so management's professional judgement has highly importance when using different valuation methods and assumptions. Therefore, the valuation of financial instruments is one of our key audit matters.

Procedures performed:

Our key audit procedures included considering how management selected appropriate valuation methods and assessed the key assumptions adopted. We confirmed the presentation and disclosures of financial products were in accordance with relevant regulations. For financial assets with quoted market prices in an active market, we selected samples to test the appropriateness of quoted prices used. For financial assets without quoted market prices in an active market and measured at fair value using valuation techniques, we selected samples to test the appropriateness of valuation methods and significantly underlying parameters applied by management.

2. Goodwill impairment

Please refer to Note 4(p) for the related accounting policy regarding the impairment of non-financial assets, Note 5 for accounting assumptions and estimation uncertainty of the goodwill impairment, Note 6(h)(i). for details about measurement of goodwill impairment.

Risk and descriptions of the key audit matter:

Assessment of the Company's goodwill impairment is one of our significant audit processes, because it mainly depends on the prediction of future operation and there is a high uncertainty on assessing recoverable amounts by discounted future cash flows. Therefore, the measurement of goodwill impairment is one of our key audit matters.

Procedures performed:

Our key audit procedures included understanding tests of goodwill impairment implemented by management, certifying the assumptions of management by related available external information, making professional assessment on main parameters of predictable growth rate, discount rate, etc. adopted by management, and performing the retrospective analysis for testing the precision of previous years' forecasts including sensitivity analyses on the key assumptions related to Goodwill impairment tests.

Other Matter

We did not audit the financial statements of Capital Investment Trust Corporation, an associate of Capital Securities Corporation. Those financial statements were audited by another auditor, whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Capital Investment Trust Corporation, is based solely on the report of another auditor. The investment in Capital Investment Trust Corporation accounted for using the equity method constituting 0.63% and 0.71% of consolidated total assets at December 31, 2024 and 2023, respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituting 6.00% and 4.24% of consolidated total profit before tax for the years then ended, respectively.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 2025

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Assets					
110000	Current assets:				
111100	Cash and cash equivalents (note 6(a))	\$ 3,874,686	1	1,347,649	1
112000	Financial assets at fair value through profit or loss - current (notes 6(b) and 8)	68,047,676	27	63,141,628	31
113200	Financial assets at fair value through other comprehensive income - current (note 6(b))	30,534,249	12	23,727,201	12
114030	Receivable for securities provided as collateral	22,137,746	9	16,723,040	8
114040	Refinancing margin	49,349	-	16,619	-
114050	Refinancing collateral receivable	41,089	-	13,847	-
114060	Receivable of securities business money lending	32,677,621	13	5,886,504	3
114090	Collateral for securities borrowed	140,311	-	97,374	-
114100	Security borrowing margin	14,026,729	5	12,495,271	6
114110	Notes receivable	7,458	-	6,608	-
114130	Accounts receivable (note 6(c))	13,281,849	5	15,549,517	8
114150	Prepayments	75,091	-	123,963	-
114170	Other receivables	80,568	-	65,653	-
119095	Amounts held for each customer in the account (note 6(n))	35,555,711	14	32,426,834	16
119990	Other current assets-others	1,287,075	1	856,018	-
		<u>221,817,208</u>	<u>87</u>	<u>172,477,726</u>	<u>85</u>
120000	Non-current assets:				
122000	Financial assets at fair value through profit or loss - non-current (notes 6(b) and 8)	177,730	-	179,438	-
123200	Financial assets at fair value through other comprehensive income - non-current (note 6(b))	4,444,378	2	3,406,044	2
123300	Financial assets at amortized cost - non-current (note 6(b))	6,567,032	3	5,310,086	3
124100	Investments accounted for under equity method (note 6(d))	9,050,706	4	8,347,541	4
125000	Property and equipment (notes 6(e) and 8)	2,413,859	1	2,443,875	1
125800	Right-of-use assets (notes 6(f))	508,192	-	589,672	-
126000	Investment property (notes 6(g) and 8)	3,959,267	1	3,986,299	2
127000	Intangible assets (note 6(h))	3,559,782	1	3,562,867	2
128000	Deferred income tax assets (note 6(r))	-	-	15,894	-
129000	Other non-current assets	1,281,167	1	1,153,209	1
		<u>31,962,113</u>	<u>13</u>	<u>28,994,925</u>	<u>15</u>
	Total assets	\$ 253,779,321	100	201,472,651	100

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
210000	Liabilities and Equity				
211100	Current liabilities:				
211100	Short-term borrowings (note 6(i))	\$ 7,304,896	3	5,291,851	3
211200	Commercial paper payable (note 6(j))	41,514,617	16	13,090,169	6
212000	Financial liabilities at fair value through profit or loss - current (note 6(l))	25,584,491	10	20,863,623	10
214010	Bonds sold under repurchase agreements (note 6(m))	53,683,935	21	51,456,592	26
214040	Guarantee deposited for short sales	2,527,527	1	2,003,761	1
214050	Proceeds payable from short sales	2,874,680	1	2,294,644	1
214070	Securities lending refundable deposits	16,292,813	7	15,481,166	8
214090	Equity for each customer in the account (note 6(n))	35,555,711	14	32,426,834	16
214110	Notes payable	152	-	166	-
214130	Accounts payable (note 6(o))	10,423,517	4	9,681,013	5
214150	Advance receipts	30,465	-	20,221	-
214160	Receipts under custody	817,799	-	322,449	-
214170	Other payables	1,070,747	1	1,490,258	1
214200	Other financial liabilities - current (note 6(w))	6,420,134	3	4,223,503	2
214600	Current income tax liabilities	532,295	-	552,483	-
215100	Provisions - current (note 6(q))	51,149	-	45,412	-
216000	Current lease liabilities (note 6(p))	179,875	-	171,292	-
219000	Other current liabilities	5,163	-	4,619	-
		<u>204,869,966</u>	<u>81</u>	<u>159,420,056</u>	<u>79</u>
220000	Non-Current liabilities:				
221200	Long-term borrowings(note 6(k))	4,497,142	2	-	-
222000	Financial liabilities at fair value through profit or loss - non current (note 6(l))	112,762	-	-	-
224200	Other financial liabilities - non-current (note 6(w))	516,042	-	677,162	1
226000	Non-current lease liabilities(note 6(p))	373,492	-	468,531	-
228000	Deferred income tax liabilities(note 6(r))	807,440	-	482,903	-
229000	Other non-current liabilities (note 6(q))	331,235	-	177,116	-
		<u>6,638,113</u>	<u>2</u>	<u>1,805,712</u>	<u>1</u>
	Total liabilities	<u>211,508,079</u>	<u>83</u>	<u>161,225,768</u>	<u>80</u>
301010	Common stock (note 6(s))	21,709,081	9	21,709,081	11
302000	Capital surplus (note 6(s))	2,743,257	1	2,743,256	1
304000	Retained earnings:				
304010	Legal reserve	3,299,604	1	2,889,367	2
304020	Special reserve	6,869,685	3	6,049,211	3
304040	Unappropriated earnings (note 6(s))	4,919,483	2	4,201,815	2
305120	Exchange differences on translation of foreign operations	153,408	-	(67,856)	-
305140	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	2,576,724	1	2,722,009	1
	Total equity	<u>42,271,242</u>	<u>17</u>	<u>40,246,883</u>	<u>20</u>
	Total liabilities and equity	<u>\$ 253,779,321</u>	<u>100</u>	<u>201,472,651</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
Income:					
401000	Brokerage commissions (note 6(u))	\$ 5,258,106	36	3,708,430	35
402000	Revenues from securities business money lending	5,037	-	1,295	-
403000	Revenue from securities lending	604,666	4	420,528	4
404000	Underwriting commissions (note 6(u))	128,998	1	90,923	1
406000	Commissions on wealth management business	103,732	1	59,001	1
410000	Net gains (losses) on sale of trading securities (note 6(u))	6,448,837	44	2,478,649	23
421100	Securities management, distribution, and management fees	170,353	1	159,028	1
421200	Interest revenue (note 6(u))	3,792,354	26	2,400,525	23
421300	Dividend revenue	1,391,937	10	2,744,746	26
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss (note 6(u))	(970,401)	(7)	1,743,848	17
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements(note 6(w))	(1,104,322)	(8)	(185,992)	(2)
421610	Net gains (losses) on measurement of borrowed securities and bonds with resale agreements	(71,139)	-	(668,688)	(6)
421750	Realized gains (losses) from investments in debt instruments at fair value through other comprehensive income	75,396	-	6,128	-
421800	Net gains (losses) on securities for futures margin at fair value through profit or loss	(8,305)	-	-	-
422200	Net gains (losses) on stock warrants issued (note 6(u) and (w))	252,443	2	(170,425)	(2)
424100	Futures commission revenues	145,793	1	131,141	1
424400	Net gains (losses) on derivative instruments - futures (note 6(w))	(949,011)	(6)	(909,127)	(9)
424500	Net gains (losses) on derivative instruments - OTC (note 6(w))	(543,867)	(4)	(1,517,470)	(14)
425100	Net gains (losses) arising from derecognition of financial assets measured at amortized cost (note 6(b))	-	-	38	-
425300	Impairment losses and reversal gains (note 6(v))	(5,154)	-	(7,368)	-
428000	Other operating revenues	<u>(113,685)</u>	<u>(1)</u>	<u>119,899</u>	<u>1</u>
		<u>14,611,768</u>	<u>100</u>	<u>10,605,109</u>	<u>100</u>
Expenses:					
501000	Brokerage fees	483,379	3	315,301	3
502000	Brokerage and clearing fees - proprietary trading	61,972	-	36,373	-
503000	Clearing and exchange fees - refinancing	1,885	-	2,613	-
504000	Clearing and exchange fees - underwriting	2,230	-	992	-
521200	Financial costs	2,831,518	20	1,864,059	18
521640	Loss from securities borrowing transactions	839,876	6	324,025	3
524200	Total securities commission expense	23,478	-	12,761	-
528000	Other operating expenditures	80,711	-	44,489	-
531000	Employee benefits expenses (note 6(u))	2,921,236	20	2,666,228	25
532000	Depreciation and amortization expense (note 6(u))	407,756	3	396,732	4
533000	Other operating expenses (note 6(u))	<u>3,161,941</u>	<u>22</u>	<u>2,177,779</u>	<u>21</u>
		<u>10,815,982</u>	<u>74</u>	<u>7,841,352</u>	<u>74</u>
Other income (expenses):					
601100	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (note 6(d))	1,073,942	8	812,516	8
602000	Other gains and losses (note 6(u))	<u>913,212</u>	<u>6</u>	<u>826,902</u>	<u>8</u>
		<u>1,987,154</u>	<u>14</u>	<u>1,639,418</u>	<u>16</u>
902001	Net income before income tax	5,782,940	40	4,403,175	42
701000	Less: Income tax expenses (note 6(r))	<u>899,164</u>	<u>6</u>	<u>271,665</u>	<u>3</u>
	Net income	<u>4,883,776</u>	<u>34</u>	<u>4,131,510</u>	<u>39</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified to profit or loss in subsequent periods:				
805510	Gains (losses) on remeasurements of defined benefit plans(note 6(q))	(203,958)	(1)	(76,442)	(1)
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	283,940	2	1,100,467	11
805560	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	81,288	-	33,421	-
805599	Less: Income tax related to components of other comprehensive income	-	-	-	-
	Subtotal of components that may not be subsequently reclassified into profit or loss	<u>161,270</u>	<u>1</u>	<u>1,057,446</u>	<u>10</u>
805600	Components that may be reclassified to profit or loss in subsequent periods:				
805610	Exchange differences on translation of foreign operations	199,602	1	(10,558)	-
805615	Unrealized gains (losses) from investments in debt instruments at fair value through other comprehensive income	(354,645)	(2)	172,066	2
805660	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	44,025	-	(1,717)	-
805699	Less: Income tax related to components of other comprehensive income (note 6(r))	<u>22,363</u>	<u>-</u>	<u>(282)</u>	<u>-</u>
	Subtotal of items that may be subsequently reclassified into profit or loss	<u>(133,381)</u>	<u>(1)</u>	<u>160,073</u>	<u>2</u>
805000	Other comprehensive income, net	<u>27,889</u>	<u>-</u>	<u>1,217,519</u>	<u>12</u>
902006	Total comprehensive income	<u>\$ 4,911,665</u>	<u>34</u>	<u>5,349,029</u>	<u>51</u>
975000	Basic earnings per share (note 6(t))	<u>\$ 2.25</u>		<u>1.90</u>	
985000	Diluted earnings per share (note 6(t))	<u>\$ 2.25</u>		<u>1.90</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Stock	Retained earnings			Total other equity interest		
		Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2023		\$ 21,709,081	2,743,256	2,758,257	5,786,990	1,339,434	1,463,354
Net income for the year ended December 31, 2023		-	-	-	-	4,131,510	-
Other comprehensive income		-	-	-	-	(76,969)	1,306,481
Total comprehensive income		-	-	-	-	4,054,541	1,306,481
Appropriation and distribution of retained earnings: (note 6(s))							
Legal reserve		-	-	131,110	-	(131,110)	-
Special reserve		-	-	-	262,221	(262,221)	-
Cash dividends of common stocks		-	-	-	-	(846,655)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	47,826	(47,826)
Balance at December 31, 2023		21,709,081	2,743,256	2,889,367	6,049,211	4,201,815	2,722,009
Net income for the year ended December 31, 2024		-	-	-	-	4,883,776	-
Other comprehensive income		-	-	-	-	(203,640)	10,265
Total comprehensive income		-	-	-	-	4,680,136	10,265
Appropriation and distribution of retained earnings: (note 6(s))							
Legal reserve		-	-	410,237	-	(410,237)	-
Special reserve		-	-	-	820,474	(820,474)	-
Cash dividends of common stocks		-	-	-	-	(2,887,307)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	155,550	(155,550)
Changes in ownership interests in subsidiaries		-	1	-	-	-	-
Balance at December 31, 2024		\$ 21,709,081	2,743,257	3,299,604	6,869,685	4,919,483	2,576,724
						153,408	42,271,242

