

**CAPITAL FUTURES CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Six Months Ended June 30, 2024 and 2023**

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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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12~43
(7) Related-party transactions	43~49
(8) Pledged assets	49
(9) Significant commitments and contingencies	49
(10) Losses due to major disasters	49
(11) Significant subsequent events	49
(12) Derivative instrument transactions	50~54
(13) Restrictions and enforcement of the Company's various financial ratios under Futures Trading Act	55
(14) Specific inherent risks in operating as futures dealer	55
(15) Other	55
(16) Other disclosures	
(a) Information on significant transactions	56~57
(b) Information on investees	57
(c) Information on overseas branches and representative offices	58
(d) Information on investment in Mainland China	58
(e) Major shareholders	58
(17) Segment information	59~60



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Independent Auditors' Report

To the Board of Directors of Capital Futures Corporation

Opinion

We have audited the consolidated financial statements of Capital Futures Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of June 30, 2024, December 31, and June 30, 2023, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024, December 31, and June 30, 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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. 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 consolidated financial statements of the current period. 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:

Brokerage fee revenue recognized:

Related accounting policies of brokerage fee revenue recognized, please refer to Note 4(n) revenue recognition of the consolidated financial statements for the year ended December 31, 2023. Explanation of brokerage fee revenue, please refer to the consolidated financial report Note 6(m)(i) comprehensive income statement brokerage fee revenue.

Explanation of key audit matters:

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

Audit procedures in response:

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

Other Matter

Capital Futures Corporation has prepared its parent-company-only financial statements as of and for the six months ended June 30, 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditors' 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)

August 22, 2024

Notes to Readers

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

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****June 30, 2024, December 31, 2023, and June 30, 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
111100	Cash and cash equivalents (Note 6(a))	\$ 4,425,770	8	5,741,152	12	4,969,283	10	212000	Financial liabilities at fair value through profit or loss-current (Note 6(b))	\$ 200,220	-	226,781	1	123,563	-
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	1,942,386	3	831,998	2	1,219,156	3	214080	Futures traders' equity (Note 6(e))	49,375,037	84	40,522,584	82	41,601,302	83
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))	12,996	-	13,243	-	14,459	-	214100	Leverage contract trading - customers' equity	879,193	2	733,533	2	856,723	2
114010	Bonds purchased under resale agreements (Note 6(b))	247,884	1	91,634	-	44,294	-	214130	Accounts payable	82,913	-	116,674	-	128,921	-
114070	Customers margin accounts (Note 6(e))	49,566,504	84	40,635,089	82	41,793,943	83	214140	Accounts payable- related parties (Note 7)	12,500	-	8,956	-	10,836	-
114080	Receivable - futures margin (Note 6(f))	1	-	-	-	5	-	214150	Advance receipts	3,045	-	1,970	-	1,780	-
114090	Security borrowing collateral price	9,002	-	117,392	-	31,707	-	214160	Receipts under custody	8,958	-	4,992	-	5,776	-
114100	Security borrowing margin	-	-	88,680	-	45,573	-	214170	Other payables	909,782	2	218,121	-	792,838	2
114130	Accounts receivable	80,549	-	43,577	-	27,289	-	214180	Other payables- related parties (Note 7)	218	-	860	-	878	-
114140	Accounts receivable- related parties (Note 7)	2,107	-	1,118	-	1,241	-	214600	Current income tax liabilities	102,723	-	162,937	-	80,521	-
114150	Prepayments	19,922	-	18,394	-	102,589	-	215100	Provisions- current	7,624	-	7,601	-	6,834	-
114170	Other receivables	783,433	1	108,385	-	578,329	1	216000	Lease liabilities- current (Note 6(h))	30,607	-	33,102	-	16,097	-
114180	Other receivables- related parties (Note 7)	4,865	-	4,977	-	5,853	-	219000	Other current liabilities	20,076	-	38,975	-	20,645	-
114300	Leverage contract trading-customers' margin accounts	859,417	2	712,455	2	856,783	2		Non-current liabilities:						
114600	Current income tax assets	235	-	176	-	226	-	226000	Lease liabilities- non-current (Note 6(h))	43,027	-	56,398	-	30,218	-
		<u>57,955,071</u>	<u>99</u>	<u>48,408,270</u>	<u>98</u>	<u>49,690,730</u>	<u>99</u>	228000	Deferred income tax liabilities	40,142	-	30,231	-	45,160	-
										<u>83,169</u>	<u>-</u>	<u>86,629</u>	<u>-</u>	<u>75,378</u>	<u>-</u>
Non-current assets:									Total liabilities	<u>51,716,065</u>	<u>88</u>	<u>42,163,715</u>	<u>85</u>	<u>43,722,092</u>	<u>87</u>
123200	Financial assets at fair value through other comprehensive income- non- current (Note 6(b))	129,180	-	130,833	-	116,907	-		Equity attributable to owners of parent:						
125000	Property and equipment (Note 6(c))	134,310	-	134,775	1	39,041	-	301010	Common stock (Note 6(k))	2,104,376	4	2,104,376	4	2,104,376	4
125800	Right-of-use assets (Note 6(d))	73,270	-	89,382	-	46,017	-	302000	Capital surplus (Note 6(k))	1,663,253	3	1,663,251	4	1,663,251	3
127000	Intangible assets (Note 6(g))	60,695	-	59,972	-	60,044	-	304010	Legal reserve	858,368	1	757,377	2	757,377	2
129000	Other non-current assets	484,806	1	516,861	1	425,729	1	304020	Special reserve	1,835,077	3	1,650,772	3	1,650,772	3
		<u>882,261</u>	<u>1</u>	<u>931,823</u>	<u>2</u>	<u>687,738</u>	<u>1</u>	304040	Unappropriated earnings (Note 6(k))	610,215	1	1,010,085	2	491,615	1
								305000	Other equity	46,360	-	(12,412)	-	(13,619)	-
									Total equity attributable to owners of parent	<u>7,117,649</u>	<u>12</u>	<u>7,173,449</u>	<u>15</u>	<u>6,653,772</u>	<u>13</u>
								306000	Non-controlling interests	3,618	-	2,929	-	2,604	-
906001	Total assets	<u>\$ 58,837,332</u>	<u>100</u>	<u>49,340,093</u>	<u>100</u>	<u>50,378,468</u>	<u>100</u>	906004	Total equity	<u>7,121,267</u>	<u>12</u>	<u>7,176,378</u>	<u>15</u>	<u>6,656,376</u>	<u>13</u>
								906002	Total liabilities and equity	<u>\$ 58,837,332</u>	<u>100</u>	<u>49,340,093</u>	<u>100</u>	<u>50,378,468</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

