Stock code：6026 (Original:6480)
Company website: www.gfortune.com.tw
Reference website: mops.twse.com.tw

Grand Fortune Securities Co., Ltd

2023 Annual Report

Printed date: March 15, 2024

I、Spokesperson：
Name：Zhu Shicheng
Job title：Assistant vice president
Tel. No.：（02）2383-6888 extension 890
E-mail：chuscheng@mail.gfortune.com.tw

II：Deputy spokesperson
Name：Lin Ying Ming
Job title：President
Tel. No.：（02）2383-6888 extension 858
E-mail：Kevinlin@mail.gfortune.com.tw

III. Address and telephone No, of headquarter and branch
Headquarter：Floor 5, 6, 7, No. 6, Sec. 1, Chongxiao West Rd., Taipei City, Taiwan (R.O.C.)
Tel. No.：（02）2383-6888
Hsinchu branch：4th Floor, No. 210, Guangming 5th Street, Zhubei City, Hsinchu County
Tel. No.：（03）657-2758

IV. Stock registrar company for Grand Fortune Securities Co., Ltd.
Company name：Stock registrar department of Concord Securities Co. Ltd.
Address：B1F., No. 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan
Tel. No.: (02) 8787-1888
Website: https://www.6016.com.tw

V. Audit company for financial statements in recent years
Company: Approval number from the Securities and Futures Commission
CPA name: Hsien Jian-Xin, Chen Chiang-Shiun
Address: Floor 20, No. 100, Songren Rd. Xingyi District, Taipei City
Tel. No.: (02)2725-9988
Website: http://www.deloitte.com.tw

VI. Name of the exchange trading equities of Grand Fortune Securities Co., Ltd and tools for related information: None

VII. Website of Grand Fortune Securities Co., Ltd.：
http://www.gfortune.com.tw

CONTENTS

Chapter One: Letters to shareholders

Ladies and gentlemen, shareholders:

The company has always upheld the principles of sustainable business operations and the pursuit of maximizing shareholder's right. We continue to focus on securities business with investment banking characteristics. Moreover, we are dedicated to enhancing our operational team, improving corporate governance, and implementing ESG principles. Our vision includes caring for employee well-being and fulfilling corporate social responsibilities. We adhere to laws and regulations, adapt to external environmental changes, and actively enhance internal competitive capabilities. Below is an explanation of our current business policy, performance, and future development plans:

First. Business Policy

In 2023, the world entered the post-pandemic. Due to changes in the international situation, such as the restructuring of global supply chains, the implementation of minimum taxation, population aging, regional conflicts, and other factors, the economic environment characterized by "low inflation and high growth" that had been created by trends such as globalization, automation, and information technology over the past 30 years is no longer prevalent. Besides, Japan and China, other major economies worldwide are committed to normalizing monetary policy. In the first half of 2023, central banks around the world continued the tightening policies initiated in 2022, managing inflation through actions such as interest rate hikes and balance sheet reduction, at the cost of retracting excessive currency and curbing economic growth. Global financial markets performed under pressure in an environment of tightening liquidity. However, starting from middle of the year, the Federal Reserve and the European Central Bank began to slow down the pace of interest rate hikes, and with the emergence of new AI-related applications, US semiconductor stocks led the rally in Taiwan's related supply chains, driving the index back into a bull market. It almost reached its highest point of 17,930.81 for the year.

In 2023, as the world entered the post-pandemic and foreign investors began to buy Taiwan's stocks, the weighted index rose from 14,137 points at the end of 2022 to 17,930.81 points at the end of 2023, with a total increase of 26.8% for the year. The TPEx Exchange Capitalization Weighted Stock Index (TPEX) rose even more significantly, from 180.34 points at the end of 2022 to 234.01 points at the end of 2023, with a full-year increase of 29.16%, indicating a more concentrated market boom than the centralized market. The New Taiwan Dollar exchange rate no longer experienced significant depreciation as in the previous year but showed a trend of narrow fluctuations, closing around 30.7 at the end of the year, with only a slight depreciation of 0.09% for the year.

After a significant decline in trading volume in 2022, 2023 had a rebound. The total trading volume in the centralized market for the whole year was NT$67,206.187 billion, an increase of 12.8% compared to NT$59.57 trillion in 2022. However, there is still a gap compared to the trading volume of NT$95.51 trillion in 2021, indicating that although the securities market has emerged from the trough, it has not yet recovered to its former glory, and it is still not advisable to be overly optimistic.