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income before tax	\$ 5,782,940	4,403,175
Adjustments:		
Income and expenses items:		
Depreciation expense	358,967	356,535
Amortization expense	48,789	40,197
Expected credit impairment losses	5,154	7,368
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,049,845	(1,075,160)
Financial cost	2,831,518	1,864,059
Net gain arising from derecognition of financial assets measured at amortised cost	-	(38)
Interest revenue (including financial revenue)	(3,860,583)	(2,519,448)
Dividend revenue	(1,467,963)	(2,819,850)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,073,942)	(812,516)
Gain on disposal and retirement of property and equipment	-	(50)
Gain on disposal of investments under equity method	(406)	-
Net gain on non-operating financial instruments at fair value through profit or loss	(9,073)	(46,111)
Net gain on lease modifications	(157)	-
Subtotal of income of non-cash activities	<u>(2,117,851)</u>	<u>(5,005,014)</u>
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(5,873,973)	(20,475,237)
Increase in financial assets at fair value through other comprehensive income	(7,057,676)	(9,976,223)
Increase in receivable for securities provided as collateral	(5,414,706)	(4,944,414)
(Increase) decrease in refinancing margin	(32,730)	2,240
(Increase) decrease in receivable on refinancing collateral	(27,242)	1,571
Increase in receivable of securities business money lending	(26,791,117)	(1,460,171)
(Increase) decrease in collateral for securities borrowed	(42,937)	1,193,503
(Increase) decrease in security borrowing margin	(1,531,458)	365,308
(Increase) decrease in notes receivable	(850)	5,942
Decrease (increase) in accounts receivable	2,664,869	(9,637,218)
Decrease (increase) in prepayments	48,872	(89,114)
(Increase) decrease in other receivables	(11,416)	6,013
Increase in other current assets	(431,057)	(196,637)
(Increase) decrease in other non-current assets	(128,211)	8,814
Increase in financial liabilities at fair value through profit or loss	4,762,491	10,063,909
Increase in bonds sold under repurchase agreements	2,227,343	15,466,739
Increase (decrease) in guarantee deposited for short sales	523,766	(2,114,679)
Increase (decrease) in proceeds payable from short sales	580,036	(1,420,297)
Increase in securities lending refundable deposits	811,647	800,148
(Decrease) increase in notes payable	(14)	14
Increase in accounts payable	918,630	4,889,201
Increase (decrease) in advance receipts	10,244	(10,803)
Increase (decrease) in receipts under custody	495,350	(219,165)
(Decrease) increase in other payable	(425,499)	884,629
Increase in provision - current	5,737	1,392
Increase in other financial liabilities	2,035,511	1,378,073
Increase (decrease) in other current liabilities	544	(78)
Decrease in other non-current liabilities	(49,839)	(27,860)
Total changes in assets and liabilities from operating activities	<u>(32,733,685)</u>	<u>(15,504,400)</u>
Total adjustments	<u>(34,851,536)</u>	<u>(20,509,414)</u>

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL SECURITIES CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash generated from operating activities	\$ (29,068,596)	(16,106,239)
Interest received	3,492,119	2,358,864
Dividends received	2,016,732	3,371,531
Interest paid	(3,007,097)	(1,591,928)
Income taxes paid	(601,284)	(271,949)
Net Cash flows used in operating activities	(27,168,126)	(12,239,721)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(862,000)	(10,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	12,175
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	676	571
Acquisition of financial assets at amortized cost	(1,239,300)	(2,145,097)
Proceeds from disposal of financial assets at amortised cost	-	121,662
Proceeds from capital reduction of investments accounted for under equity method	7,400	32,107
Increase in deferred debits	(205)	(571)
Acquisition of property and equipment	(124,839)	(141,047)
Proceeds from disposal of property and equipment	-	860
Acquisition of intangible assets	(42,663)	(48,602)
Net cash flows used in investing activities	(2,260,931)	(2,177,942)
Cash flows from financing activities:		
Increase in short-term borrowings	2,013,045	2,421,052
Increase in commercial papers payable	28,424,448	9,891,447
Long-term borrowings	4,500,000	-
Payment of lease liabilities	(181,899)	(175,353)
Cash dividends paid	(2,887,307)	(846,655)
Net cash flows provided by financing activities	31,868,287	11,290,491
Effect of exchange rate changes on cash and cash equivalents	87,807	(9,149)
Increase (decrease) in cash and cash equivalents	2,527,037	(3,136,321)
Cash and cash equivalents, beginning of period	1,347,649	4,483,970
Cash and cash equivalents, end of period	\$ 3,874,686	1,347,649

See accompanying notes to financial statements.

Independent Auditors' Report

To the Board of Directors of
Capital Securities Corporation:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Group's financial statements are stated as follows:

1. Valuation of financial instruments

Please refer to Note 4(g) for the related accounting policy regarding the valuation of financial instruments, Note 6(b) financial assets, Note 6(n) financial liabilities at fair value through profit or loss and Note 6(x)(v), fair value and fair value hierarchy of financial instruments for details.

Risk and descriptions of the key audit matter:

The Group's valuation of financial instruments is one of audit processes refer to important judgements. Financial products on balance sheets mainly belong to first or secondary level in fair value hierarchy, and can be achieved by available quoted market prices in an active market and direct or indirect evaluation of observation. Fair value of some derivative financial products invested and issued depends on models and observably variable factors in the market, so management's professional judgement has highly importance when using different valuation methods and assumptions. Therefore, the valuation of financial instruments is one of our key audit matters.

Procedures performed:

Our key audit procedures included considering how management selected appropriate valuation methods and assessed the key assumptions adopted. We confirmed the presentation and disclosures of financial products were in accordance with relevant regulations. For financial assets with quoted market prices in an active market, we selected samples to test the appropriateness of quoted prices used. For financial assets without quoted market prices in an active market and measured at fair value using valuation techniques, we selected samples to test the appropriateness of valuation methods and significantly underlying parameters applied by management.

2. Goodwill impairment

Please refer to Note 4(q) for the related accounting policy regarding the impairment of non-financial assets, Note 5 for accounting assumptions and estimation uncertainty of the goodwill impairment, Note 6(j)(a). for details about measurement of goodwill impairment.

Risk and descriptions of the key audit matter:

Assessment of the Group's goodwill impairment is one of our significant audit processes, because it mainly depends on the prediction of future operation and there is a high uncertainty on assessing recoverable amounts by discounted future cash flows. Therefore, the measurement of goodwill impairment is one of our key audit matters.

Procedures performed:

Our key audit procedures included understanding tests of goodwill impairment implemented by management, certifying the assumptions of management by related available external information, making professional assessment on main parameters of predictable growth rate, discount rate, etc. adopted by management, and performing the retrospective analysis for testing the precision of previous years' forecasts including sensitivity analyses on the key assumptions related to Goodwill impairment tests.

Other Matter

We did not audit the financial statements of Capital Investment Trust Corporation and Enno Cap Venture Inc., associates of Capital Securities Corporation. Those financial statements were audited by another auditor, whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Capital Investment Trust Corporation and Enno Cap Venture Inc., is based solely on the reports of other auditors. The investments in Capital Investment Trust Corporation and Enno Cap Venture Inc. accounted for using the equity method constituting 0.52% and 0.58% of consolidated total assets at December 31, 2024 and 2023, respectively, and the related share of profit of associates and joint ventures accounted for using the equity method constituting 5.28% and 3.66% of consolidated total profit before tax for the years then ended, respectively.