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

	For the three months ended June 30,				For the six months ended June 30,				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
Income:									
401000	Brokerage fee revenue (Note 6(m))	\$ 507,507	79	374,904	94	923,275	76	802,204	87
410000	Net gains (losses) on sale of trading securities	44,220	7	14,127	3	80,753	7	15,042	2
421300	Dividend revenue	2,899	1	82,628	21	3,969	-	82,752	9
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	(11,624)	(2)	(52,908)	(13)	30,831	3	(53,570)	(6)
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	11,011	2	(25,077)	(6)	23,683	2	(80,208)	(9)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	(4,505)	(1)	(213)	-	(848)	-	(20,339)	(2)
424100	Futures commission revenue (Note 6(m))	73,559	11	67,038	17	162,403	13	121,332	13
424200	Securities commission revenue	4,729	1	3,192	1	8,473	1	5,940	1
424400	Net gains (losses) on derivative instruments- futures (Note 6(m))	(13,753)	(2)	(100,477)	(25)	(81,396)	(7)	(13,976)	(2)
424500	Net gains (losses) on derivative instruments - OTC (Note 6(m))	24,494	4	30,197	7	51,574	4	52,767	6
424800	Management fee revenue	1,693	-	723	-	3,032	-	1,164	-
424900	Consulting fee revenue	1,809	-	1,584	-	3,220	-	3,832	-
428000	Other operating revenue	2,130	-	4,044	1	4,688	1	5,980	1
		<u>644,169</u>	<u>100</u>	<u>399,762</u>	<u>100</u>	<u>1,213,657</u>	<u>100</u>	<u>922,920</u>	<u>100</u>
Expenses:									
501000	Brokerage fees	98,037	15	68,294	17	192,035	16	130,102	14
502000	Brokerage fees - proprietary trading	2,289	-	1,216	-	3,481	-	3,391	1
521200	Financial costs	17,983	3	11,684	3	30,183	3	19,482	2
425300	Expected credit impairment losses and reversal gains (Note 6(n))	(70)	-	(76)	-	(138)	-	(151)	-
524100	Futures commission expenses (Note 6(m))	125,438	19	101,583	25	234,909	19	210,609	23
524300	Clearing and settlement expenses	55,856	9	38,426	10	100,336	8	76,075	8
528000	Other operating expenditure	1,536	-	1,672	-	3,203	-	3,223	-
531000	Employee benefit expenses (Note 6(m))	170,842	26	149,028	37	341,984	28	302,061	33
532000	Depreciation and amortization expenses (Note 6(m))	18,985	3	14,508	4	37,858	3	27,862	3
533000	Other operating expenses (Note 6(m))	139,438	23	114,251	29	272,633	23	228,475	25
		<u>630,334</u>	<u>98</u>	<u>500,586</u>	<u>125</u>	<u>1,216,484</u>	<u>100</u>	<u>1,001,129</u>	<u>109</u>
	Net operating income (loss)	<u>13,835</u>	<u>2</u>	<u>(100,824)</u>	<u>(25)</u>	<u>(2,827)</u>	<u>-</u>	<u>(78,209)</u>	<u>(9)</u>
Non-operating income and expenses:									
602000	Other gains and losses (Note 6(m))	404,064	63	413,200	103	754,600	62	697,688	76
		<u>404,064</u>	<u>63</u>	<u>413,200</u>	<u>103</u>	<u>754,600</u>	<u>62</u>	<u>697,688</u>	<u>76</u>
902001	Net income before income tax	417,899	65	312,376	78	751,773	62	619,479	67
701000	Less: Income tax expenses (Note 6(j))	75,840	12	62,744	16	141,838	12	128,136	14
	Net income	<u>342,059</u>	<u>53</u>	<u>249,632</u>	<u>62</u>	<u>609,935</u>	<u>50</u>	<u>491,343</u>	<u>53</u>
Other comprehensive income:									
805500	Components that may not be reclassified subsequently to profit or loss:								
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(9,507)	(2)	1,375	-	(1,900)	-	8,645	1
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Subtotal of components that may not be reclassified subsequently into profit or loss	<u>(9,507)</u>	<u>(2)</u>	<u>1,375</u>	<u>-</u>	<u>(1,900)</u>	<u>-</u>	<u>8,645</u>	<u>1</u>
805600	Components that may be reclassified subsequently to profit or loss:								
805610	Exchange differences on translation of foreign operations	17,970	3	23,179	6	60,757	5	8,397	1
805699	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Subtotal of components that may be reclassified subsequently to profit or loss	<u>17,970</u>	<u>3</u>	<u>23,179</u>	<u>6</u>	<u>60,757</u>	<u>5</u>	<u>8,397</u>	<u>1</u>
805000	Other comprehensive income	<u>8,463</u>	<u>1</u>	<u>24,554</u>	<u>6</u>	<u>58,857</u>	<u>5</u>	<u>17,042</u>	<u>2</u>
902006	Total comprehensive income	<u>\$ 350,522</u>	<u>54</u>	<u>274,186</u>	<u>68</u>	<u>668,792</u>	<u>55</u>	<u>508,385</u>	<u>55</u>
Net income attributable to:									
913100	Shareholders of the parent	\$ 342,155	53	249,330	62	609,331	50	490,792	53
913200	Non-controlling interests	(96)	-	302	-	604	-	551	-
		<u>\$ 342,059</u>	<u>53</u>	<u>249,632</u>	<u>62</u>	<u>609,935</u>	<u>50</u>	<u>491,343</u>	<u>53</u>
Comprehensive income attributable to:									
914100	Shareholders of the parent	\$ 350,590	54	273,967	68	668,103	55	507,906	55
914200	Non-controlling interests	(68)	-	219	-	689	-	479	-
		<u>\$ 350,522</u>	<u>54</u>	<u>274,186</u>	<u>68</u>	<u>668,792</u>	<u>55</u>	<u>508,385</u>	<u>55</u>
975000	Basic earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.63</u>		<u>1.18</u>		<u>2.90</u>		<u>2.33</u>	
985000	Diluted earnings per share (NT dollars) (Note 6(l))	<u>\$ 1.62</u>		<u>1.18</u>		<u>2.89</u>		<u>2.33</u>	

See accompanying notes to consolidated financial statements.

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

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

	Equity attributable to owners of parent									Non-controlling interests	Total equity	
	Stock					Retained earnings						Other equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent				
Balance at January 1, 2023	\$ 2,104,376	1,663,251	678,939	1,579,617	785,292	(23,060)	(7,027)	6,781,388	2,125	6,783,513		
Net income for the six months ended June 30, 2023	-	-	-	-	490,792	-	-	490,792	551	491,343		
Other comprehensive income	-	-	-	-	-	8,469	8,645	17,114	(72)	17,042		
Total comprehensive income	-	-	-	-	490,792	8,469	8,645	507,906	479	508,385		
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	78,438	-	(78,438)	-	-	-	-	-		
Special reserve	-	-	-	156,874	(156,874)	-	-	-	-	-		
Cash dividends	-	-	-	-	(635,522)	-	-	(635,522)	-	(635,522)		
Reversal of special reserve for the contra equity account	-	-	-	(85,719)	85,719	-	-	-	-	-		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	646	-	(646)	-	-	-		
Balance at June 30, 2023	\$ 2,104,376	1,663,251	757,377	1,650,772	491,615	(14,591)	972	6,653,772	2,604	6,656,376		
Balance at January 1, 2024	\$ 2,104,376	1,663,251	757,377	1,650,772	1,010,085	(26,094)	13,682	7,173,449	2,929	7,176,378		
Net income for the six months ended June 30, 2024	-	-	-	-	609,331	-	-	609,331	604	609,935		
Other comprehensive income	-	-	-	-	-	60,672	(1,900)	58,772	85	58,857		
Total comprehensive income	-	-	-	-	609,331	60,672	(1,900)	668,103	689	668,792		
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	100,991	-	(100,991)	-	-	-	-	-		
Special reserve	-	-	-	201,981	(201,981)	-	-	-	-	-		
Cash dividends	-	-	-	-	(723,905)	-	-	(723,905)	-	(723,905)		
Reversal of special reserve for the contra equity account	-	-	-	(17,676)	17,676	-	-	-	-	-		
Right of inclusion options exercised	-	2	-	-	-	-	-	2	-	2		
Balance at June 30, 2024	\$ 2,104,376	1,663,253	858,368	1,835,077	610,215	34,578	11,782	7,117,649	3,618	7,121,267		

See accompanying notes to consolidated financial statements.

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

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

	For the six months ended June 30,	
	2024	2023
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 751,773	619,479
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	34,630	25,219
Amortization expense	3,228	2,643
Expected credit impairment reversal gain	(138)	(151)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(98,725)	203,122
Interest expense	30,183	19,482
Interest income (including financial income)	(675,998)	(564,532)
Dividend revenue	(9,217)	(306,918)
Impairment loss	2,605	2,231
Total adjustments to reconcile profit (loss)	<u>(713,432)</u>	<u>(618,904)</u>
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(1,010,815)	(827,148)
Increase in bond purchased under resale agreements	(156,250)	(1,128)
Increase in customer margin accounts	(8,931,415)	(541,318)
Decrease in receivable-futures margin	137	153
Increase in leverage contract trading - customer's margin accounts	(146,962)	(762)
Decrease in security borrowing margin	88,680	822,864
Decrease in security borrowing collateral price	108,390	441,838
Increase in accounts receivable	(36,972)	(16,737)
Increase in accounts receivable - related parties	(989)	(357)
Decrease (increase) in prepayments	1,842	(5,123)
Increase in other receivables	(665,792)	(54,894)
Decrease in other receivables- related parties	129	1,561
Increase in net defined benefit asset	(125)	(1,319)
Decrease (increase) in clearing and settlement fund	32,670	(58,221)
Increase in refundable deposits	(490)	(1,067)
Decrease in financial liabilities at fair value through profit or loss	(27,409)	(741,661)
Increase in futures traders' equity	8,852,453	514,177
Increase in leverage contract trading - customer's equity	145,660	6,836
(Decrease) increase in accounts payable	(33,761)	76,572
Increase (decrease) in accounts payable - related parties	3,544	(1,925)
Increase (decrease) in advance receipts	1,075	(435)
Increase in receipts under custody	3,966	580
Decrease in other payables	(32,191)	(66,081)
Increase (decrease) in other payables - related parties	1,015	(2,383)
Increase in provisions for liabilities	23	795
(Decrease) increase in other current liabilities	(18,899)	6,894
Total changes in operating assets and liabilities	<u>(1,822,486)</u>	<u>(448,289)</u>
Total adjustments	<u>(2,535,918)</u>	<u>(1,067,193)</u>
Cash outflow generated from operations	(1,784,145)	(447,714)
Interest received	667,801	554,778
Dividends received	8,141	979
Interest paid	(32,061)	(20,645)
Income taxes paid	(192,141)	(123,231)
Net cash flows used in operating activities	<u>(1,332,405)</u>	<u>(35,833)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(114,382)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	36,610
Acquisition of property and equipment	(16,408)	(7,104)
Proceeds from disposal of property and equipment	110	-
Acquisition of intangible assets	(6,437)	(3,272)
Increase in prepayments for business facilities	(4,000)	(57,780)
Net cash flows used in investing activities	<u>(26,735)</u>	<u>(145,928)</u>
Cash flows from (used in) financing activities:		
Payments of lease liabilities	(16,563)	(14,188)
Proceeds from right of inclusion options exercised	2	-
Net cash flows used in financing activities	<u>(16,561)</u>	<u>(14,188)</u>
Effect of exchange rate changes on cash and cash equivalents	60,319	8,350
Net decrease in cash and cash equivalents	(1,315,382)	(187,599)
Cash and cash equivalents at beginning of period	5,741,152	5,156,882
Cash and cash equivalents at end of period	<u>\$ 4,425,770</u>	<u>4,969,283</u>

See accompanying notes to consolidated financial statements.