Although the global economy was still in a post-pandemic recovery phase in 2023, facing high inflation and high interest rates, Taiwan's economic growth rate did not meet expectations. The final GDP growth rate for the year was revised down to 1.31%, slightly lower than the forecast of 1.42%, a decrease of 0.11 percentage points. However, Grand Fortune Securities Co. Ltd persisted in developing professional securities services with investment banking characteristics and adhered to the business philosophy of "service and professionalism." It was not significantly affected by the incomplete recovery of the overall environment. Underwriting, stock agency, brokerage, bond, and asset management businesses all showed significant growth. The performance of various businesses is briefly described as follows:

1. Underwriting: The performance of the underwriting department was remarkable. Throughout the year, there were 9 IPO submissions, 12 SPO submissions, 9 new companies listed on the Emerging Stock Market, and 10 financial advisory cases. In addition, the underwriting business in 2023 won five awards from the Stock Exchange and Gre tai Securities Market Center, including second place in "Future Award-IPO Fundraising Amount," third place in "Future Award-IPO Market Value," third place in "Cooperation Award-Submission Number," and "Promotion Award-Capital Market Contribution Award." 2. Stock Agency: The stock agency business maintained steady growth. By the end of 2023, the number of companies represented exceeded 300, reaching 312, with a net increase of 16 companies for the year.

3. Securities brokerage: With the growth of financing balance to NT$1.36 billion and a total trading volume of NT$197.5 billion for the year, profits continued to grow. 4. Bond Department: The revenue of the bond department reached NT$32.14 million in 2023, not only a significant increase from the previous year but also 2.6 times higher than the budget target. 5. The subsidiary's investment in venture capital and private equity funds performed excellently. Following the successful fundraising and management of the first private equity fund (PE FUND) in 2022, Grand Fortune Securities Co. Ltd. also successfully raised NT$2 billion for a biotech fund in 2023. The current managed asset size has exceeded NT$4 billion.

Although the global economic recovery path is still uncertain, Grand Fortune Securities Co. Ltd., continues to root itself in underwriting, stock agency, mergers and acquisitions, and asset management, strengthening its foundation and still possesses considerable development potential in the future.

The company was established in September 1989, and it has been more than 33 years so far. In November 2009, the board of directors was reorganized, and Huang Hsien-Hua was elected as the chairman, leading Grand Fortune Securities

Co., Ltd to set out in a new way and positioned to assist medium-sized and small-sized enterprises to enter the capital market. As an investment bank, in the red sea of the traditional securities market with fierce competition, it has given full play to the flexible business strategies and professional services of small and medium-sized securities companies, and dexterously used the characteristics of "small, refined, and smart", and has grown vigorously step by step. In November 2016 and July,2022, Lin Huo-Deng and Huang Bing-Jing, both of former general manager of the exchange, were invited to join the management team, and he was more deeply involved in the development and layout strategy of investment banking business. Club activities, and regularly organize leisure and recreational activities such as employee travel.

In recent years, Grand Fortune Securities has placed great emphasis on anti-money laundering (AML) and fair treatment of customers, actively promoting these initiatives. In terms of AML prevention and counter-terrorism financing (CTF) efforts, we have appointed dedicated managers to coordinate and manage these tasks. Each business unit has also designated supervisors and dedicated staff members. Additionally, we ensure that all employees participate in external education and training annually to stay abreast of new developments in AML prevention and international trends. Furthermore, our AML prevention manager provides at least two rounds of education and training on AML prevention and CTF to all employees each year to enhance their awareness of money laundering, terrorist financing, and weapons proliferation risks.

In terms of fair treatment of customers, to ensure the implementation of this principle, the company has established the "Fair Treatment of Customers Implementation and Promotion Task Force." This task force comprises representatives from various business units, legal compliance, risk management, and internal audit departments. Additionally, an executive vice president is appointed as the convener of the task force. In addition to regularly convening quarterly work meetings and reporting to the Board of Directors, the task force holds "Fair Treatment of Customers Principal Forums" as needed to discuss matters related to the fair treatment of customers with the directors. Furthermore, to encourage employees to value fair treatment of customers and integrate it into the corporate culture, the company has set up a "Fair Treatment of Customers Proposal Mailbox" and "Proposal Incentive Measures," encouraging all employees to actively provide suggestions for improving fair treatment of customers and participating in reforms and suggestions.