The Group has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion with other matters paragraph.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 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 such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
110000	Assets				
110000	Current assets:				
111100	Cash and cash equivalents (note 6(a))	\$ 9,289,189	3	8,598,180	4
112000	Financial assets at fair value through profit or loss - current (notes 6(b) and 8)	69,363,225	22	64,089,612	26
113200	Financial assets at fair value through other comprehensive income - current (note 6(b))	31,059,002	10	24,025,136	10
114010	Bonds purchased under resale agreements (note 6(c))	250,121	-	60,208	-
114030	Receivable for securities provided as collateral	22,406,866	7	17,397,754	7
114040	Refinancing margin	49,349	-	16,619	-
114050	Refinancing collateral receivable	41,089	-	13,847	-
114060	Receivable of securities business money lending	32,677,621	11	5,886,504	2
114070	Customers' margin account (note 6(e))	48,810,284	16	38,874,681	16
114090	Collateral for securities borrowed	542,368	-	214,766	-
114100	Security borrowing margin	14,378,972	5	12,583,951	5
114110	Notes receivable	7,458	-	6,608	-
114130	Accounts receivable (note 6(d))	13,784,088	4	16,268,453	7
114150	Prepayments	95,292	-	147,349	-
114170	Other receivables	491,011	-	199,048	-
114300	Leverage contract trading - customers' margin account	907,903	-	712,455	-
114600	Current income tax assets	1,126	-	677	-
119095	Amounts held for each customer in the account (note 6(p))	35,555,711	12	32,426,834	13
119990	Other current assets-others	3,216,222	1	2,004,140	1
		<u>282,926,897</u>	<u>91</u>	<u>223,526,822</u>	<u>91</u>
120000	Non-current assets:				
122000	Financial assets at fair value through profit or loss - non-current (notes 6(b) and 8)	177,730	-	179,438	-
123200	Financial assets at fair value through other comprehensive income - non-current (note 6(b))	4,710,452	2	3,731,891	2
123300	Financial assets at amortized cost - non-current (note 6(b))	6,567,032	2	5,310,086	2
124100	Investments accounted for under equity method (note 6(f))	1,668,360	1	1,473,075	1
125000	Property and equipment (notes 6(g) and 8)	3,151,015	1	3,182,785	1
125800	Right-of-use assets (note 6(h))	560,957	-	671,689	-
126000	Investment property (notes 6(i) and 8)	3,422,160	1	3,444,763	1
127000	Intangible assets (note 6(j))	3,616,766	1	3,622,839	1
128000	Deferred income tax assets(note 6(t))	-	-	15,894	-
129000	Other non-current assets	1,887,133	1	1,751,450	1
		<u>25,761,605</u>	<u>9</u>	<u>23,383,910</u>	<u>9</u>
	Total assets	<u>\$ 308,688,502</u>	<u>100</u>	<u>246,910,732</u>	<u>100</u>

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
210000	Liabilities and Equity				
211000	Current liabilities:				
211100	Short-term borrowings (note 6(k))	\$ 7,304,896	2	5,874,434	2
211200	Commercial paper payable (note 6(l))	41,514,617	14	13,090,169	5
212000	Financial liabilities at fair value through profit or loss - current (note 6(n))	26,097,565	9	21,090,404	9
214010	Bonds sold under repurchase agreements (note 6(o))	53,622,868	17	51,425,166	21
214040	Guarantee deposited for short sales	2,527,527	1	2,003,761	1
214050	Proceeds payable from short sales	2,874,680	1	2,294,644	1
214070	Securities lending refundable deposits	16,292,813	5	15,481,166	6
214080	Futures traders' equity (note 6(e))	48,552,145	16	38,762,176	16
214090	Equity for each customer in the account (note 6(p))	35,555,711	12	32,426,834	13
214100	Leverage contract trading - customers' equity	907,350	-	733,533	-
214110	Notes payable	152	-	166	-
214130	Accounts payable (note 6(q))	11,429,911	4	11,146,460	5
214150	Advance receipts	34,281	-	22,636	-
214160	Receipts under custody	825,388	-	327,934	-
214170	Other payables	1,414,546	-	1,733,199	1
214200	Other financial liabilities - current (note 6(y))	6,420,134	2	4,223,503	2
214600	Current income tax liabilities	655,028	-	715,565	-
215100	Provisions - current (note 6(s))	61,267	-	54,787	-
216000	Current lease liabilities (note 6(r))	199,337	-	201,566	-
219000	Other current liabilities	54,888	-	43,609	-
		<u>256,345,104</u>	<u>83</u>	<u>201,651,712</u>	<u>82</u>
220000	Non-Current liabilities:				
221200	Long-term borrowings (note 6(m))	4,497,142	2	-	-
222000	Financial liabilities at fair value through profit or loss -non-current (note 6(n))	112,762	-	-	-
224200	Other financial liabilities - non-current (note 6(y))	516,042	-	677,162	-
226000	Non-current lease liabilities (note 6(r))	409,190	-	522,851	-
228000	Deferred income tax liabilities(note 6(t))	836,027	-	513,134	-
229000	Other non-current liabilities	335,762	-	181,349	-
		<u>6,706,925</u>	<u>2</u>	<u>1,894,496</u>	<u>-</u>
	Total liabilities	<u>263,052,029</u>	<u>85</u>	<u>203,546,208</u>	<u>82</u>
	Equity attributable to shareholders of the parent:				
301010	Common stock (note 6(u))	21,709,081	7	21,709,081	9
302000	Capital surplus (note 6(u))	2,743,257	1	2,743,256	1
304000	Retained earnings:				
304010	Legal reserve	3,299,604	1	2,889,367	1
304020	Special reserve	6,869,685	2	6,049,211	3
304040	Unappropriated earnings (note 6(u))	4,919,483	2	4,201,815	2
305120	Exchange differences on translation of foreign operations	153,408	-	(67,856)	-
305140	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	2,576,724	1	2,722,009	1
	Total equity attributable to the parent company	<u>42,271,242</u>	<u>14</u>	<u>40,246,883</u>	<u>17</u>
306000	Non-controlling interests	<u>3,365,231</u>	<u>1</u>	<u>3,117,641</u>	<u>1</u>
	Total equity	<u>45,636,473</u>	<u>15</u>	<u>43,364,524</u>	<u>18</u>
	Total liabilities and equity	<u>\$ 308,688,502</u>	<u>100</u>	<u>246,910,732</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
Income:					
401000	Brokerage commissions (note 6(w))	\$ 7,128,833	42	5,337,531	42
402000	Revenues from securities business money lending	5,037	-	1,295	-
403000	Revenue from securities lending	604,658	3	420,414	3
404000	Underwriting commissions (note 6(w))	128,998	1	90,923	1
406000	Commissions on wealth management business	103,732	1	59,001	-
410000	Net gains (losses) on sale of trading securities (note 6(w))	6,537,604	38	2,344,375	18
421100	Securities management, distribution, and management fees	169,671	1	158,329	1
421200	Interest revenue (note 6(w))	3,819,086	22	2,419,910	19
421300	Dividend revenue	1,412,477	8	2,887,473	23
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss (note 6(w))	(934,128)	(5)	1,798,804	14
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements (note 6(y))	(1,061,569)	(6)	(264,517)	(2)
421610	Net gains (losses) on measurement of borrowed securities and bonds with resale agreements	(63,427)	-	(687,421)	(5)
421750	Realized gains (losses) from investments in debt instruments at fair value through other comprehensive income	75,396	-	6,128	-
421800	Net gains (losses) on securities for futures margin at fair value through profit or loss	(8,305)	-	-	-
422200	Net gains (losses) on stock warrants issued (notes 6(w) and (y))	252,443	1	(170,425)	(1)
424100	Futures commission revenues (note 6(w))	319,734	2	301,191	2
424400	Net gains (losses) on derivative instruments - futures (note 6(y))	(882,448)	(5)	(699,650)	(5)
424500	Net gains (losses) on derivative instruments - OTC (note 6(y))	(440,024)	(3)	(1,415,111)	(11)
424800	Management fee revenues	9,018	-	3,377	-
424900	Consultancy fee revenue	24,774	-	9,452	-
425100	Net gains (losses) arising from derecognition of financial assets measured at amortized cost (note 6(b))	-	-	38	-
425300	Impairment losses and reversal gains (note 6(x))	(4,872)	-	(7,214)	-
428000	Other operating revenues	(47,598)	-	152,321	1
		<u>17,149,090</u>	<u>100</u>	<u>12,746,224</u>	<u>100</u>
Expenses:					
501000	Brokerage fees	959,087	6	659,671	5
502000	Brokerage and clearing fees - proprietary trading	74,770	-	43,272	-
503000	Clearing and exchange fees - refinancing	1,885	-	2,613	-
504000	Clearing and exchange fees - underwriting	2,230	-	992	-
521200	Financial costs	2,915,410	17	1,913,207	15
521640	Loss from securities borrowing transactions	839,876	5	324,033	3
524100	Futures commission expense (note 6(w))	330,340	2	303,734	2
524300	Cleaning and settlement expenses	214,318	1	167,457	1
528000	Other operating expenditure	87,508	1	50,259	-
531000	Employee benefits expenses (note 6(w))	3,829,558	22	3,419,309	27
532000	Depreciation and amortization expense (note 6(w))	490,947	3	463,477	4
533000	Other operating expenses (note 6(w))	<u>3,603,942</u>	<u>21</u>	<u>2,522,639</u>	<u>20</u>
		<u>13,349,871</u>	<u>78</u>	<u>9,870,663</u>	<u>77</u>
Other income (expenses):					
601000	Share of profits of associates and joint ventures accounted for using equity method (note 6(f))	385,857	2	205,376	1
602000	Other gains and losses (note 6(w))	<u>2,387,295</u>	<u>14</u>	<u>2,027,839</u>	<u>16</u>
		<u>2,773,152</u>	<u>16</u>	<u>2,233,215</u>	<u>17</u>
902001	Net income before income tax	<u>6,572,371</u>	<u>38</u>	<u>5,108,776</u>	<u>40</u>
701000	Less: Income tax expenses (note 6(t))	<u>1,170,296</u>	<u>7</u>	<u>537,783</u>	<u>4</u>
	Net income	<u>5,402,075</u>	<u>31</u>	<u>4,570,993</u>	<u>36</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified to profit or loss in subsequent periods:				
805510	Gains (losses) on remeasurements of defined benefit plans (note 6(s))	(203,732)	(1)	(77,468)	(1)
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	367,036	2	1,144,918	9
805550	Share of other comprehensive income of associates and joint ventures accounted for using equity method	7,675	-	(1,137)	-
805599	Less: Income tax related to components of other comprehensive income	-	-	-	-
	Subtotal of components that may not be subsequently reclassified into profit or loss	<u>170,979</u>	<u>1</u>	<u>1,066,313</u>	<u>8</u>
805600	Components that may be reclassified to profit or loss in subsequent periods:				
805610	Exchange differences on translation of foreign operations	277,528	2	(13,644)	-
805615	Unrealized gains (losses) from investments in debt instruments at fair value through other comprehensive income	(354,645)	(2)	172,066	1
805699	Less: Income tax related to components of other comprehensive income (note 6(t))	<u>22,363</u>	<u>-</u>	<u>(282)</u>	<u>-</u>
	Subtotal of items that may be subsequently reclassified into profit or loss	<u>(99,480)</u>	<u>-</u>	<u>158,704</u>	<u>1</u>
805000	Other comprehensive income, net	<u>71,499</u>	<u>1</u>	<u>1,225,017</u>	<u>9</u>
902006	Total comprehensive income	<u>\$ 5,473,574</u>	<u>32</u>	<u>5,796,010</u>	<u>45</u>
Net income attributable to:					
913100	Shareholders of the parent	\$ 4,883,776	28	4,131,510	33
913200	Non-controlling interests	<u>518,299</u>	<u>3</u>	<u>439,483</u>	<u>3</u>
		<u>\$ 5,402,075</u>	<u>31</u>	<u>4,570,993</u>	<u>36</u>
Total comprehensive income attributable to:					
914100	Shareholders of the parent	\$ 4,911,665	29	5,349,029	42
914200	Non-controlling interests	<u>561,909</u>	<u>3</u>	<u>446,981</u>	<u>3</u>
		<u>\$ 5,473,574</u>	<u>32</u>	<u>5,796,010</u>	<u>45</u>
975000	Basic earnings per share (note 6(v))	<u>\$ 2.25</u>		<u>1.90</u>	
985000	Diluted earnings per share (note 6(v))	<u>\$ 2.25</u>		<u>1.90</u>	