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

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

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

(1) Company history

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

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on August 22, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

(4) Summary of material accounting policies:

(a) Statement of compliance

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial report are as follows:

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

(d) Employee benefits

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Income tax

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

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

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

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

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

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

(6) Explanation of significant accounts:

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

(a) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash	\$ 151	252	148
Demand deposits	370,979	394,140	669,982
Time deposits	3,044,000	3,976,496	3,051,397
Futures margin- excess margin	736,767	1,121,187	930,765
Commercial paper	<u>273,873</u>	<u>249,077</u>	<u>316,991</u>
Total	<u>\$ 4,425,770</u>	<u>5,741,152</u>	<u>4,969,283</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Open-ended funds and money-market instruments	\$ 120,000	30,000	20,000
Open-ended funds and money-market instruments valuation adjustment	4,369	263	233
Trading securities- proprietary trading	1,078,722	325,193	882,382
Trading securities- proprietary trading valuation adjustment	118,217	21,701	(184,906)
Securities invested by securities broker	-	6,314	27,345
Securities invested by securities broker valuation adjustment	-	7	1,623
Call options- non-hedging	200,351	194,196	103,947
Futures margin- proprietary fund- non-hedging	198,610	87,763	139,691
Leverage derivatives- non-hedging	208,925	150,671	215,263
Equity derivatives- non-hedging	<u>13,192</u>	<u>15,890</u>	<u>13,578</u>
Total	<u>\$ 1,942,386</u>	<u>831,998</u>	<u>1,219,156</u>

If there is an increase in the securities price of 1% on the reporting date (assume that all other variables remained constantly), the impact on after-tax comprehensive income for the six months ended June 30, 2024 and 2023, will increase \$13,213 and \$7,467, respectively. Conversely, if there is a decrease in the securities price of 1% on the reporting date based on all other variables remained constantly, there will be the same amount but opposite direction of influence.

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	15,893
Valuation adjustment	<u>(2,897)</u>	<u>(2,650)</u>	<u>(1,434)</u>
Total	<u>\$ 12,996</u>	<u>13,243</u>	<u>14,459</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

During the three months and six months ended June 30, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Group sold shares of stocks for a fair value \$0, \$25,420, \$0 and \$36,610, respectively, and cumulative dispose gains for the three months and six months ended June 30, 2024 and 2023, amounted to \$0, \$457, \$0 and \$646, respectively, were transferred from other equity items to retained earnings.

(iii) Bonds purchased under resale agreements

	June 30, 2024	December 31, 2023	June 30, 2023
Bonds purchased under resale agreements	<u>\$ 247,884</u>	<u>91,634</u>	<u>44,294</u>
Resale price under the agreements	<u>\$ 247,943</u>	<u>91,670</u>	<u>44,318</u>
Interest rates	<u>1.00%~1.10%</u>	<u>0.95%~1.00%</u>	<u>0.85%</u>
Date of repurchase	<u>2024.07.01~2024.07.12</u>	<u>2024.01.02~2024.01.12</u>	<u>2023.07.03~2023.07.14</u>

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

Equity instruments at fair value through other comprehensive income:

Investee Company	June 30, 2024		December 31, 2023		June 30, 2023	
	Ownership ratio	Amount	Ownership ratio	Amount	Ownership ratio	Amount
Taiwan Futures Exchange Co., Ltd	0.0042 %	\$ 1,587	0.0042 %	1,504	0.0042 %	1,509
CME Group	0.0056 %	<u>127,593</u>	0.0056 %	<u>129,329</u>	0.0056 %	<u>115,398</u>
Total		<u>\$ 129,180</u>		<u>130,833</u>		<u>116,907</u>

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

During the three months and six months ended June 30, 2024 and 2023, the dividends of \$564, \$531, \$1,072 and \$543, related to equity investments at fair value through other comprehensive income held on June 30, 2024 and 2023, respectively, were recognized. No strategic investments were disposed of during the three months and six months ended June 30, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Put options - non-hedging	\$ 169,494	82,162	71,939
Liabilities on sale of borrowed securities - non-hedging	9,035	129,773	47,537
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	285	(562)	1,044
Leverage derivatives- non-hedging	21,406	15,402	2,932
Equity derivatives- non-hedging	-	6	111
Total	<u>\$ 200,220</u>	<u>226,781</u>	<u>123,563</u>

(c) Property and equipment

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

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 212,007	16,410	228,417
Additions	16,078	330	16,408
Transfer from prepayments for business facilities	630	-	630
Disposal	(156)	-	(156)
Effect of exchange rate changes	2,672	199	2,871
Balance at June 30, 2024	<u>\$ 231,231</u>	<u>16,939</u>	<u>248,170</u>
Balance at January 1, 2023	\$ 134,820	11,132	145,952
Additions	6,875	229	7,104
Effect of exchange rate changes	198	25	223
Balance at June 30, 2023	<u>\$ 141,893</u>	<u>11,386</u>	<u>153,279</u>
Accumulated depreciation:			
Balance at January 1, 2024	\$ 85,997	7,645	93,642
Depreciation	15,759	1,898	17,657
Disposal	(46)	-	(46)
Effect of exchange rate changes	2,492	115	2,607
Balance at June 30, 2024	<u>\$ 104,202</u>	<u>9,658</u>	<u>113,860</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Balance at January 1, 2023	\$ 97,369	5,859	103,228
Depreciation	9,678	1,163	10,841
Effect of exchange rate changes	<u>165</u>	<u>4</u>	<u>169</u>
Balance at June 30, 2023	<u>\$ 107,212</u>	<u>7,026</u>	<u>114,238</u>
Carrying amounts:			
Balance at January 1, 2024	<u>\$ 126,010</u>	<u>8,765</u>	<u>134,775</u>
Balance at June 30, 2024	<u>\$ 127,029</u>	<u>7,281</u>	<u>134,310</u>
Balance at June 30, 2023	<u>\$ 34,681</u>	<u>4,360</u>	<u>39,041</u>

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

(d) Right-of-use assets

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

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 111,026	9,273	120,299
Additions	-	479	479
Derecognition	(557)	-	(557)
Effect of exchange rate changes	<u>1,094</u>	<u>-</u>	<u>1,094</u>
Balance at June 30, 2024	<u>\$ 111,563</u>	<u>9,752</u>	<u>121,315</u>
Balance at January 1, 2023	\$ 90,880	9,895	100,775
Additions	23,440	-	23,440
Effect of exchange rate changes	<u>42</u>	<u>-</u>	<u>42</u>
Balance at June 30, 2023	<u>\$ 114,362</u>	<u>9,895</u>	<u>124,257</u>
Accumulated depreciation:			
Balance at January 1, 2024	\$ 27,047	3,870	30,917
Depreciation	15,495	1,478	16,973
Derecognition	(557)	-	(557)
Effect of exchange rate changes	<u>712</u>	<u>-</u>	<u>712</u>
Balance at June 30, 2024	<u>\$ 42,697</u>	<u>5,348</u>	<u>48,045</u>
Balance at January 1, 2023	\$ 58,090	5,737	63,827
Depreciation	13,195	1,183	14,378
Effect of exchange rate changes	<u>35</u>	<u>-</u>	<u>35</u>
Balance at June 30, 2023	<u>\$ 71,320</u>	<u>6,920</u>	<u>78,240</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2024	\$ <u>83,979</u>	<u>5,403</u>	<u>89,382</u>
Balance at June 30, 2024	\$ <u>68,866</u>	<u>4,404</u>	<u>73,270</u>
Balance at June 30, 2023	\$ <u>43,042</u>	<u>2,975</u>	<u>46,017</u>

(e) Customers margin accounts/futures traders' equity

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Customers margin accounts			
Cash in bank	\$ 35,468,786	28,274,910	30,371,542
Balance of the futures clearing house	12,847,680	7,039,533	5,712,652
Balance of other futures commission merchants	989,125	5,319,585	5,708,970
Marketable securities	<u>260,913</u>	<u>1,061</u>	<u>779</u>
Balance of customers margin accounts	<u>49,566,504</u>	<u>40,635,089</u>	<u>41,793,943</u>
Plus adjustment items:			
Commission cost	5,377	3,335	4,377
Others	116	-	-
Deduction adjustment items:			
Brokerage fee revenue	(20,449)	(11,190)	(17,160)
Futures transaction tax	(4,879)	(1,544)	(2,116)
Interest income	(2,898)	(3,202)	(11,104)
Temporary credits	(1,546)	(812)	(762)
Remittance amount of the customers after the market closed	(17,307)	(37,268)	(18,825)
Other receivables	(149,881)	(61,788)	(146,804)
Others	-	(36)	(247)
Balance of futures traders' equity	<u>\$ 49,375,037</u>	<u>40,522,584</u>	<u>41,601,302</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Receivable - futures margin