In terms of corporate social responsibility, in addition to actively coaching high-quality companies to apply for listing (counter), fundraising, restructuring and mergers and acquisitions, assisting companies to become bigger and stronger, and recommending excellent companies for investors to invest in, they also hold mountain and beach cleaning events from time to time. Environmental education activities, as well as public welfare activities such as donations, blood donations and material donations to help people, etc., have made a small contribution to corporate social responsibility. In addition, in the display of shareholders' rights and interests, in addition to listing on the OTC on January 27, 2016, in addition to the transaction, Fitch has been assigned a credit rating for six consecutive years after listing on the OTC. In the first two years, it has obtained a Fitch rating of BBB+ or above, and in the last four years, it has obtained a long-term A-(twn) and a short-term F1 (twn). Credit rating: and the corporate governance assessment for five consecutive years, besides the 2020 corporate governance assessment was the first level, the rest of year were second level. In 2023, our comprehensive securities firm's fair treatment of customers principal evaluation ranked among the top 25%, making us the only comprehensive securities firm without a financial holding or banking background among the awarded securities firms.

Second. Business Performance

The main business performance of the company in 2023 is as follows: 1. Sales and valuation gains on securities amounted to NT$ 589,928,000; 2. Income from underwriting and equity-related procedures was NT$ 408,139,000; 3. Income from financing interests and dividends amounted to NT$147,450,000; 4. Net brokerage commission income was NT$118,841,000; 5. Other business income totaled NT$101,501,000. The total operating income for the year was NT$1,365,859,000, with operating expenses amounting to NT$646,556,000. Consequently, the operating profit stood at NT$719,303,000, and the net profit from non-operating activities was NT$18,082,000 million. Before tax, the net profit was NT$737,385,000, and after tax, it amounted to NT$633,703,000. The earnings per share after tax were NT$1.61, and the total comprehensive income for the period was NT$810,900,000. As of December 31, 2023, the total assets amounted to NT$12,922,941,000, total liabilities stood at NT$7,225,225,000, and shareholders' equity totaled NT$5,697,716,000. The net asset value per share was NT$14.38, with a capital adequacy ratio of 356%.

Third. Future Development Plan

In 2023, despite the adverse impact of global demand weakness, inflation, and geopolitical risks, Taiwan's stock market experienced volatility. It initially declined to 14,001.97 points, facing a defense battle at the 14,000-point level. However, supported by capital inflows, emerging demand for AI and high-speed computing, as well as global supply chain restructuring, the Taiwan's stock market gradually improved. All employees of Grand Fortune Securities Co. Ltd., seized favorable opportunities amid these challenges. They actively and steadily constructed a comprehensive investment banking execution platform and aimed to expand the scale of asset management. Not only did the company turn its annual performance from loss to profit, but it also maintained a steady operation, focusing on specialized business and pursuing profit growth. Simultaneously, efforts were made to enhance ESG (Environmental, Social, and Governance) practices and corporate governance policies and systems.

In response to the challenges posed by the broader environment, all employees of the company will redouble their efforts to enhance service quality and diligently execute various business operations. They will also explore new business opportunities and clients that align with the company's scale and customer attributes, in line with the company's short-, medium-, and long-term goals. The business plan includes the following development directions:

1. Strengthening position management in underwriting, proprietary trading, and venture capital to enhance the efficiency of capital utilization.
2. Enhancing financial advisory services and actively providing professional services to assist enterprises in utilizing the capital market for strategic cooperation and fundraising.
3. Focusing on underwriting and asset management as the core of development, driving growth in institutional, brokerage, and agency businesses to implement comprehensive services, expand asset management scale, and broaden customer base.
4. Collaborating with research departments and venture capital firms to actively seek and visit potential issuing companies, striving for IPO and investment opportunities.
5. Actively raising various specialized venture capital or private equity funds to assist companies in transformation, enhance value, and promote industry consolidation, thereby strengthening the professional capabilities of venture capital management and private equity funds.
6. Continuously promoting various ESG-related measures, investing in due diligence governance, balancing social contribution with the interests of shareholders, employees, and stakeholders, and fulfilling corporate social responsibility.