See accompanying notes to consolidated financial statements.

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to the parent company										Total other equity interest	
	Retained earnings										Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
	Stock											
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Total equity attributable to the parent company	Non-controlling interests	Total Equity			
Balance at January 1, 2023	\$ 21,709,081	2,743,256	2,758,257	5,786,990	1,339,434	(55,863)	35,744,509	2,946,604	38,691,113			
Net income for the year ended December 31, 2023	-	-	-	-	4,131,510	-	4,131,510	439,483	4,570,993			
Other comprehensive income	-	-	-	-	(76,969)	(11,993)	1,306,481	7,498	1,225,017			
Total comprehensive income	-	-	-	-	4,054,541	(11,993)	5,349,029	446,981	5,796,010			
Appropriation and distribution of retained earnings: (note 6(u))												
Legal reserve	-	-	131,110	-	(131,110)	-	-	-	-			
Special reserve	-	-	-	262,221	(262,221)	-	-	-	-			
Cash dividends of common stocks	-	-	-	-	(846,655)	-	(846,655)	-	(846,655)			
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	47,826	-	-	-	-			
Changes in non-controlling interests	-	-	-	-	-	-	-	(275,944)	(275,944)			
Balance at December 31, 2023	21,709,081	2,743,256	2,889,367	6,049,211	4,201,815	(67,856)	40,246,883	3,117,641	43,364,524			
Net income for the year ended December 31, 2024	-	-	-	-	4,883,776	-	4,883,776	518,299	5,402,075			
Other comprehensive income	-	-	-	-	(203,640)	221,264	27,889	43,610	71,499			
Total comprehensive income	-	-	-	-	4,680,136	221,264	4,911,665	561,909	5,473,574			
Appropriation and distribution of retained earnings: (note 6(u))												
Legal reserve	-	-	410,237	-	(410,237)	-	-	-	-			
Special reserve	-	-	-	820,474	(820,474)	-	-	-	-			
Cash dividends of common stocks	-	-	-	-	(2,887,307)	-	(2,887,307)	-	(2,887,307)			
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	155,550	-	(155,550)	-	-			
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-			
Changes in non-controlling interests	-	-	-	-	-	-	-	(314,319)	(314,319)			
Balance at December 31, 2024	\$ 21,709,081	2,743,257	3,299,604	6,869,685	4,919,483	153,408	42,271,242	3,365,231	45,636,473			

See accompanying notes to consolidated financial statements.

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income before tax	\$ 6,572,371	5,108,776
Adjustments:		
Income and expenses items:		
Depreciation expense	435,440	417,667
Amortization expense	55,507	45,810
Expected credit impairment losses	4,872	7,214
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,005,860	(1,111,383)
Financial cost	2,915,410	1,913,207
Net gains arising from derecognition of financial assets measured at amortized cost	-	(38)
Interest revenue (including financial revenue)	(5,361,950)	(3,809,471)
Dividend revenue	(1,500,819)	(3,223,620)
Shares of profit of associates and joint ventures accounted for using equity method	(385,857)	(205,376)
Gains on disposal and retirement of property and equipment	-	(17)
Gain on disposal of investments under equity method	(406)	-
Net gain on non-operating financial instruments at fair value through profit or loss	(13,828)	(47,051)
Impairment loss on non-financial assets	6,504	4,627
Net gains on lease modifications	(157)	(66)
Subtotal of income of non-cash activities	<u>(2,839,424)</u>	<u>(6,008,497)</u>
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(6,200,511)	(20,508,396)
Increase in bonds purchased under resale agreements	(189,913)	(60,208)
Increase in receivable for securities provided as collateral	(5,009,112)	(5,463,778)
(Increase) decrease in refinancing margin	(32,730)	2,240
(Increase) decrease in receivable on refinancing collateral	(27,242)	1,571
Increase in receivable of securities business money lending	(26,791,117)	(1,460,171)
(Increase) decrease in customers' margin account	(9,935,603)	175,060
Decrease in margin receivable of futures trading	282	306
(Increase) decrease in collateral for securities borrowed	(327,602)	1,549,656
(Increase) decrease in security borrowing margin	(1,795,021)	1,145,065
(Increase) decrease in notes receivable	(850)	5,942
Decrease (increase) in accounts receivable	2,881,566	(10,113,867)
Decrease (increase) in prepayments	56,873	(69,033)
(Increase) decrease in other receivables	(298,174)	132,095
Increase in financial assets at fair value through other comprehensive income	(7,141,622)	(9,962,120)
(Increase) decrease in leverage contract trading-customers' margin account	(195,448)	143,566
Increase in other current assets	(1,212,082)	(1,273,020)
Increase in other non-current assets	(135,106)	(145,780)
Increase in bonds sold under repurchase agreements	2,197,702	15,389,197
Increase in financial liabilities at fair value through profit or loss	5,056,496	9,427,072
Increase (decrease) in guarantee deposited for short sales	523,766	(2,114,679)
Increase (decrease) in proceeds payable from short sales	580,036	(1,420,297)
Increase in securities lending refundable deposits	811,647	800,148
Increase (decrease) in futures traders' equity	9,789,969	(122,116)
Increase (decrease) in leverage contract trading - customers' equity	173,817	(116,354)
(Decrease) increase in notes payable	(14)	14
Increase in accounts payable	459,577	6,200,363
Increase (decrease) in advance receipts	11,852	(11,013)
Increase (decrease) in receipts under custody	497,454	(219,310)
(Decrease) increase in other payable	(322,645)	885,985
Increase in provision - current	6,480	3,210
Increase in other financial liabilities	2,035,511	1,378,073
Increase in other current liabilities	11,279	25,162
Decrease in other non-current liabilities	(49,857)	(28,099)
Total changes in assets and liabilities from operating activities	<u>(34,570,342)</u>	<u>(15,823,516)</u>
Total adjustments	<u>(37,409,766)</u>	<u>(21,832,013)</u>

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

CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash generated from operating activities	\$ (30,837,395)	(16,723,237)
Interest received	5,004,214	3,612,799
Dividends received	1,638,579	3,388,466
Interest paid	(3,093,155)	(1,641,884)
Income taxes paid	(914,859)	(467,981)
Net Cash flows used in operating activities	(28,202,616)	(11,831,837)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(862,000)	(124,382)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	48,786
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	676	571
Acquisition of financial assets at amortized cost	(1,239,300)	(2,145,097)
Proceeds from disposal of financial assets at amortized cost	-	121,662
Proceeds from capital reduction of investments accounted for under equity method	7,400	32,107
Acquisition of property and equipment	(168,980)	(263,034)
Proceeds from disposal of property and equipment	-	860
Acquisition of intangible assets	(57,795)	(57,185)
Increase in deferred debits	(498)	(562)
Net cash flows used in investing activities	(2,320,497)	(2,386,274)
Cash flows from financing activities:		
Increase in short-term borrowings	1,430,462	3,003,635
Increase in commercial papers payable	28,424,448	9,891,447
Long-term borrowings	4,500,000	-
Payment of lease liabilities	(212,739)	(202,251)
Cash dividends paid	(3,201,626)	(1,122,599)
Proceed from right of inclusion options exercised	2	-
Net cash flows provided by financing activities	30,940,547	11,570,232
Effect of exchange rate changes on cash and cash equivalents	273,575	(13,491)
Increase (decrease) in cash and cash equivalents	691,009	(2,661,370)
Cash and cash equivalents, beginning of period	8,598,180	11,259,550
Cash and cash equivalents, end of period	\$ 9,289,189	8,598,180

See accompanying notes to consolidated financial statements.