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Receivable - futures margin - current	\$ 374	373	378
Less: Loss allowance	<u>373</u>	<u>373</u>	<u>373</u>
Subtotal	<u>1</u>	<u>-</u>	<u>5</u>
Receivable - futures margin - non-current	5,946	6,084	6,232
Less: Loss allowance	<u>5,946</u>	<u>6,084</u>	<u>6,232</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1</u>	<u>-</u>	<u>5</u>

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

	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Balance on January 1	\$ 6,457	6,756
Impairment losses recognized (reversed)	<u>(138)</u>	<u>(151)</u>
Balance on June 30	<u>\$ 6,319</u>	<u>6,605</u>

(g) Intangible assets

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

	<u>Goodwill (Note2)</u>	<u>The seats of foreign futures exchanges (Note1)</u>	<u>Computer software</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 22,088	50,563	18,186	90,837
Additions	-	-	6,437	6,437
Effect of exchange rate changes	<u>-</u>	<u>362</u>	<u>112</u>	<u>474</u>
Balance at June 30, 2024	<u>\$ 22,088</u>	<u>50,925</u>	<u>24,735</u>	<u>97,748</u>
Balance at January 1, 2023	\$ 22,088	50,577	16,625	89,290
Additions	-	-	3,272	3,272
Effect of exchange rate changes	<u>-</u>	<u>58</u>	<u>(120)</u>	<u>(62)</u>
Balance at June 30, 2023	<u>\$ 22,088</u>	<u>50,635</u>	<u>19,777</u>	<u>92,500</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Goodwill (Note2)</u>	<u>The seats of foreign futures exchanges (Note1)</u>	<u>Computer software</u>	<u>Total</u>
Amortization and impairment losses:				
Balance at January 1, 2024	\$ 15,584	4,289	10,992	30,865
Amortization	-	-	3,228	3,228
Impairment losses	2,605	-	-	2,605
Effect of exchange rate changes	-	249	106	355
Balance at June 30, 2024	<u>\$ 18,189</u>	<u>4,538</u>	<u>14,326</u>	<u>37,053</u>
Balance at January 1, 2023	\$ 10,957	4,299	12,394	27,650
Amortization	-	-	2,643	2,643
Impairment losses	2,231	-	-	2,231
Effect of exchange rate changes	-	39	(107)	(68)
Balance at June 30, 2023	<u>\$ 13,188</u>	<u>4,338</u>	<u>14,930</u>	<u>32,456</u>
Carrying value:				
Balance at January 1, 2024	<u>\$ 6,504</u>	<u>46,274</u>	<u>7,194</u>	<u>59,972</u>
Balance at June 30, 2024	<u>\$ 3,899</u>	<u>46,387</u>	<u>10,409</u>	<u>60,695</u>
Balance at June 30, 2023	<u>\$ 8,900</u>	<u>46,297</u>	<u>4,847</u>	<u>60,044</u>

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

2. The Group recognized an impairment loss of \$2,605 and \$2,231 for the six months ended June 30, 2024 and 2023, by using the discount rate of 3.95% and 4.20% on the basis of the future recoverable amount of sub-subsidiary from Mainland China.

(h) Lease liabilities

The Group's lease liabilities were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current	<u>\$ 30,607</u>	<u>33,102</u>	<u>16,097</u>
Non-current	<u>\$ 43,027</u>	<u>56,398</u>	<u>30,218</u>

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows :

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$ 402</u>	<u>140</u>	<u>845</u>	<u>265</u>
Expenses relating to short-term leases	<u>\$ 3,672</u>	<u>1,803</u>	<u>6,337</u>	<u>3,558</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	<u>\$ -</u>	<u>76</u>	<u>-</u>	<u>152</u>

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

	For the six months ended June 30,	
	2024	2023
Total cash outflow for leases	<u>\$ 23,745</u>	<u>18,163</u>

(i) Real estate leases

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

(ii) Other leases

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

(i) Employee benefits

(i) Defined benefit plans

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

The Group recognized expenses in profit or loss for the three months and six months ended June 30, 2024 and 2023 were \$(43), \$(639), \$(86) and \$(1,278), respectively.

(ii) Defined contribution plans

The Group's expenses under the pension plan contributed to the Bureau of Labor Insurance for the three months and six months ended June 30, 2024 and 2023 were \$3,834, \$3,848, \$7,661 and \$7,681, respectively.

(iii) The pension costs of foreign subsidiaries in accordance with the local laws and regulations for the three months and six months ended June 30, 2024 and 2023 were \$1,080, \$860, \$2,030 and \$1,704, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Income taxes

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

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

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

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

(ii) Income tax expense

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Current income tax expense	\$ 71,927	56,709	131,927	120,804
Deferred income tax expense	3,913	6,035	9,911	7,332
Total	<u>\$ 75,840</u>	<u>62,744</u>	<u>141,838</u>	<u>128,136</u>

(iii) Income tax assessment status

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

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

(k) Capital and other equity

(i) Common stock

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

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

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

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

(iii) Retained earnings

1) Legal reserve

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

2) Special reserve

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

3) Undistributed earnings

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

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Earnings per share

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

(i) Basic earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net income attributable to common shareholders of the Company	\$ 342,155	249,330	609,331	490,792
Weighted-average number of common stock shares outstanding (thousands of shares)	210,438	210,438	210,438	210,438
Basic earnings per share (NT dollars)	\$ 1.63	1.18	2.90	2.33

(ii) Diluted earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net income attributable to common shareholders of the Company	\$ 342,155	249,330	609,331	490,792
Weighted-average number of common stock shares outstanding (thousands of shares)	210,438	210,438	210,438	210,438
Effect of potentially dilutive common stock - Employee remuneration (thousands of shares)	161	201	269	314
Weighted-average outstanding shares of diluted earnings per share (thousands of shares)	210,599	210,639	210,707	210,752
Diluted earnings per share (NT dollars)	\$ 1.62	1.18	2.89	2.33

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Items of the statements of comprehensive income

(i) Brokerage fee revenue

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Consignment trading handling fee revenue- Domestic futures	\$ 289,472	191,146	509,403	375,858
Consignment trading handling fee revenue- Foreign futures	213,627	181,305	406,216	417,439
Consignment trading handling fee revenue- Leverage Exchange Agency Trading	4,408	2,453	7,656	8,907
	<u>\$ 507,507</u>	<u>374,904</u>	<u>923,275</u>	<u>802,204</u>

(ii) Futures commission revenue

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Futures commission revenue- CSC Futures (HK) Ltd.	\$ <u>73,559</u>	<u>67,038</u>	<u>162,403</u>	<u>121,332</u>

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

(iii) Net gains (losses) on derivative instruments

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Non-hedging				
Net gains (losses) on futures contracts				
Gains on futures contracts	\$ 139,917	296,770	299,807	510,818
Losses on futures contracts	(273,215)	(489,900)	(410,857)	(610,332)
	<u>\$ (133,298)</u>	<u>(193,130)</u>	<u>(111,050)</u>	<u>(99,514)</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net gains (losses) on option contracts				
Gains on option contracts	\$ 194,309	121,466	320,332	233,625
Losses on option contracts	(88,698)	(26,068)	(274,493)	(145,342)
	<u>\$ 105,611</u>	<u>95,398</u>	<u>45,839</u>	<u>88,283</u>
Net gains (losses) on leverage derivatives				
Gains on leverage derivatives	\$ 408,905	389,879	809,439	812,521
Losses on leverage derivatives	(386,173)	(361,215)	(761,894)	(763,618)
	<u>\$ 22,732</u>	<u>28,664</u>	<u>47,545</u>	<u>48,903</u>
Net gains (losses) on equity derivatives				
Gains on equity derivatives	\$ 26,548	28,116	54,340	91,206
Losses on equity derivatives	(24,786)	(26,583)	(50,311)	(87,342)
	<u>\$ 1,762</u>	<u>1,533</u>	<u>4,029</u>	<u>3,864</u>
Net gains (losses) on derivative financial instruments - overseas subsidiaries	<u>\$ 13,934</u>	<u>(2,745)</u>	<u>(16,185)</u>	<u>(2,745)</u>
Total gains on derivative financial instruments	\$ 769,679	836,231	1,483,918	1,648,170
Total losses on derivative financial instruments	(772,872)	(903,766)	(1,497,555)	(1,606,634)
Net gains (losses) on derivative financial instruments - overseas subsidiaries	13,934	(2,745)	(16,185)	(2,745)
	<u>\$ 10,741</u>	<u>(70,280)</u>	<u>(29,822)</u>	<u>38,791</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Futures commission expenses