Despite facing numerous uncertainties in the political and economic landscape, Grand Fortune Securities Co. Ltd. will continue to strive towards its goal of becoming a specialized, niche-focused, and agile investment banking securities firm. It will pursue stable growth in various businesses, prioritize customer needs, provide the most professional securities and financial services, and implement corporate social responsibility and strengthen corporate governance under the ESG policy guidelines. Moreover, the company will actively contribute to society and care for shareholders, employees, and other stakeholders, thereby creating the highest value for both the company and its shareholders. Finally, we sincerely thank all shareholders for their long-term support and trust in Grand Fortune Securities Co. Ltd.

Chairman: Huang, Bing-Jing **Manager:** Lin Ying Ming **Audit Manager:** Zhu, Shicheng

Chapter Two: Introduction of the Company

I. Date of Incorporation: September 5, 1989

II. Company History

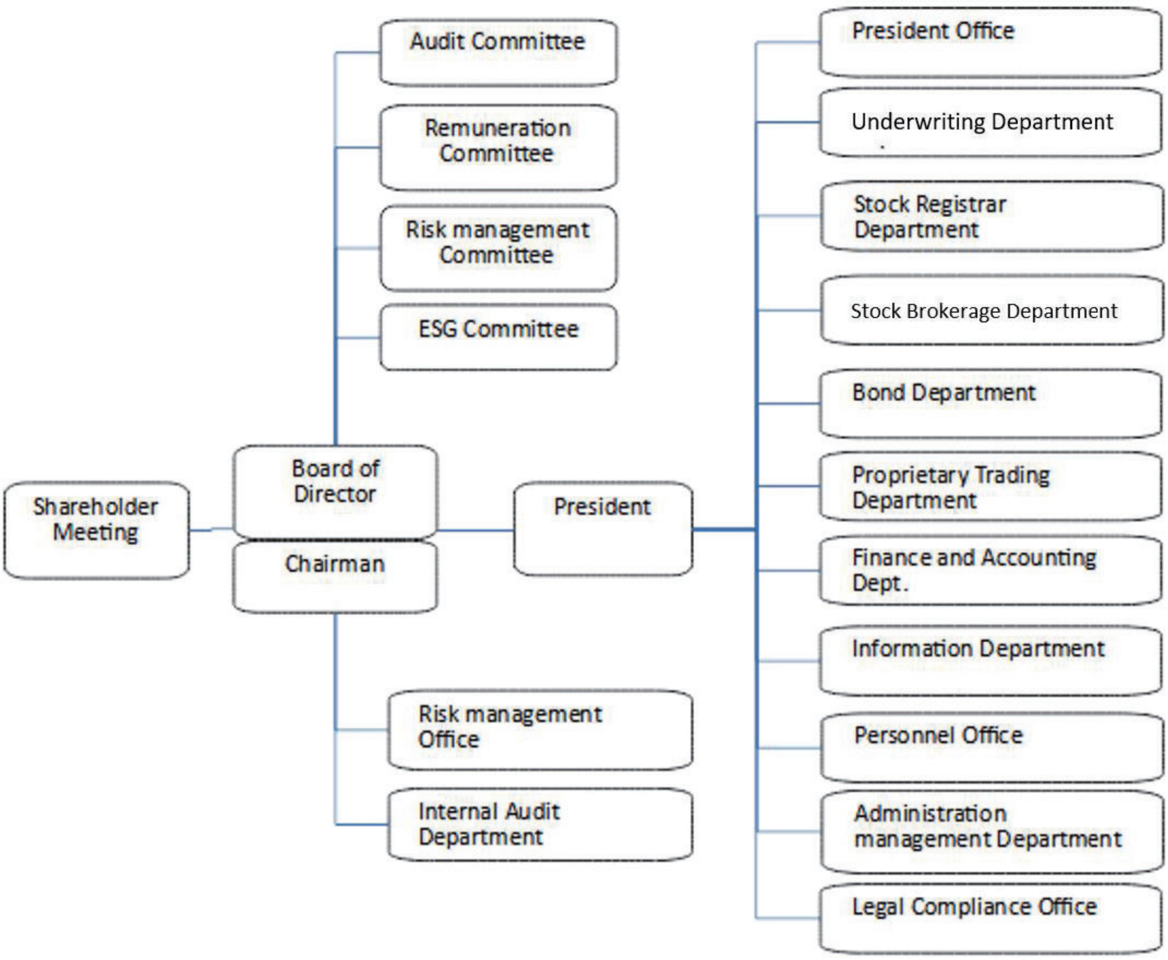
Sep.1989	Establishment of San Yang Securities Corporation with initial paid-in capital at NT$300 million and operation focused on securities transactions.
Jan. 1990	Establishment of subsidiary, San Yang Securities Investment Service Co., Ltd, with paid-in capital at NT$13.925 million and operation focused on securities consulting services. Meanwhile, in April 1990, San Yang Securities Corporation raised paid-in capital up to NT$1 billion, extending business scope into the proprietary trading, underwriting and stock registrar sectors.
Feb. 1993	Engagement in margin trading business and hike of paid-in capital to NT$1.03 billion.
Apr. 1994	Obtaining a license for bond dealing.
Nov. 1997	Establishment of subsidiary, San Yang Futures Co., Ltd, with paid-in capital at NT$103 million and operation focused on futures trading and brokerage.
Jan. 1998	Paid-in capital hike in San Yang Securities Investment Service Co., Ltd by NT$14.887 million and to NT$28.812 million in total.
Mar. 1998	Launch of rights issues to increase share capital by NT$918.5 million, in order to lift total paid-in capital to NT$2 billion.
Aug. 1998	Establishment of three branches.
Sep. 1998	Expansion of business scope of futures trading.
Nov. 1998	Increased investment in San Yang Futures Co., Ltd by NT$36.97 million, lifting the total paid-in capital of the subsidiary to NT$139.97 million.