Capital Securities Corporation

Statement of Earnings Distribution

2024

Unit: NTD

No.	Items	Amount	Notes
1	Unappropriated earnings of prior years	83,796,756	
2	Less : Loss on remeasurements of defined benefit plans	(203,639,707)	
3	Net Income of 2024	4,883,776,482	
4	The disposal gains of investments in equity instruments at fair value through other comprehensive income of 2024	155,550,226	
	Subtotal	4,919,483,757	
	Less :		
5	Legal Reserve	483,568,700	$((2)+(3)+(4))*10\%$
6	Special Reserve	967,137,400	$((2)+(3)+(4))*20\%$
	Unappropriated earnings Available for Distribution	3,468,777,657	
	Distribution items :		
7	Cash Dividends to Shareholders	3,256,362,146	NT\$ 1.50 per share
8	Unappropriated earnings	212,415,511	

Chairman : Chou, Hsiu-Chen

President : Lee, Wen-Chu

Head of Accounting : Eric Chou

Capital Securities Corporation

Comparison Table of “Articles of Incorporation”

After Amendments	Before Amendments	Description
<p>Article 13</p> <p>The Company shall establish 9 to 13 seats of Directors each with term of office for 3 years. The system of candidate nomination is adopted where the General Meeting of Shareholders shall elect prospective Directors from the list of candidates. Directors may be eligible for re-election.</p> <p>According to Article 14-2 of the Securities and Exchange act <u>and Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers</u>. The Company appoints Independent Directors, not less than three in number and not less than <u>one-third</u> of the total number of Directors. The system of candidate nomination is adopted and the General Meeting of Shareholders shall elect the Independent Directors from the list of candidates for Independent Directors. The election of Directors and Independent Directors shall be held simultaneously and the votes for the candidates to the seats shall be counted separately.</p> <p>In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.</p>	<p>Article 13</p> <p>The Company shall establish 9 to 13 seats of Directors each with term of office for 3 years. The system of candidate nomination is adopted where the General Meeting of Shareholders shall elect prospective Directors from the list of candidates. Directors may be eligible for re-election.</p> <p>According to Article 14-2 of the Securities and Exchange act. The Company appoints Independent Directors, not less than three in number and not less than <u>one-fifth</u> of the total number of Directors. The system of candidate nomination is adopted and the General Meeting of Shareholders shall elect the Independent Directors from the list of candidates for Independent Directors. The election of Directors and Independent Directors shall be held simultaneously and the votes for the candidates to the seats shall be counted separately.</p> <p>In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.</p>	<p>In accordance with Article 4, Paragraph 3 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the restriction on the number of independent directors has been amended.</p>
<p>Article 20</p> <p>The Company pursues the residual dividend policy in consideration of capacity expansion and reinforcement of the capacity in profitability and capital adequacy ratio.</p> <p>The Company shall appropriate 0.6% to 2% of its earnings, if applicable, as remuneration to employees, <u>including at least 0.4% as remuneration to non-executive employees</u>. The Board</p>	<p>Article 20</p> <p>The Company pursues the residual dividend policy in consideration of capacity expansion and reinforcement of the capacity in profitability and capital adequacy ratio.</p> <p>The Company shall appropriate 0.6% to 2% of its earnings, if applicable, as remuneration to employees. The Board shall determine if remuneration is effected in stock or in cash. The</p>	<p>In line with Article 14, Paragraph 6 of the Securities and Exchange Act, the allocation ratio of remuneration for non-executive employees has been new ly added.</p>

After Amendments	Before Amendments	Description
<p>shall determine if remuneration is effected in stock or in cash. The targets of remuneration shall include the employees of subsidiaries to the Company meeting specific conditions that shall be determined by the Board. The Company shall also allocate no more than 3% of the aforementioned amount of earnings as remuneration to the Directors. Any proposal for distribution of remuneration for employees and directors shall be submitted to the shareholders' meeting for reporting.</p> <p>Where the Company still has any accumulated loss, an amount shall be retained for make-up, and then the remuneration for employees and directors may be appropriated based on the aforesaid percentage.</p>	<p>targets of remuneration shall include the employees of subsidiaries to the Company meeting specific conditions that shall be determined by the Board. The Company shall also allocate no more than 3% of the aforementioned amount of earnings as remuneration to the Directors. Any proposal for distribution of remuneration for employees and directors shall be submitted to the shareholders' meeting for reporting.</p> <p>Where the Company still has any accumulated loss, an amount shall be retained for make-up, and then the remuneration for employees and directors may be appropriated based on the aforesaid percentage.</p>	
<p>Article 22 The Articles of Incorporation was instituted on March 12 1988 (Amendment for the 1st instance-30th instance, etc.) <u>Amendment for the 31th instance: May 28 2025</u> The Articles of Incorporation shall be implemented after adoption by the General Meeting of Shareholders.</p>	<p>Article 22 The Articles of Incorporation was instituted on March 12 1988 (Amendment for the 1st instance-30th instance, etc.) The Articles of Incorporation shall be implemented after adoption by the General Meeting of Shareholders.</p>	<p>The date of the latest amendment has been included.</p>

Capital Securities Corporation

Articles of Incorporation (Draft)

Chapter 1 General Provisions

- Article 1 The Company is duly incorporated in accordance with the Company Act and bears the title of Capital Securities Corp.
- Article 2 The Company is engaged in the following business:
1. H301011 Securities Brokerage
 2. H401011 Futures Brokerage
 3. H408011 Futures Exchange Supporting Services
 4. H105011 Trust
 5. H304011 Securities Investment Consulting Services
 6. H405011 Futures Consultation Services
- Article 2-1 The scope of business undertaken by the Company:
1. Underwriting of securities.
 2. Trading securities in the centralized exchange market on its own.
 3. Trading securities in the centralized exchange market on an engaged basis.
 4. Trading securities at its business offices on its own.
 5. Trading securities at its business offices on an engaged basis.
 6. Financing and short selling for securities trade.
 7. Agency of stock affairs in relation to securities.
 8. Trading foreign securities on an engaged basis.
 9. Providing services for short-term bills.
 10. Providing supporting services for futures trade.
 11. Futures proprietary business.
 12. Money lending in connection with securities business.
 13. Agency services engaged by customers to invest their securities trading balances.
 14. Trust services.
 15. Offshore securities.
 16. Other securities-related services approved by the competent authority.
- Article 3 The Company is headquartered in Taipei and may establish branches domestically and internationally at the resolution of the Board where necessary.
- Article 4 Any and all public announcements made by the Company shall be published in a newspaper or electronic newspaper, or website for public announcements designated by the central competent authority. The Company shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.
- Article 4-1 The Company may make Re-investment in related enterprises in which the competent authority has

approved investment and the proportion of the total investment of which to the paid-in capital shall not be governed by Article XIII of the Company Act unless otherwise require by law.

Article 4-2 The Company may act as guarantor in favor of a third party as dictated by business needs within the scope permitted by the competent authority.

Chapter 2 Shares

Article 5 The Company has authorized capital of NT\$30 billion evenly split up into 3 billion shares at NT\$10/share for offering in tranches by the Board under authorization. Preferred shares may be offered among the aforementioned authorized capital.

Of the aforementioned total quantity of shares, 150 million shares may be retained for the offering of subscription warrants in tranches by the Board under authorization.

Article 6 The Company issues registered shares and each stock certificate shall be affixed with the authorized signature/seal of the Chairman and at least two other Directors, and shall be duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance thereof.

The Company may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to record the issue of such shares.

Article 7 Assignment and transfer of shares shall not be permitted in the period of 60 days prior to the date of the scheduled regular session of the General Meeting of Shareholders and 30 days prior to the date of special session of the General Meeting of Shareholders, and also 5 days prior to the dividend day or the day on which other benefit will be paid out.

Article 8 The processing of share registration and related matters shall be governed by the rules and regulations of the competent authority.

Article 8-1 TDCC may request the company to consolidate the shares to exchange for broad lot securities.

Chapter 3 The General Meeting of Shareholders

Article 9 The General Meeting of Shareholders consists of regular sessions and special sessions. Regular session will be convened once a year within 6 months after close of each fiscal year. Special session will be called for at any time under law as necessary.

The General Meeting of Shareholders may be held via video conference or other methods as announced by the central competent authority.

Article 10 The General Meeting of Shareholders shall be convened by the Board, and the Chairman shall preside over the meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. In the absence of the Chairman and the Vice Chairman, the Chairman shall appoint a particular Director to preside over the meeting, or the Directors shall nominate one among themselves to preside over the meeting. This requirement shall not apply if otherwise regulated under the Company Act.

If a third party beyond the Board of the Company calls for the meeting, the convener of the meeting shall preside over the meeting. If there are two parties calling for the meeting, one of whom shall be nominated to preside over the meeting.

Article 11 Shareholders of the Company shall be entitled to one voting right for the holding of each share unless they hold non-voting shares as stated in Article 179 of the Company Act. If specific shareholders cannot attend the General Meeting of Shareholders in person, a shareholder may appoint a proxy to attend a General Meeting of Shareholders in his/her/its behalf by executing a power of attorney printed

by the company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company. If the voting power represented by the proxy exceeds 3% of the total number of voting shares of the company, the portion of excessive voting power shall not be counted. The aforementioned written proxy to the Company must be submitted no later than 5 days prior to the meeting date of the General Meeting of Shareholders. In the event that two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the power of attorney of a proxy has been served to the company, if the shareholder who issued the proxy intends to attend the General Meeting of Shareholders in person, a notice of proxy rescission shall be filed with the company two days prior to the date of the General Meeting of Shareholders as scheduled in the General Meeting of Shareholders notice. This is done in order to rescind the proxy at issue. If this is not done, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 12 Resolutions at a General Meeting of Shareholders shall, unless otherwise provided for Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 12-1 Resolutions adopted at a General Meeting of Shareholders shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be effected by means of a public notice within twenty (20) days after the close of the meeting.

Chapter 4 Directors and the Board of Directors

Article 13 The Company shall establish 9 to 13 seats of Directors each with term of office for 3 years. The system of candidate nomination is adopted where the General Meeting of Shareholders shall elect prospective Directors from the list of candidates. Directors may be eligible for re-election.

According to Article 14-2 of the Securities and Exchange act and Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. The Company appoints Independent Directors, not less than three in number and not less than one-third of the total number of Directors. The system of candidate nomination is adopted and the General Meeting of Shareholders shall elect the Independent Directors from the list of candidates for Independent Directors. The election of Directors and Independent Directors shall be held simultaneously and the votes for the candidates to the seats shall be counted separately.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 13-1 All Independent Directors of the Company shall be organized into the Audit Committee pursuant to Article XIV-IV of the Securities and Exchange Act. The size of the Audit Committee, the term of office and function of the members, rules and procedure of the committee and the exercise of authority shall comply with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and as stated in the Organization Code of the Audit Committee.

The Audit Committee shall perform the function of the Supervisors as stated in the Securities and Exchange Act, the Company Act, and other applicable laws. The code of ethical conduct for the

Supervisors or acting on behalf of the Company shall also be applicable to the Independent Directors of the Audit Committee.

Article 14 The Directors shall be organized into the Board. The Board shall elect a Chairman and a Vice Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall represent the Company externally.

Article 15 The Chairman of the Board shall call for the sessions of the Board, unless otherwise provided for Company Act, resolutions of the Board shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Notice to Board session may be effected by means of electronic transmission for flexibility and efficiency. In calling a meeting of the Board, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time notice shall be made in the speediest mean.

Directors may appoint another director as proxy to attend the meetings of the Board but one director may accept the appointment of one other director only.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 15-1 The Company shall take professional liabilities insurance for the protection of the Directors within their scope of assigned duties against claim for damages under law.

Article 16 In case the Chairman is on leave or absent or cannot exercise his power and authority for any reason, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any reason, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman.

Article 17 The remuneration to the Directors shall be commensurate with their degree of participation in the operation of and the contribution to the Company and at industry standard through authorization to the Board.