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Re-consigned futures trading	\$ 63,080	52,033	122,987	118,315
Futures introducing broker business	41,087	31,221	74,187	63,807
Commission expenses - CSC Futures (HK) Ltd.	21,271	18,329	37,735	28,487
	<u>\$ 125,438</u>	<u>101,583</u>	<u>234,909</u>	<u>210,609</u>

(v) Employee benefit, depreciation and amortization expenses

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Employee benefit expenses				
Salary expense	\$ 153,855	135,190	307,149	272,289
Labor and health insurance expense	8,155	7,750	17,598	17,075
Pension expense	4,871	4,069	9,605	8,107
Others	3,961	2,019	7,632	4,590
Depreciation expense	17,324	12,881	34,630	25,219
Amortization expense	1,661	1,627	3,228	2,643
	<u>\$ 189,827</u>	<u>163,536</u>	<u>379,842</u>	<u>329,923</u>

(vi) Other operating expenses

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Postage expense	\$ 20,287	18,668	39,885	35,540
Taxes	32,299	20,236	60,153	42,342
Rental expense	3,698	1,904	6,389	3,754
Information technology expense	53,404	44,437	106,815	88,902
Professional service fee	2,982	3,190	4,962	6,667
Others	26,768	25,816	54,429	51,270
	<u>\$ 139,438</u>	<u>114,251</u>	<u>272,633</u>	<u>228,475</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Other gains and losses

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest income	\$ 352,929	287,403	675,998	564,532
Dividend income	3,915	224,027	5,248	224,166
Net gains (losses) on non-operating financial instruments at fair value through profit or loss	57,339	(130,941)	68,742	(129,213)
Net gains (losses) on foreign exchange	2,334	807	11,069	3,182
Net gains (losses) on disposal of investments	(13,819)	30,118	(9,243)	31,744
Other non-operating revenue - other	2,772	3,390	5,422	7,531
Other non-operating expense - other	(1,406)	(1,604)	(2,636)	(4,254)
	<u>\$ 404,064</u>	<u>413,200</u>	<u>754,600</u>	<u>697,688</u>

(viii) Remuneration to employees and directors

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

For the three months and six months ended June 30, 2024 and 2023, the estimated amounts of remuneration to employee were \$4,400, \$3,750, \$9,400 and \$8,370, and to directors by the Company were \$4,400, \$3,750, \$9,400 and \$8,370, respectively, which were calculated based on the Company's net profit before income tax and remuneration to employees and directors multiple the earnings allocation percentage as specified in the Company's articles. It was recognized as operating expense for the six months ended June 30, 2024 and 2023. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year. The difference is recognized as profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum credit exposure. As of June 30, 2024, December 31 and June 30, 2023 the maximum credit exposure amounted to \$57,224,947, \$48,573,263 and \$49,296,186, respectively.

2) Concentration of credit risk

The exposure of credit risk by geographic region in June 30, 2024 as shown in below, mainly focusing on Taiwan (accounted for 83.99%), secondly in Asia (accounted for 8.69% excluded Taiwan), thirdly in Europe (accounted for 6.84%). The proportion of investment by geographic region did not change significantly compared to the same period last year.

Area	June 30, 2024	December 31, 2023	June 30, 2023
Taiwan	\$ 48,061,774	39,189,289	39,867,716
Asia (excluded Taiwan)	4,970,621	5,207,358	8,521,679
North America	276,587	250,708	595,395
Europe	3,915,965	3,925,908	270,523
Oceania	-	-	40,873
Total	<u>\$ 57,224,947</u>	<u>48,573,263</u>	<u>49,296,186</u>

3) Impairment losses

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment	Gross carrying amount	Impairment
Current	\$ 877,274	6,319	164,514	6,457	619,322	6,605
Past due 0~30 days	-	-	-	-	-	-
Past due 31~120 days	-	-	-	-	-	-
Past due 121~360 days	-	-	-	-	-	-
Past due more than 360 days	-	-	-	-	-	-
	<u>\$ 877,274</u>	<u>6,319</u>	<u>164,514</u>	<u>6,457</u>	<u>619,322</u>	<u>6,605</u>

Allowance for doubtful debts under receivables is recorded for the bad debt expense or impairment losses. Where a claim becomes definitely uncollectible, the allowance for doubtful debts should be written off to financial assets account. As of June 30, 2024, December 31 and June 30, 2023, the loss allowance of receivables were recognized \$6,319, \$6,457 and \$6,605, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Credit risk of receivables

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

For the six months ended June 30, 2024						
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL - credit impaired			Total
			Accounts receivable	Receivable- futures margin	Other receivables	
Balance on January 1	\$ -	-	-	6,457	-	6,457
Reversal of impairment losses	-	-	-	(138)	-	(138)
Balance on June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,319</u>	<u>-</u>	<u>6,319</u>

For the six months ended June 30, 2023						
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL - credit impaired			Total
			Accounts receivable	Receivable- futures margin	Other receivables	
Balance on January 1	\$ -	-	-	6,756	-	6,756
Reversal of impairment losses	-	-	-	(151)	-	(151)
Balance on June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,605</u>	<u>-</u>	<u>6,605</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	Carrying amount	Contract cash flow	Within 6 months	6-12 months	1-2 year	2-5 year	More than 5 year
June 30, 2024							
Financial liabilities at fair value through profit or loss	\$ 200,220	200,220	200,220	-	-	-	-
Futures traders' equity	49,375,037	49,375,037	49,375,037	-	-	-	-
Leverage contract trading- customers' equity	879,193	879,193	879,193	-	-	-	-
Accounts payable	95,413	95,413	95,413	-	-	-	-
Receipts under custody	8,958	8,958	8,958	-	-	-	-
Other payables	910,000	910,000	910,000	-	-	-	-
Lease liabilities	73,634	75,853	17,186	16,023	28,408	14,236	-
	<u>\$ 51,542,455</u>	<u>51,544,674</u>	<u>51,486,007</u>	<u>16,023</u>	<u>28,408</u>	<u>14,236</u>	<u>-</u>
December 31, 2023							
Financial liabilities at fair value through profit or loss	\$ 226,781	226,781	226,781	-	-	-	-
Futures traders' equity	40,522,584	40,522,584	40,522,584	-	-	-	-
Leverage contract trading- customers' equity	733,533	733,533	733,533	-	-	-	-
Accounts payable	125,630	125,630	125,630	-	-	-	-
Receipts under custody	4,992	4,992	4,992	-	-	-	-
Other payables	218,981	218,981	218,981	-	-	-	-
Lease liabilities	89,500	92,897	17,811	16,973	29,804	28,309	-
	<u>\$ 41,922,001</u>	<u>41,925,398</u>	<u>41,850,312</u>	<u>16,973</u>	<u>29,804</u>	<u>28,309</u>	<u>-</u>
June 30, 2023							
Financial liabilities at fair value through profit or loss	\$ 123,563	123,563	123,563	-	-	-	-
Futures traders' equity	41,601,302	41,601,302	41,601,302	-	-	-	-
Leverage contract trading- customers' equity	856,723	856,723	856,723	-	-	-	-
Accounts payable	139,757	139,757	139,757	-	-	-	-
Receipts under custody	5,776	5,776	5,776	-	-	-	-
Other payables	793,716	793,716	793,716	-	-	-	-
Lease liabilities	46,315	48,436	9,548	7,500	10,407	20,981	-
	<u>\$ 43,567,152</u>	<u>43,569,273</u>	<u>43,530,385</u>	<u>7,500</u>	<u>10,407</u>	<u>20,981</u>	<u>-</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

June 30, 2024			
Financial assets	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Monetary items</u>			
USD	\$ 606,670,864.78	32.4500	19,686,470
EUR	11,673,044.05	34.7100	405,171
GBP	1,282,185.61	41.0400	52,621
JPY	1,188,982,217.00	0.2017	239,818
HKD	319,066,585.79	4.1550	1,325,722
AUD	2,397,674.59	21.5200	51,598
SGD	483,528.59	23.9200	11,566
KRW	153,349,086.21	0.0237	3,634
CNY	62,688,239.97	4.4450	278,649
MYR	980,189.67	6.5980	6,467
THB	4,200,645.86	0.8867	3,725
NZD	90,900.27	19.7000	1,791
CAD	6,123.18	23.6700	145
ZAR	2,891,375.08	1.7810	5,150
VND	3,395,786,250.00	0.0013	4,415
INR	33,522,199.09	0.3889	13,037
<u>Non-monetary items</u>			
USD	12,554,637.94	32.4500	407,398
GBP	2,916.95	41.0400	120
CNY	1,070,258.71	4.4450	4,757
CAD	918.76	23.6700	22
CHF	31,067.79	36.0600	1,120
ZAR	28,608.20	1.7810	51
INR	7,310,060.00	0.3889	2,843