Apr. 1999	Opening of business of online securities trading.
Dec. 1999	Establishment of a branch in downtown, Taipei City.
Sept. 2000	Increase of investment in subsidiary, San Yang Securities Investment Service Co., Ltd, by NT$30 million to lift the total paid-in capital of the subsidiary to NT$58.812 million.
Sep.-Nov. 2000	Establishments of three branches.
Jul. 2001	Consolidations of four branches into two new branches.
Aug. 2003	Sales of six branches.
Aug. 2003	Renaming of the company into Grand Fortune Securities Co., Ltd.
Jul. 2007	Sale of the subsidiary, Grand Fortune Securities Investment Service Co., Ltd.
Dec. 2007	liquidation of the subsidiary, Grand Fortune Futures Co., Ltd.
Nov. 2009	The board of director elected Huang Hsien-Hua as the new chairman.
Mar. 2010	Transfer of margin trading business to a securities loan and financing company.
Mar. 2010	Investment in Grand Fortune Securities Investment Service Co., Ltd to provide investment strategy and securities information.
Jul. 2010	Launch of rights issues to increase share capital by NT$610 million to NT$2 billion in total.
Oct. 2013	Investment in subsidiaries, Grand Fortune Venture Capital Co., Ltd and Grand Fortune Venture Capital Consultant Co., Ltd 。
Aug. 2014	Launch of rights issues to increase share capital by NT$300 million to NT$2.3 billion in total.
Sep. 2014	Registering for a stock trading status on the Emerging Market.
Dec. 2014	Establishment of the audit commission.
Jan. 2016	Launch of rights issues to increase share capital by NT$117 million to NT$2.417 billion in total. Approval on January 27 by the Taipei Stock Exchange for stock trading.
Aug. 2016	Start of margin trading business.
Apr. 2016	Relocation of the headquarter to 7th floor, No. 6, Sec. 1, Zhong-xiao West Road, Taipei City.
Aug. 2016	Establishment of a Shanghai City, China-based financial consulting company, Fukube (Shanghai) Financial Management Consulting Co., Ltd
Nov. 2016	The board of director elected Lin Huo-deng as the new chairman.
Dec. 2017	Receiving from the Taipei Stock Exchange for a prize of excellence in corporate management.
Jun. 2018	Establishment of a new branch in Hsinchu County.
Dec. 2018	Receiving from the Taiwan Stock Exchange for the top prize in terms of shares circulations as an underwriter.
Mar. 2019	Investment by the subsidiary, Grand Fortune Venture Capital Consultant Co., Ltd, in Fuyou Venture Capital Co., Ltd to act as a partner in the latter, in order to extend into the PE Fund area.