Chapter 5 Managers

Article 18 The Company shall establish the position for a President who shall be appointed or removal by the Board under law. Vice presidents, assistant vice presidents, managers and branch managers of the Company shall be appointed and removal by the Board upon the recommendation by the President and The President shall appoint and removal employees at all other levels.

Chapter 6 Accounting

Article 19 The fiscal year of the company starts on January 1st and ends on December 31st of each year. At the end of each fiscal year, the Board of Directors shall prepare (1) the business report, (2) the financial statements, and (3) proposals for profit distribution or deficit compensation, among other relevant documents. These documents shall be submitted to the shareholders' meeting for approval in accordance with legal procedures.

Article 20 The Company pursues the residual dividend policy in consideration of capacity expansion and reinforcement of the capacity in profitability and capital adequacy ratio.

The Company shall appropriate 0.6% to 2% of its earnings, if applicable, as remuneration to

employees, including at least 0.4% as remuneration to non-executive employees. The Board shall determine if remuneration is effected in stock or in cash. The targets of remuneration shall include the employees of subsidiaries to the Company meeting specific conditions that shall be determined by the Board. The Company shall also allocate no more than 3% of the aforementioned amount of earnings as remuneration to the Directors. Any proposal for distribution of remuneration for employees and directors shall be submitted to the shareholders' meeting for reporting.

Where the Company still has any accumulated loss, an amount shall be retained for make-up, and then the remuneration for employees and directors may be appropriated based on the aforesaid percentage.

Article 20-1 If the Company has earnings after account settlement in the year, appropriate the amount for applicable taxes, covering loss carried forward, followed by the appropriation of 10% as retained earnings, 20% as special reserve, and any other amount as required by law.

The Board of Directors submits a proposal for distribution of earnings to the shareholders' meeting for a resolution to be adopted for distribution of dividends to shareholders. The amount of the abovementioned distributable balance minus the retained earnings may not be less than 10% of the distributable balance. Types of dividends: According to the capital budget plan of the Company, stock dividends are distributed to retain the funds required, and the remaining portion will be distributed in cash, with the amount of cash dividends not less than 10%.

Article 20-2 The Company may assign its shares to the employees at a price lower than the actual bid price for repurchase at the approval of the General Meeting of Shareholders by the consent of at least 2/3 of the shareholders attending the meeting with the presence of shareholders representing no less than half of the outstanding shares required for a quorum.

Chapter 7 Supplementary Provisions

Article 21 Issues that are not fully addressed in the Articles of Incorporation shall be processed in accordance with the Company Act and other related act or regulation.

Article 22 The Articles of Incorporation was instituted on March 12 1988.
Amendment for the 1st instance: March 15 1989 Amendment for the 2nd instance: September 8 1989
Amendment for the 3rd instance: April 20 1990 Amendment for the 4th instance: October 30 1990
Amendment for the 5th instance: May 26 1992 Amendment for the 6th instance: December 3 1992
Amendment for the 7th instance: December 14 1993 Amendment for the 8th instance: February 23 1995
Amendment for the 9th instance: April 29 1996 Amendment for the 10th instance: June 27 1997
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Amendment for the 15th instance: May 15 2002 Amendment for the 16th instance: June 16 2003
Amendment for the 17th instance: June 14 2005 Amendment for the 18th instance: June 9 2006
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Amendment for the 27th instance: June 27 2016 Amendment for the 28th instance: June 24 2019
Amendment for the 29th instance: June 27 2023 Amendment for the 30th instance: June 27 2024
Amendment for the 31th instance: May 28 2025

The Articles of Incorporation shall be implemented after adoption by the General Meeting of Shareholders.

Capital Securities Corporation

Articles of Incorporation

Appendix 1

Chapter 1 General Provisions

- Article 1 The Company is duly incorporated in accordance with the Company Act and bears the title of Capital Securities Corp.
- Article 2 The Company is engaged in the following business:
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 2. H40101 1 Futures Brokerage
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- Article 2-1 The scope of business undertaken by the Company:
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 2. Trading securities in the centralized exchange market on its own.
 3. Trading securities in the centralized exchange market on an engaged basis.
 4. Trading securities at its business offices on its own.
 5. Trading securities at its business offices on an engaged basis.
 6. Financing and short selling for securities trade.
 7. Agency of stock affairs in relation to securities.
 8. Trading foreign securities on an engaged basis.
 9. Providing services for short-term bills.
 10. Providing supporting services for futures trade.
 11. Futures proprietary business.
 12. Money lending in connection with securities business.
 13. Agency services engaged by customers to invest their securities trading balances.
 14. Trust services.
 15. Offshore securities.
 16. Other securities-related services approved by the competent authority.
- Article 3 The Company is headquartered in Taipei and may establish branches domestically and internationally at the resolution of the Board where necessary.
- Article 4 Any and all public announcements made by the Company shall be published in a newspaper or electronic newspaper, or website for public announcements designated by the central competent authority. The Company shall comply with the provisions otherwise prescribed by the competent authority in charge of securities affairs.

- Article 4-1 The Company may make Re-investment in related enterprises in which the competent authority has approved investment and the proportion of the total investment of which to the paid-in capital shall not be governed by Article XIII of the Company Act unless otherwise require by law.
- Article 4-2 The Company may act as guarantor in favor of a third party as dictated by business needs within the scope permitted by the competent authority.

Chapter 2 Shares

- Article 5 The Company has authorized capital of NT\$30 billion evenly split up into 3 billion shares at NT\$10/share for offering in tranches by the Board under authorization. Preferred shares may be offered among the aforementioned authorized capital.
- Of the aforementioned total quantity of shares, 150 million shares may be retained for the offering of subscription warrants in tranches by the Board under authorization.
- Article 6 The Company issues registered shares and each stock certificate shall be affixed with the authorized signature/seal of the Chairman and at least two other Directors, and shall be duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance thereof.
- The Company may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to record the issue of such shares.
- Article 7 Assignment and transfer of shares shall not be permitted in the period of 60 days prior to the date of the scheduled regular session of the General Meeting of Shareholders and 30 days prior to the date of special session of the General Meeting of Shareholders, and also 5 days prior to the dividend day or the day on which other benefit will be paid out.
- Article 8 The processing of share registration and related matters shall be governed by the rules and regulations of the competent authority.
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Chapter 3 The General Meeting of Shareholders

- Article 9 The General Meeting of Shareholders consists of regular sessions and special sessions. Regular session will be convened once a year within 6 months after close of each fiscal year. Special session will be called for at any time under law as necessary.
- The General Meeting of Shareholders may be held via video conference or other methods as announced by the central competent authority.
- Article 10 The General Meeting of Shareholders shall be convened by the Board, and the Chairman shall preside over the meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. In the absence of the Chairman and the Vice Chairman, the Chairman shall appoint a particular Director to preside over the meeting, or the Directors shall nominate one among themselves to preside over the meeting. This requirement shall not apply if otherwise regulated under the Company Act.
- If a third party beyond the Board of the Company calls for the meeting, the convener of the meeting shall preside over the meeting. If there are two parties calling for the meeting, one of whom shall be nominated to preside over the meeting.
- Article 11 Shareholders of the Company shall be entitled to one voting right for the holding of each share unless they hold non-voting shares as stated in Article 179 of the Company Act. If specific shareholders cannot attend

the General Meeting of Shareholders in person, a shareholder may appoint a proxy to attend a General Meeting of Shareholders in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company. If the voting power represented by the proxy exceeds 3% of the total number of voting shares of the company, the portion of excessive voting power shall not be counted. The aforementioned written proxy to the Company must be submitted no later than 5 days prior to the meeting date of the General Meeting of Shareholders. In the event that two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the power of attorney of a proxy has been served to the company, if the shareholder who issued the proxy intends to attend the General Meeting of Shareholders in person, a notice of proxy rescission shall be filed with the company two days prior to the date of the General Meeting of Shareholders as scheduled in the General Meeting of Shareholders notice. This is done in order to rescind the proxy at issue. If this is not done, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 12 Resolutions at a General Meeting of Shareholders shall, unless otherwise provided for Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 12-1 Resolutions adopted at a General Meeting of Shareholders shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be effected by means of a public notice within twenty (20) days after the close of the meeting.

Chapter4 Directors and the Board of Directors

Article 13 The Company shall establish 9 to 13 seats of Directors each with term of office for 3 years. The system of candidate nomination is adopted where the General Meeting of Shareholders shall elect prospective Directors from the list of candidates. Directors may be eligible for re-election.

According to Article 14-2 of the Securities and Exchange act, The Company appoints Independent Directors, not less than three in number and not less than one-fifth of the total number of Directors. The system of candidate nomination is adopted and the General Meeting of Shareholders shall elect the Independent Directors from the list of candidates for Independent Directors. The election of Directors and Independent Directors shall be held simultaneously and the votes for the candidates to the seats shall be counted separately.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 13-1 All Independent Directors of the Company shall be organized into the Audit Committee pursuant to Article XIV-IV of the Securities and Exchange Act. The size of the Audit Committee, the term of office and function of the members, rules and procedure of the committee and the exercise of authority shall comply with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and as stated in the Organization Code of the Audit Committee.

The Audit Committee shall perform the function of the Supervisors as stated in the Securities and Exchange Act, the Company Act, and other applicable Jaws. The code of ethical conduct for the Supervisors or acting on behalf of the Company shall also be applicable to the Independent Directors of the Audit Committee.

- Article 14 The Directors shall be organized into the Board. The Board shall elect a Chairman and a Vice Chairman from among the Directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall represent the Company externally.
- Article 15 The Chairman of the Board shall call for the sessions of the Board, unless otherwise provided for Company Act, resolutions of the Board shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.
- Notice to Board session may be effected by means of electronic transmission for flexibility and efficiency. In calling a meeting of the Board, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time notice shall be made in the speediest mean.
- Directors may appoint another director as proxy to attend the meetings of the Board but one director may accept the appointment of one other director only.
- In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 15-1 The Company shall take professional liabilities insurance for the protection of the Directors within their scope of assigned duties against claim for damages under law.
- Article 16 In case the Chairman is on leave or absent or cannot exercise his power and authority for any reason, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any reason, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman.
- Article 17 The remuneration to the Directors shall be commensurate with their degree of participation in the operation of and the contribution to the Company and at industry standard through authorization to the Board.

Chapter 5 Managers

- Article 18 The Company shall establish the position for a President who shall be appointed or removal by the Board under law. Vice presidents, assistant vice presidents, managers and branch managers of the Company shall be appointed and removal by the Board upon the recommendation by the President and The President shall appoint and removal employees at all other levels.