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2024			
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 593,938,411.02	32.4500	19,273,301
EUR	11,599,668.10	34.7100	402,624
GBP	1,279,012.17	41.0400	52,491
JPY	1,201,024,393.08	0.2017	242,247
HKD	507,428,628.77	4.1550	2,108,366
AUD	2,332,743.55	21.5200	50,201
CHF	65,151.45	36.0600	2,349
SGD	533,598.03	23.9200	12,764
KRW	151,022,353.98	0.0237	3,579
CNY	55,810,641.41	4.4450	248,078
MYR	938,974.15	6.5980	6,195
THB	1,295,232.00	0.8867	1,148
NZD	3,388.72	19.7000	67
CAD	146.54	23.6700	3
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	572,444.27	32.4500	18,576
JPY	13,557,224.00	0.2017	2,735
AUD	785.08	21.5200	17
NZD	3,979.00	19.7000	78
SGD	8.04	23.9200	-

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2023		
	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 613,041,789.55	31.1400	19,090,121
EUR	11,527,423.84	33.8100	389,742
GBP	687,172.38	39.3800	27,061
JPY	1,896,197,245.00	0.2150	407,682
HKD	97,430,278.26	3.9740	387,188
AUD	543,587.08	20.6200	11,209
SGD	379,640.82	22.9600	8,717
KRW	3,635,187,374.00	0.0238	86,517
CNY	49,102,403.43	4.2820	210,256
MYR	1,259,697.73	6.3840	8,042
THB	4,254,196.86	0.8816	3,750
NZD	342,568.20	18.9600	6,495
ZAR	3,264,479.39	1.6490	5,383
VND	3,395,786,250.00	0.0013	4,415
<u>Non-monetary items</u>			
USD	12,572,721.35	31.1400	391,515
GBP	4,133.15	39.3800	163
AUD	5,196.65	20.6200	107
CNY	567,451.16	4.2820	2,430
NZD	26,205.31	18.9600	497

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2023			
<u>Financial liabilities</u>	Foreign currency (dollar)	Exchange rate	Thousands of New Taiwan Dollars
<u>Monetary items</u>			
USD	\$ 593,246,775.00	31.1400	18,473,705
EUR	11,349,339.32	33.8100	383,721
GBP	446,191.56	39.3800	17,571
JPY	1,922,219,358.08	0.2150	413,277
HKD	197,808,779.82	3.9740	786,092
AUD	680,590.40	20.6200	14,034
CHF	290,088.14	34.6000	10,037
SGD	257,590.82	22.9600	5,914
KRW	3,585,092,961.08	0.0238	85,325
CNY	37,221,332.22	4.2820	159,382
MYR	1,227,250.58	6.3840	7,835
THB	1,739,800.00	0.8816	1,534
NZD	2,178.58	18.9600	41
CAD	7,404.38	23.4800	174
ZAR	374,842.14	1.6490	618
VND	3,158,804,500.00	0.0013	4,106
<u>Non-monetary items</u>			
USD	9,446.00	31.1400	294
JPY	8,365,309.00	0.2150	1,799
CAD	2,800.96	23.4800	66
ZAR	359,812.37	1.6490	593
SGD	1.04	22.9600	-
CHF	8,420.21	34.6000	291

The Group disclosed the summarized information on exchange gain or loss. The realized and unrealized exchange gains amounted to \$2,334, \$2,222, \$11,069 and \$4,074 for the three months and six months ended June 30, 2024 and 2023, respectively.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The currency risk of the Group arises mainly from cash and cash equivalents, customers' margin accounts, financial assets at fair value through profit or loss and futures traders' equity, which are denominated in foreign currency. Foreign exchange gain or loss occurs as foreign currency was translated to TWD currency. For the six months ended June 30, 2024 and 2023, with all other variable factors remain constant, a strengthening (weakening) 1% of the TWD against the above major foreign currency, would cause after-tax comprehensive income result in a decrease or an increase by \$619 and \$5,399, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the six months ended June 30, 2024 and 2023, with all other variable factors remain constant, when the interest rate increases or decreases by 100 basis points, would cause after-tax comprehensive income result in an increase or a decrease by \$3,497 and \$3,457. This is mainly due to the Group's time deposits in variable rate, guarantee deposited for business operations in variable rate and settlement fund in variable rate.

(v) Fair value and hierarchy information

1) Fair value information

a) General description

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

b) Definition of fair value hierarchy

i) Level 1

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

ii) Level 2

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

iii) Level 3

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) Based on fair value measurement
- a) Hierarchy information of fair value

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

<u>Assets and Liabilities items</u>	<u>June 30, 2024</u>			
	<u>Total</u>	<u>Public quote of the same financial instrument in an active market (Level 1)</u>	<u>Observable price except public quote in an active market (Level 2)</u>	<u>Based neither on direct market data nor from the counter party (Level 3)</u>
<u>Fair value evaluated on a recurring basis</u>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 357,490	357,490	-	-
Stock investment	955,716	955,716	-	-
Convertible Bond	8,102	8,102	-	-
Financial assets at fair value through other comprehensive income	142,176	140,589	-	1,587
Liabilities:				
Financial liabilities at fair value through profit or loss	9,320	9,320	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 621,078	398,961	222,117	-
Liabilities:				
Financial liabilities at fair value through profit or loss	190,900	169,494	21,406	-
<u>Assets and Liabilities items</u>	<u>December 31, 2023</u>			
	<u>Total</u>	<u>Public quote of the same financial instrument in an active market (Level 1)</u>	<u>Observable price except public quote in an active market (Level 2)</u>	<u>Based neither on direct market data nor from the counter party (Level 3)</u>
<u>Fair value evaluated on a recurring basis</u>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 83,920	83,920	-	-
Stock investment	299,558	299,558	-	-
Financial assets at fair value through other comprehensive income	144,076	142,572	-	1,504
Liabilities:				
Financial liabilities at fair value through profit or loss	129,211	129,211	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 448,520	281,959	166,561	-
Liabilities:				
Financial liabilities at fair value through profit or loss	97,570	82,162	15,408	-

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2023				
Assets and Liabilities items	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
Fair value evaluated on a recurring basis				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 82,863	82,863	-	-
Stock investment	663,814	663,814	-	-
Financial assets at fair value through other comprehensive income	131,366	129,857	-	1,509
Liabilities:				
Financial liabilities at fair value through profit or loss	48,581	48,581	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 472,479	243,638	228,841	-
Liabilities:				
Financial liabilities at fair value through profit or loss	74,982	71,939	3,043	-

b) Valuation techniques

i) Non-derivative financial instruments

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

ii) Derivative financial instruments

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

iii) Transfer between Level 1 and Level 2

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

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

(In Thousands Dollars)

Item	For the six months ended June 30, 2024							Ending Balance
	Beginning Balance	Gains and losses on valuation		Addition		Reduction		
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,504	-	83	-	-	-	-	1,587

Item	For the six months ended June 30, 2023							Ending Balance
	Beginning Balance	Gains and losses on valuation		Addition		Reduction		
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,263	-	246	-	-	-	-	1,509

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

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

- c) Financial instruments not measured at fair value

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Financial risk management

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

(p) Capital management

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

(q) Financing activities not affecting current cash flow

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

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

	<u>Non-cash changes</u>					
	<u>January 1,</u>			<u>Foreign</u>	<u>Fair value</u>	<u>June 30,</u>
	<u>2024</u>	<u>Cash flows</u>	<u>Other</u>	<u>exchange</u>	<u>changes</u>	<u>2024</u>
Lease liabilities	\$ 89,500	(17,408)	1,156	386	-	73,634
Total liabilities from financing activities	<u>\$ 89,500</u>	<u>(17,408)</u>	<u>1,156</u>	<u>386</u>	<u>-</u>	<u>73,634</u>

	<u>Non-cash changes</u>					
	<u>January 1,</u>			<u>Foreign</u>	<u>Fair value</u>	<u>June 30,</u>
	<u>2023</u>	<u>Cash flows</u>	<u>Other</u>	<u>exchange</u>	<u>changes</u>	<u>2023</u>
Lease liabilities	\$ 37,156	(14,453)	23,599	13	-	46,315
Total liabilities from financing activities	<u>\$ 37,156</u>	<u>(14,453)</u>	<u>23,599</u>	<u>13</u>	<u>-</u>	<u>46,315</u>

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(c) Key management personnel compensation

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 21,213	18,424	75,946	61,420
Post-employment benefits	386	355	728	612
Total	<u>\$ 21,599</u>	<u>18,779</u>	<u>76,674</u>	<u>62,032</u>

(d) Significant transactions with related parties

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Brokerage fee revenue				
Capital Securities Corporation	\$ 15,299	8,858	29,568	16,386
Funds issued by Capital Investment Trust Corp.	59	69	740	165
Other related parties	31	130	76	143
Total	<u>\$ 15,389</u>	<u>9,057</u>	<u>30,384</u>	<u>16,694</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Futures traders' equity</u>			
Capital Securities Corporation	\$ 5,364,118	1,760,408	2,479,708
Funds issued by Capital Investment Trust Corp.	139,748	671,147	170,050
Other related parties	<u>1,228</u>	<u>270</u>	<u>36,116</u>
Total	<u>\$ 5,505,094</u>	<u>2,431,825</u>	<u>2,685,874</u>

Transaction terms are the same as those with general clients.

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Interest expense</u>				
Capital Securities Corporation	\$ 30	18	37	21
Funds issued by Capital Investment Trust Corp.	573	163	573	174
Total	<u>\$ 603</u>	<u>181</u>	<u>610</u>	<u>195</u>

(ii) Accounts payable and receivable:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Accounts receivable</u>			
Capital Securities Corporation	<u>\$ 2,107</u>	<u>1,118</u>	<u>1,241</u>
<u>Accounts payable</u>			
Capital Securities Corporation	<u>\$ 12,500</u>	<u>8,956</u>	<u>10,836</u>
<u>Other receivables (Note 1)</u>			
Capital Securities Corporation	\$ 3,658	3,649	4,455
CSC Securities (HK) Ltd.	<u>1,207</u>	<u>1,328</u>	<u>1,398</u>
Total	<u>\$ 4,865</u>	<u>4,977</u>	<u>5,853</u>
<u>Other payables</u>			
Capital Securities Corporation (Note 2)	\$ 218	295	233
CSC Securities (HK) Ltd. (Note 3)	<u>-</u>	<u>565</u>	<u>645</u>
Total	<u>\$ 218</u>	<u>860</u>	<u>878</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(iii) Bonds purchased under resale agreements

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bonds purchased under resale agreements	\$ <u>27,562</u>	<u>31,426</u>	<u>44,294</u>
Resale price under the agreements	\$ <u>27,585</u>	<u>31,450</u>	<u>44,318</u>
Interest rates	<u>1.10%</u>	<u>1.00%</u>	<u>0.85%</u>
Date of repurchase	<u>2024.07.12</u>	<u>2024.01.12</u>	<u>2023.07.03~2023.07.14</u>
	<u>For the three months ended June 30,</u>	<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>
Interest income	\$ <u>76</u>	<u>161</u>	<u>150</u>
			<u>552</u>

(iv) Leases

The Group signed three-year lease contracts and rented the office from Capital Securities Corporation. As of June 30, 2024, December 31 and June 30, 2023, the total value of effective contracts were all \$53,289. For the three months and six months ended June 30, 2024 and 2023, the Group recognized the amount of \$202, \$12, \$426 and \$35 as interest expense. As of June 30, 2024, December 31 and June 30, 2023, lease liabilities amounted to \$36,189, \$44,644 and \$1,479, respectively, and refundable deposits were all amounted to \$4,633.

The Group signed five-year and three-month lease contracts and rented the office from Fu Tai Construction Corporation. As of June 30, 2024, December 31 and June 30, 2023, the total value of effective contracts were all \$24,090, respectively. For the three months and six months ended June 30, 2024 and 2023, the Group recognized the amount of \$92, \$37, \$190 and \$37 as interest expense. As of June 30, 2024, December 31 and June 30, 2023, lease liabilities amounted to \$18,027, \$20,283 and \$22,517, respectively, and refundable deposits were all amounted to \$1,165.

The Group signed one-year lease contracts and rented the office from CSC International Holdings Ltd. As of June 30, 2024, December 31 and June 30, 2023, the total value of effective contracts were \$0, \$522 (CNY\$127 thousands) and \$552 (CNY\$127 thousands), respectively. For the three months and six months ended June 30, 2024 and 2023, the Group all recognized the amount of \$0 as interest expense. As of June 30, 2024, December 31 and June 30, 2023, lease liabilities were amounted to \$0, \$228 and \$496, respectively, and refundable deposits were amounted to \$0, \$137 and \$135.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Rental expenses

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

Related parties	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 217	231	444	452
CSC International Holdings Ltd.	46	-	46	-
Total	\$ 263	231	490	452

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

(vi) Securities commission income

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

Related parties	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 4,541	2,890	7,755	5,633
CSC Securities (HK) Ltd.	188	302	718	307
Total	\$ 4,729	3,192	8,473	5,940

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

Related parties	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 343	17	540	34

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

Related parties	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 18	31	59	33

(ix) Commission cost

Related parties	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Capital Securities Corporation	\$ 40,333	30,658	72,799	62,150
CSC Securities (HK) Ltd.	-	18	-	18
Total	\$ 40,333	30,676	72,799	62,168

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Information technology expenses

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>14,393</u>	<u>13,360</u>	<u>28,786</u>	<u>26,720</u>

(xi) Stock service fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>168</u>	<u>173</u>	<u>330</u>	<u>335</u>

(xii) Human resource and legal service fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>75</u>	<u>75</u>	<u>150</u>	<u>150</u>

(xiii) Securities transaction fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>52</u>	<u>156</u>	<u>144</u>	<u>436</u>

(xiv) Discretionary service commission fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>80</u>	<u>88</u>	<u>165</u>	<u>150</u>

(xv) Brokerage fees - proprietary trading

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>35</u>	<u>-</u>	<u>90</u>	<u>-</u>

(xvi) Management service fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
CSC Securities (HK) Ltd.	\$ <u>1,185</u>	<u>1,122</u>	<u>2,762</u>	<u>2,174</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xvii) Stationery and printing fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>26</u>	<u>26</u>	<u>27</u>	<u>27</u>

(xviii) Consulting fees

<u>Related parties</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other related parties	\$ <u>-</u>	<u>15</u>	<u>-</u>	<u>30</u>

(8) Pledged assets:None.

(9) Significant commitments and contingencies:

The Group purchased software and hardware systems for business development. As of June 30, 2024, the Group had outstanding balance payment \$3,260.

(10) Losses due to major disasters:None.

(11) Significant subsequent events:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Derivative instrument transactions:

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

June 30, 2024

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	303	\$ 1,391,703	1,392,458	
	TAIEX Futures	Short	12	(55,235)	(55,171)	
	Mini Taiex Futures	Long	155	177,911	178,106	
	Mini Taiex Futures	Short	194	(221,499)	(222,906)	
	Electronic Sector Index Futuress	Long	3	14,753	14,908	
	Financial Insurance Index Futures	Short	23	(45,802)	(45,584)	
	NTD Gold Futures	Long	6	5,473	5,523	
	Taiwan Stock Futures	Long	931	362,657	363,722	
	Taiwan Stock Futures	Short	7,279	(1,394,216)	(1,435,245)	
	US Dollar Index Futures	Short	62	(210,505)	(212,346)	
	JPY Futures	Long	5	12,849	12,762	
	Mini Taiex Weekly Futures	Long	10	11,496	11,508	
	Mini Taiex Weekly Futures	Short	24	(27,384)	(27,581)	
	Mini Financial Futures	Short	76	(37,807)	(37,886)	
	Mini Electronic Futures	Long	88	54,264	54,630	
	CME BTC	Short	7	(69,936)	(67,972)	
	Subtotal			(31,278)		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2024

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Options contract:						
	Stock Options (Call)	Long	223	\$ 2,373	2,192	
	Stock Options (Call)	Short	167	(1,263)	(1,217)	
	Stock Options (Put)	Short	64	(483)	(514)	
	Stock Options (Put)	Long	273	2,991	2,747	
	TAIEX Options (Call)	Long	3,182	79,797	128,784	
	TAIEX Options (Call)	Short	3,815	(73,106)	(136,508)	
	TAIEX Options (Put)	Long	6,042	66,973	49,623	
	TAIEX Options (Put)	Short	3,282	(31,876)	(18,468)	
	TAIEX Weekly Options (Call)	Long	1,906	6,304	7,554	
	TAIEX Weekly Options (Call)	Short	2,019	(4,011)	(4,233)	
	TAIEX Weekly Options (Put)	Long	1,603	9,331	5,072	
	TAIEX Weekly Options (Put)	Short	1,422	(3,810)	(1,864)	
	Electronic Sector Index Options (Call)	Long	1	14	77	
	Electronic Sector Index Options (Call)	Short	109	(3,097)	(3,683)	
	Electronic Sector Index Options (Put)	Long	63	911	320	
	Electronic Sector Index Options (Put)	Short	1	(11)	-	
	Financial Insurance Index Options (Call)	Long	321	2,910	2,683	
	Financial Insurance Index Options (Call)	Short	69	(177)	(122)	
	Financial Insurance Index Options (Put)	Long	132	549	269	
	Financial Insurance Index Options (Put)	Short	173	(2,189)	(2,258)	
	Gold Options (Call)	Long	43	315	237	
	Gold Options (Call)	Short	12	(119)	(122)	
	Gold Options (Put)	Long	78	484	354	
	India 50 Options (Call)	Short	4,200	(236)	(258)	
	India 50 Options (Call)	Long	2,650	238	253	
	India 50 Options (Put)	Short	3,600	(284)	(247)	
	India 50 Options (Put)	Long	2,100	214	186	
	Subtotal			<u>52,742</u>		
Total				<u>\$ 21,464</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2023