Chapter 6 Accounting

- Article 19 The fiscal year of the company starts on January 1st and ends on December 31st of each year. At the end of each fiscal year, the Board of Directors shall prepare (1) the business report, (2) the financial statements, and (3) proposals for profit distribution or deficit compensation, among other relevant documents. These documents shall be submitted to the shareholders' meeting for approval in accordance with legal procedures.
- Article 20 The Company pursues the residual dividend policy in consideration of capacity expansion and reinforcement of the capacity in profitability and capital adequacy ratio.
- The Company shall appropriate 0.6% to 2% of its earnings, if applicable, as remuneration to employees. The Board shall determine if remuneration is effected in stock or in cash. The targets of remuneration shall include the employees of subsidiaries to the Company meeting specific conditions that shall be determined by the Board. The Company shall also allocate no more than 3% of the aforementioned amount of earnings as remuneration to the Directors. Any proposal for distribution of remuneration for employees and directors shall be submitted to the shareholders' meeting for reporting.
- Where the Company still has any accumulated loss, an amount shall be retained for make-up, and then the

remuneration for employees and directors may be appropriated based on the aforesaid percentage.

Article 20-1 If the Company has earnings after account settlement in the year, appropriate the amount for applicable taxes, covering loss carried forward, followed by the appropriation of 10% as retained earnings, 20% as special reserve, and any other amount as required by law.

The Board of Directors submits a proposal for distribution of earnings to the shareholders' meeting for a resolution to be adopted for distribution of dividends to shareholders. The amount of the abovementioned distributable balance minus the retained earnings may not be less than 10% of the distributable balance. Types of dividends: According to the capital budget plan of the Company, stock dividends are distributed to retain the funds required, and the remaining portion will be distributed in cash, with the amount of cash dividends not less than 10%.

Article 20-2 The Company may assign its shares to the employees at a price lower than the actual bid price for repurchase at the approval of the General Meeting of Shareholders by the consent of at least 2/3 of the shareholders attending the meeting with the presence of shareholders representing no less than half of the outstanding shares required for a quorum.

Chapter 7 Supplementary Provisions

Article 21 Issues that are not fully addressed in the Articles of Incorporation shall be processed in accordance with the Company Act and other related act or regulation.

Article 22 The Articles of Incorporation was instituted on March 12 1988.

Amendment for the 1st instance: March 15 1989 Amendment for the 2nd instance: September 8 1989
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Amendment for the 19th instance: June 15 2007 Amendment for the 20th instance: June 10 2009
Amendment for the 21st instance: June 15 2010 Amendment for the 22nd instance: December 23 2010
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Amendment for the 25th instance: June 25 2013 Amendment for the 26th instance: June 22 2015
Amendment for the 27th instance: June 27 2016 Amendment for the 28th instance: June 24 2019
Amendment for the 29th instance: June 27 2023 Amendment for the 30th instance: June 27 2024
The Articles of Incorporation shall be implemented after adoption by the General Meeting of Shareholders.

Capital Securities Corporation
Rules of Procedures for Shareholder Meetings

Appendix 2

Date of establishment: February 23 1995

Amendment for the 1st instance: April 10, 1998

Amendment for the 2nd instance: May 5, 2002

Amendment for the 3rd instance: June 27, 2012

Amendment for the 4th instance: June 27, 2016

Amendment for the 5th instance: June 22, 2020

Amendment for the 5th instance: June 27, 2023

- Article 1 The General Meeting of Shareholders of the Company shall be held in accordance with this procedure in addition to the Company Act, Securities and Exchange Act, other applicable legal rules, and the Articles of Incorporation of the Company.
- The Company may convene the General Meeting of Shareholders via video conferencing, which should be stipulated in the articles of association and approved by the Board of Directors, unless otherwise regulated by the Regulations Governing the Administration of Shareholder Services of Public Companies. Video shareholder meetings shall be conducted upon resolution by the Board of Directors, with the participation of two-thirds or more of the directors and the consent of the majority of attending directors.
- Any changes to the method of convening the General Meeting of Shareholders shall be decided by the Board of Directors and implemented no later than before the dispatch of the notice of the shareholders' meeting.
- Article 2 The Company shall prepare a sign-in registry for shareholders to sign for attendance, or the shareholders may surrender their attendance card in lieu of signing in.
- The attendance of shareholders shall be calculated based on the number of shares represented. The quantity of voting shares shall be counted by adding up the entries in the sign-in registry or the attendance cards surrendered, and the votes cast in correspondence or electronic mean.
- If the General Meeting of Shareholders is to be held via video conference, shareholders who wish to attend via video conferencing should register with the company at least two days before the meeting. Shareholders attending the General Meeting of Shareholders via video conference should check in on the video conference platform at least thirty minutes before the meeting starts. Shareholders who have completed the check-in process are considered to be present at the General Meeting of Shareholders in person.
- Article 3 The Chairman shall preside over the shareholders' meeting if he called for such meeting. In the absence of the Chairman, the Vice Chairman shall act on behalf of and in the name of the Chairman. In the absence of both the Chairman and the Vice Chairman, the Chairman shall appoint a Director as the authorized agent, or the Directors shall nominate one among themselves to preside over the meeting.
- The General Meeting of Shareholders called for by the Board shall be attended by more than half of the Directors.
- If the meeting is called for by an entitled party beyond the members of the Board, such party shall preside over the meeting. If there are more than two parties entitled to call for the meeting, they shall nominate one among themselves to preside over the meeting.
- The Company may appoint its attorney at law, certified public accountants and related personnel to

attend the meeting as observers.

- Article 4 The place for the General Meeting of Shareholders shall be at the facility of the Company or at a location convenient for the transportation of the shareholders. The time for the meeting shall not be earlier than 9:00 am or later than 3:00pm. In setting the time and place of the meeting, the opinions of the Independent Directors shall be fully considered.
- The company is not bound by the location restrictions when convening a video shareholders' meeting.
- Article 5 If the time set for the meeting has passed and with the presence of shareholders representing more than half of the outstanding shares, the Chairman shall announce the meeting in session.
- If the time set for the meeting has passed with the presence of shareholders representing less than half of the outstanding shares, the Chairman may announce to postpone the meeting up to twice.
- If the presence of shareholders remains insufficient yet those representing at least 1/3 of the outstanding shares are present, proceed to Article 175 of the Company Act with provisional resolution and inform the shareholders with the provision resolutions for a new round of meeting within 1 month.
- If the presence of shareholders in the meeting can represent the mandatory level of shares required for a quorum before the aforementioned provisional resolution, the Chairman shall announce for the session of the meeting and refer the provisional resolution for the final decision of the meeting.
- If the aforementioned deadline of postponement has passed and the presence of shareholders still cannot represent 1/3 of the outstanding shares, the Chairman shall call off the meeting and choose another date for the meeting. If the General Meeting of Shareholders is conducted via video conference, the company should also announce the failure to convene the meeting due to lack of a quorum on the video conference platform
- Article 6 The Board of Directors shall prepare the agenda for the shareholders' meetings it called for. Related proposals (including motions and amendments to original proposals) shall all be voted for on a case-by-case basis. The meeting shall be held in accordance with the agenda and shall not be changed unless it is decided through the shareholders' meeting.
- The aforementioned principle shall be applicable to shareholders' meetings being called for by any third party beyond the Board.
- Before the end of the session (including extempore motions) as set forth in the agenda as stated in the preceding two paragraphs, the Chairman shall not announce for the adjournment of the meeting unless under the resolution of the shareholders. In case the Chairman proceed to announce for the adjournment of the meeting, which is a violation of the procedure, other members of the Board shall take immediate action to assist the shareholders in the session to elect a person to preside over and carry on the meeting by a simple majority of the shareholders in the session in due process of law.
- Article 7 Before the delivery of speech, the shareholders in the session shall fill in a request note for delivery of speech specifying the summary, the account number (or attendance number), and the account title, and may have the floor in the order as arranged by the Chairman.
- Shareholders who just submitted the request note without delivering their speeches shall be deemed no delivery of speech. In the event of discrepancy between the content of the speech and the content as stated in the request note, the content of the speech shall stand.
- No shareholder may interfere any other shareholder when delivering the speech unless at the consent of the Chairman and the shareholder on the floor. The Chairman shall keep the order of the floor.
- Each shareholder may express its opinion on specific motion only twice unless otherwise approved

by the Chairman and the time for each instance is up to 5 minutes. The Chairman shall stop the shareholders who violated this rule in the limitation of time or anything beyond the scope of the motion.

For institutional shareholders appointing more than two representatives to the shareholders' meeting, only one representative may express opinion on the same motion. The Chairman shall respond to the query of the shareholder on the floor in person or appoint designated person to respond to the query of the shareholder.

If the General Meeting of Shareholders is held via video conference, shareholders participating via video conferencing may submit questions in writing on the video conference platform from the announcement of the meeting until the adjournment. Each shareholder may ask questions on each agenda item no more than twice, with a limit of 200 words per question. This provision does not apply to the regulations from Article 1 to Article 5.

Questions raised in the previous provision that do not violate regulations or exceed the scope of the agenda should be disclosed on the video conference platform for public awareness.

Article 8

The voting for the General Meeting of Shareholders shall be calculated based on the number of shares represented.

The shares held by shareholders without voting rights are not included in the quantity of outstanding shares in the resolution of the General Meeting.

Resolutions in the shareholders' meeting shall be made by the shareholders in the session representing more than half of voting rights unless otherwise the Company Act provides. If there is no objection expressed by the shareholders for any inquiry from the Chairman on specific motion, it shall be deemed the resolution in favor of the motion and shall carry the same effect as decided by voting. Shareholders may attend the meeting by appointment of proxies. The same person may act as the proxy for more than two shareholders but the total voting shares being represented shall not exceed 3% of the total votes and the votes in excess will not be counted except that the proxy is a trust business or share registrar approved by the competent authority.

For motions involving the interest of specific shareholders and may jeopardize the interest of the Company as well, these shareholders shall not take part in the voting and shall not represent other shareholders in the voting.

The voting shares that cannot be exercised as voting right are not included in the votes of shareholders in the meeting.

If there is an amendment to or substitute for specific motion, the Chairman shall set the priority of voting on the original motion, the amendment and the substitute. If one of the motions has been passed, the remainder shall be deemed vetoed and shall not be referred to further voting.

Shareholders may exercise their voting right in writing or electronic during a shareholders' meeting held by the Company electronically; when a voting right may be exercised in writing or electronically, it shall be specified so in the notification for the shareholders' meeting. Shareholders casting the votes in correspondence or electronic mean shall be deemed to be attending the meeting in person. The amendment to the ex tempore motions and original motions in the General Meeting shall be deemed abstention.

For casting votes in correspondence or electronic mean, respective shareholders shall deliver the expression of intent 2 days prior to the meeting date. If there are repeated expressions of intents, the expression in the first instance shall prevail. Except there the previous expression of intent has been revoked.