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	194	\$ 651,456	650,763	
	Mini Taiex Futures	Long	117	97,993	98,146	
	Mini Taiex Futures	Short	9	(7,527)	(7,507)	
	Electronic Sector Index Futures	Short	1	(3,240)	(3,244)	
	Financial Insurance Index Futures	Short	9	(14,633)	(14,557)	
	NTD Gold Futures	Short	5	(3,613)	(3,621)	
	Taiwan Stock Futures	Long	651	71,431	71,656	
	Taiwan Stock Futures	Short	5,070	(862,705)	(689,839)	
	US Dollar Index Futures	Short	18	(57,480)	(57,502)	
	Mini Taiex Weekly Futures	Long	294	247,027	247,369	
	Mini Financial Futures	Long	4	1,625	1,620	
	Mini Electronic Futures	Long	51	20,649	20,681	
	CME BTC	Short	7	(33,921)	(33,160)	
	CME MBT	Short	5	(485)	(474)	
	Subtotal			<u>106,577</u>		

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2023

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Options contract:						
	Stock Options (Call)	Long	38	\$ 404	406	
	Stock Options (Call)	Short	70	(222)	(135)	
	Stock Options (Put)	Short	37	(83)	(44)	
	Stock Options (Put)	Long	37	346	382	
	TAIEX Options (Call)	Long	2,753	51,618	54,079	
	TAIEX Options (Call)	Short	3,392	(36,541)	(41,208)	
	TAIEX Options (Put)	Long	3,656	38,978	37,511	
	TAIEX Options (Put)	Short	2,880	(27,049)	(17,966)	
	TAIEX Weekly Options (Call)	Long	2,446	5,718	5,803	
	TAIEX Weekly Options (Call)	Short	2,871	(6,967)	(7,257)	
	TAIEX Weekly Options (Put)	Long	2,406	6,955	5,281	
	TAIEX Weekly Options (Put)	Short	2,063	(4,474)	(4,309)	
	Electronic Sector Index Options (Call)	Short	40	(324)	(475)	
	Electronic Sector Index Options (Put)	Long	10	190	106	
	Electronic Sector Index Options (Put)	Short	1	(2)	-	
	Financial Insurance Index Options (Call)	Long	91	334	195	
	Financial Insurance Index Options (Call)	Short	51	(109)	(85)	
	Financial Insurance Index Options (Put)	Long	39	119	103	
	Financial Insurance Index Options (Put)	Short	65	(509)	(455)	
	Gold Options (Call)	Long	5	29	2	
	Gold Options (Call)	Short	2	(21)	(3)	
	Gold Options (Put)	Long	5	54	79	
	Gold Options (Put)	Short	1	(2)	(2)	
	Subtotal			<u>28,442</u>		
Total				<u>\$ 135,019</u>		

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

Item	June 30, 2024	December 31, 2023	June 30, 2023
Leverage derivatives- long	\$ <u>5,500,308</u>	<u>4,606,396</u>	<u>3,817,344</u>
Leverage derivatives- short	\$ <u>5,497,070</u>	<u>4,592,219</u>	<u>3,821,655</u>
Equity derivatives- long	\$ <u>251,502</u>	<u>234,573</u>	<u>280,317</u>
Equity derivatives- short	\$ <u>251,470</u>	<u>234,554</u>	<u>280,314</u>

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Art.	Calculation formula	Current Period		Last Period		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity		3.05	6,653,772	3.16	≥ 1	Satisfactory to requirement
	(Total liabilities– futures traders' equity)	7,117,649		2,102,755			
17	Current Assets	58,772,900	1.10	45,614,104	1.13	≥ 1	"
	Current Liabilities	53,427,739		40,484,743			
22	Stockholders' equity	7,117,649	638.35 %	6,653,772	596.75 %	≥ 60%	"
	Minimum paid-in capital	1,115,000		1,115,000		≥ 40%	
22	Post-adjustment net capital		33.59 %		49.77 %	≥ 20%	"
	Total customer margin deposits required for open positions of customers	4,946,620		4,439,639		≥ 15%	
		14,724,395		8,920,079			

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

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

(15) Other:None.

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(16) Other disclosures:

(a) Information on significant transactions:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	CSC Futures (HK) Ltd.	F190402	Account receivables -Customer	No	64,424	64,424	-	9.72%	1	2,888		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F611702	Account receivables -Customer	No	450,970	450,970	402,652	5.97%~ 7.22%	1	251,990		-		-	450,970	1,120,786
1	CSC Futures (HK) Ltd.	F613059	Account receivables -Customer	No	96,636	96,636	-	8.72%	1	20,255		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F612688	Account receivables -Customer	No	16,106	322	-	7.72%	1	-		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F612687	Account receivables -Customer	No	-	-	-	7.72%	1	46		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F612851	Account receivables -Customer	No	64,424	322	-	7.72%	1	426		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F613091	Account receivables -Customer	No	48,318	322	-	7.72%	1	2,362		-		-	224,157	1,120,786
1	CSC Futures (HK) Ltd.	F190416	Account receivables -Customer	No	225,485	225,485	-	6.22%	1	13,358		-		-	225,485	1,120,786

Remark: Besides those approved by the board of directors, each loan limit by an individual is 20% amount of the net assets of CSC Futures (HK) Ltd. on the financial statements. The loan limit of total credit lines is calculated by net value of CSC Futures (HK) Ltd. and in line with the rules of liquid capital of Securities & Futures Commission of Hong Kong. CSC Futures(HK) Ltd. obtained its money lender's license in June 2016 and engaged in lending business according to local laws and regulations in Hong Kong.

Note 1: Type of Numbering:

(1) 0 represents Parent company.

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

Note 2: Type of Loans:

(1) Business transactions.

(2) Necessaries of short-term financing.

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

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

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

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

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

(vii) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Information technology expenses	20,176	General transaction	1.66%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	20,176	General transaction	1.66%
1	CSC Futures (HK) Ltd.	Capital Futures Technology (Shanghai) Co.,Ltd.	3	Professional service fees	1,998	General transaction	0.16%
2	Capital Futures Technology (Shanghai) Co.,Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	1,998	General transaction	0.16%
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Other payables	3,271		0.01%

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Accounts receivable	3,271		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures traders' equity	1,062,729		1.81%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	1,062,727		1.81%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	2		-%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures traders' equity	9,159,116		15.57%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	9,128,180		15.51%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	30,936		0.05%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission revenue	10,996	General transaction	0.91%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures commission expenses	10,996	General transaction	0.91%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Brokerage fee revenue	53,560	General transaction	4.41%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission expenses	53,560	General transaction	4.41%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Interest revenue	10,261	General transaction	0.85%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Financial cost	10,261	General transaction	0.85%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Other payables	7,640		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Other receivables	7,640		0.01%

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

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

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

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

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Date of establishment	FSC Rule No.	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Revenue of investee	Net income (losses) of investee	Share of profits/losses of investee	Cash dividend	Note
						June 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value					
Capital Futures Corporation	CSC Futures (HK) Ltd.	Hong Kong	1998.12.9	Gin Guan Zheng Zhi No. 1010027412 letter	Futures dealing business and other businesses permitted by local law of Hong Kong	886,284	886,284	220,000	100.00 %	1,120,786	178,794	24,952	24,952	-	Subsidiary
Capital Futures Corporation	Capital International Technology Co., Ltd.	Taiwan	2014.12.29	Gin Guan Zheng Zhi No. 1030038387 letter	Management consulting and information service business	50,000	50,000	5,000	100.00 %	15,498	-	(2,953)	(2,953)	-	Subsidiary

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(d) Information on investment in Mainland China:

(i) Investment in Mainland China and related information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2024	Net income (losses) of the investee	Direct or indirect share holdings(%) by the company	Highest percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Capital True Partner Technology Co., Ltd.	Management consulting and information service business	5,013	(C)	24,372	-	-	24,372	1,232	51.00%	51.00%	628 B (2)	7,664	-
Capital Futures Technology (Shanghai) Co., Ltd.	Management consulting and information service business	18,863	(C)	18,863	-	-	18,863	(939)	100.00%	100.00%	(939) B (2)	1,623	-

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

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

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

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

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

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

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

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

(e) Major shareholders:

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

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

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

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(17) Segment information:

(a) General information

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

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

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

For the three months ended June 30, 2024				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ 698,560	253,673	(308,064)	644,169
Segment profit or loss	\$ 254,520	163,379	-	417,899
For the three months ended June 30, 2023				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ 543,325	105,016	(248,579)	399,762
Segment profit or loss	\$ 211,752	100,624	-	312,376
For the six months ended June 30, 2024				
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	\$ 1,307,556	490,682	(584,581)	1,213,657
Segment profit or loss	\$ 448,225	303,548	-	751,773

(Continued)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30, 2023			
	Brokerage business	Others	Adjustment and elimination	Total
Segment revenue	<u>\$ 1,149,476</u>	<u>261,528</u>	<u>(488,084)</u>	<u>922,920</u>
Segment profit or loss	<u>\$ 490,118</u>	<u>129,361</u>	<u>-</u>	<u>619,479</u>

(c) Information about regions

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

(d) Information about major customers

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