If specific shareholders desire to attend the meeting in person after casting votes in correspondence or electronic mean, such shareholders shall express the intent of revoking the previous intent in the same manner as for casting the votes 2 days prior to the meeting date or the votes cast in

correspondence or electronic mean shall stand. If specific shareholders cast the vote in correspondence or electronic mean but at the same time appointed proxies to attend the meeting, the votes cast by the proxies in the meeting shall stand.

For shareholders participating via video conference in the company's shareholders' meeting, voting on each agenda item and election items should be conducted through the video conference platform after the Chairman announces the commencement of the meeting. Shareholders should complete the voting before the Chairman announces the end of voting. Failure to do so will be considered as abstaining.

For shareholders' meetings conducted via video conference, the votes should be counted once after the Chairman announces the end of voting, and the results of the voting and elections should be announced.

For shareholders' meetings conducted with video assistance, shareholders who have registered to attend the meeting via video conference according to Article 6 and wish to attend the physical shareholders' meeting in person should cancel their registration by the same method as the registration process, at least two days before the meeting. Failure to cancel within the specified period means they can only attend the shareholders' meeting via video conference.

Shareholders who exercise their voting rights in writing or electronically and participate in the shareholders' meeting via video conference, without withdrawing their voting instructions, are not allowed to vote on the original agenda item or propose amendments to the original agenda item, or vote on amendments to the original agenda item, except for extemporarily motions.

Article 9 The Chairman shall announce for the conclusion of the discussion of a specific proposal when it is considered appropriate and may interrupt the discussion and proceed to voting where necessary and set aside adequate time for the voting session.

Article 10 If the venue for the shareholders' meeting is not available when the meeting is still in progress as scheduled in the agenda (including extemporarily motions), the shareholders shall determine to seek another venue to carry on the meeting.
The General Meeting of Shareholders shall be postponed or continued within 5 days after the decision pursuant to Article 182 of the Company Act.

Article 11 The Chairman may announce for a recess in the meeting where necessary. In the event of force majeure, the Chairman shall announce to suspend the meeting and announce the time for continuing the meeting depending on the situation.

Article 12 The resolutions of the shareholders' meeting shall be kept as minutes on record and signed or sealed by the Chairman for release to the shareholders within 20 days thereafter. The preparation and release of the minutes of meeting on record shall be accomplished in electronic mean.
The release of the aforementioned minutes of meeting on record could be accomplished through the upload to MOPS.
The minutes of meeting on record shall contain information on the year, month, day and venue of the meeting, the name of the Chairman, the method of resolution, the summary of the procedure, and the voting result (including the statistical weight). When the election of directors is involved, the weight of the votes won by each candidate shall be disclosed. The minutes shall be kept permanently throughout the survival of the Company.
If the shareholders' meeting is held via video conference, the minutes of the meeting should include the matters stipulated in the preceding articles. Additionally, it should record the start and end time of the meeting, the method of convening the meeting, the names of the Chairman and the recorder,

as well as the procedures and outcomes for handling situations where obstacles occur in the video conference platform or in participation via video conference due to natural disasters, emergencies, or other force majeure events.

In addition to complying with the provisions of the preceding article, when the company convenes a video shareholders' meeting, it should also include in the minutes any alternative measures provided for shareholders who have difficulty participating in the shareholders' meeting via video conference.

Article 13 If an election of Directors is to be held in the General Meeting, proceed to relevant regulations of the Company and announce the result on the scene.

The ballots for the aforementioned election shall be signed and sealed by the monitors and retained for at least 1 year.

If there is legal action instated against the Company by the shareholders pursuant to Article 189 of the Company Act, related records shall be retained until the final ruling of the action.

Article 14 Once a comprehensive re-election of directors is stated as the cause of a shareholders' meeting and the date of inauguration is specified, after the said re-election is completed, it is disallowed to change the date of inauguration through a motion from the floor or in other ways during the same meeting.

Article 15 The administrative staff in the shareholders' meeting shall wear proper ID or arm badge for identification.

The Chairman shall order the prefect team or the security guards to keep the venue of the meeting in order. In keeping order in the venue of the meeting, the proctors or the security guards shall wear arm badge inscribed with the wording of "Proctor" or ID badge.

If the meeting room is equipped with a loudspeaker system, the Chairman shall stop any shareholder electing to use equipment not installed by the Company for delivering speeches.

If specific shareholder acts in defiance of the procedure for the meeting that interfere the progress of the meeting and insubordinate to the instruction of the Chairman, the Chairman shall order the proctors or the security guards to escort the shareholder out of the meeting room.

Article 16 The Company shall keep the minutes of the meeting by voice recording or videotaping, and retain the record for at least 1 year. If there is legal action instated against the Company by the shareholders pursuant to Article 189 of the Company Act, related records shall be retained until the final ruling of the action.

Article 17 The Chairman shall appoint monitors to witness the voting and count the ballots and such personnel must be shareholders. The result of the voting shall be announced on the scene and tracked on record.

Article 18 These Rules shall be subject to the resolution of the General Meeting of Shareholders for coming into effect. The same procedure is applicable to any amendment thereto.

Capital Securities Corporation

Procedures for Election of Directors

Appendix 3

Date of establishment: February 23, 1995

Amendment for the 1st instance: May 15, 2002

Amendment for the 2nd instance: June 9, 2006

Amendment for the 3rd instance: June 27, 2012

Amendment for the 4th instance: June 27, 2016

Amendment for the 5th instance: July 14, 2021

Article 1 The election of directors of the Company shall be conducted in accordance with these Procedures in addition to the applicable provisions of the Company Act, the Securities and Exchange Act, and the Company's Articles of Incorporation.

Article 2 The appointment of directors shall take into consideration the overall composition of the Board. Members of the Board shall generally possess the knowledge, skills, and character necessary to perform their duties. The Board as a whole shall possess the following capabilities:

1. Business judgment;
2. Accounting and financial analysis;
3. Management administration;
4. Crisis management;
5. Industry knowledge;
6. Understanding of international markets;
7. Leadership;
8. Decision-making capability.

More than half of the members of the Board shall not have spousal or second-degree familial relationships with one another.

Article 3 The qualifications of the Company's independent directors shall comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of the Company's independent directors shall be conducted in accordance with Articles 5 through 9 of the same regulations and shall follow the candidate nomination procedures set forth in Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Article 192-1 of the "Company Act".

Article 4 Candidates for both directors and independent directors who meet the qualifications stated in Articles 2 and 3 shall be elected at the shareholders' meeting.

The election shall adopt a cumulative voting system with ballots bearing the names of candidates. Each share shall carry voting rights equal to the number of directors to be elected, and the votes may be cast for a single candidate or distributed among multiple candidates. The candidates who receive the most votes shall be elected as directors.

Independent and non-independent directors shall be elected together, with the number of seats calculated separately.

- Article 5 The Company shall prepare ballots in a quantity equal to the number of directors to be elected, indicating the number of votes each ballot carries, and shall distribute them to the shareholders present at the shareholders' meeting. The voter's name may be represented by the number printed on their attendance certificate.
- Article 6 The number of independent and non-independent directors elected shall be in accordance with the quotas specified in the Company's Articles of Incorporation. Voting results shall be calculated separately for independent and non-independent directors, and candidates receiving the highest number of votes shall be elected in descending order. In the event two or more candidates receive the same number of votes and the number of such candidates exceeds the number of positions available, the winners shall be determined by drawing lots. If any such candidate is absent, the chairperson shall draw the lot on their behalf.
- Article 7 Before the commencement of the election, the chairperson shall appoint scrutineers and vote counters to oversee the election and tally the votes. However, scrutineers must be shareholders. The ballot boxes shall be prepared by the Company and shall be publicly inspected by the scrutineers before voting begins.
- Article 8 Voters shall write the name of the candidate in the "Candidate" field of the ballot. If the candidate is the government or a juristic person shareholder, the "Candidate" field shall state the name of the government agency or juristic person, or may state both the name of the government or juristic person and its representative. If there are multiple representatives, each representative's name shall be stated individually.
- Article 9 A ballot is considered invalid in any of the following circumstances:
1. The ballot is not prepared by the convener.
 2. A blank ballot is cast into the ballot box.
 3. The writing is illegible, altered, or cannot be verified.
 4. The candidate listed does not match the official list of director candidates.
 5. The ballot contains additional writing beyond the candidate's name or company name.
 6. More than one candidate is listed on a single ballot.
- Article 10 Vote counting shall be conducted under the supervision of the scrutineers, and the chairperson shall announce the list of elected directors and independent directors on the spot.
- Article 11 The Company's Board of Directors shall issue notifications of election results to those elected as directors and independent directors.
- Article 12 If, due to dismissal or other reasons, the number of directors falls below five, the Company shall hold a by-election at the next shareholders' meeting. However, if the number of vacancies reaches one-third of the number of directors specified in the Articles of Incorporation, an extraordinary shareholders' meeting shall be convened within 60 days from the date the vacancy occurred to hold a by-election.
- If the number of independent directors falls below the minimum required under Article 14-2, Paragraph 1 of the Securities and Exchange Act or the relevant provisions of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within 60 days from the date the vacancies occurred to hold a by-election.
- Article 13 These Procedures shall take effect upon approval by the shareholders' meeting. Amendments shall follow the same procedure.

Capital Securities Corporation

Shareholdings of All Directors

Book closure date: March 30, 2025

Title	Name	Shareholdings as of book closure date	Shareholding ratio (%)
Director	Tai He Real Estate Management Co., Ltd. Representative: Chou, Hsiu-Chen	1,885,766	0.09%
Director	Yin Feng Enterprise Co., Ltd. Representative: Lee, Wen-Chu	8,040,015	0.37%
Director	Yin Feng Enterprise Co., Ltd. Representative: Liu, Ching-Tsun	8,040,015	0.37%
Director	Yin Feng Enterprise Co., Ltd. Representative: Fu, Chien-Yi	8,040,015	0.37%
Director	Hung Lung Enterprise Co., Ltd. Representative: Lin, Tzu-Yi	50,871,288	2.34%
Director	Hung Lung Enterprise Co., Ltd. Representative: Tsai, I-Ching	50,871,288	2.34%
Director	Hung Lung Enterprise Co., Ltd. Representative: Chu, Shu-Er	50,871,288	2.34%
Director	Kwang Hsing Industrial Co., Ltd. Representative: Chang, Yi-Ping	9,910,253	0.46%
Independent Director	Shea, Jia-Dong	0	0.00%
Independent Director	Lee, Shen-Yi	0	0.00%
Independent Director	Lin, Tsalm-Hsiang	0	0.00%

Note:

1. The (12th-term) Directors were elected on June 27, 2022 for a term of three years.
2. Paid-in capital of the Company 2,170,908,097 shares.
3. Minimum statutory shareholding of all Directors: 52,101,794 shares
4. Shareholdings of all Directors as of book-close date: 70,707,322 shares