Apr. 2019	Receiving for the second straight year from Fitch Ratings to get an “A- (tw)”long-term credit rating, as well a “F1 (twn)”short-term credit rating.
Apr. 2019	Listing for the third straight year at the tier-2 category in terms of corporate governance.
Aug. 2019	Liquidation of the Shanghai City, China-based financial consulting company, Fukube (Shang-hai) Financial Management Consulting Co., Ltd
Dec. 2019	Receiving from the Taiwan Stock Exchange for the third prize in terms of economic contribution/IPO fund-raising amount.
Mar. 2020	Tick-by-tick trading in Taiwan stock markets
Sep. 1989	Establishment of San Yang Securities Corporation with initial paid-in capital at NT$300 million and operation focused on securities transactions.
Nov. 2020	Receiving for the third straight year from Fitch Ratings to get an “A- (tw)”long-term credit rating, as well a “F1 (twn)”short-term credit rating.
Apr. 2020	Listing for the tier-1 category in terms of corporate governance.
Jan. 2021	Receiving from the Taiwan Stock Exchange for the third prize in terms of market value/IPO fund-raising amount.
Jan. 2021	Receiving from the Taiwan Stock Exchange for the third prize in terms of economic contribution/IPO fund-raising amount.
Jan.2021	Receiving from the Taiwan Stock Exchange for the top prize in terms of shares circulations as an underwriter.
Jan.2021	Receiving from the TPEX for the second prize in terms of Coaching OTC Performance.
Jun. 2021	The employee stock subscription was completed, and the paid-in capital increased to NT$ 2,492,475,000.
Jul. 2021	Launch of rights issues to increase share capital by NT$350 million to NT$2,842,475 in total.
Sep. 2021	surplus to capital and allotment increase to NT157,773,670, and the paid-in capital increase to NT$ 3,000,249,000
Oct. 2021	Receiving for the fourth straight year from Fitch Ratings to get an “A- (tw)”long-term credit rating, as well a “F1 (twn)”short-term credit rating.
Apr. 2022	Corporate Governance Evaluation get level 2.
Jun.2022	Chairman Lin resigned in June and officially stepped down on July 1st. Mr. Huang Bing-jing was elected as the new chairman by the board of directors.
Jul.2022	The company's articles of association were amended to increase the total capital to NT$5,000,000,000, with a total of 500,000 shares.
Aug.2022	Subsidiary Venture Investment Management Consulting Co., Ltd. completed the fundraising of a NT$1 billion private equity fund in August 2022, investing in six core strategic industries.
Oct. 2022	Profit retained for capitalization through bonus shares amounted to NT$600,269,740, resulting in a paid-up capital of NT$3,601,618,000
Dec.2022	Ranked third in the "Recommended Counseling for OTC Listings" by the TPEX.
Jan.2023	Ranked second in the "Economic Vitalization Award - IPO Fundraising Amount" by the TWSE.
Jan.2023	Ranked third in the "Economic Vitalization Award - IPO Market Value" by the TWSE.
Mar.2023	After organizational restructuring, Grand Fortune Management Corporation directly holds 58.76% equity of Fortune Venture, while Gran Fortune Securities directly holds 100% equity of Foryou Capital Corporation.
Apr.2023	Cash capital increase of NT$360,000,000, resulting in an increased paid-up capital of NT$3,961,618,000.
Jul.2023	Subsidiary venture investment co. ltd transformed its investment in Grand Fortune Management Corporation into a sustainable biotech venture, renaming it as Beiley Biofund Inc.
Oct.2023	Subsidiary venture investment co. ltd completed the fundraising of a NT$2 billion sustainable biotech venture in October 112 through investment in Beiley Biofund Inc.
Dec.2023	Ranked second in the "Recommended Counseling for OTC Listing Performance" by the TPEX in 2023.
Jan.2024	Ranked second in the "Towards the Future Award - IPO Fundraising Amount" by the TWSE in 2023.
Jan.2024	Ranked third in the "Towards the Future Award - IPO Market Value" by the TWSE in 2023.
Jan.2024	Ranked third in the "Collaborative Award - Number of Submitted Cases" by the TWSE in 2023.
Jan.2024	Received the "Promotion of Innovation Award - Capital Market Contribution Award" by the TWSE in 2023.

Chapter Three: Corporate Governance Report

I. Department structure and responsibility

(I). Department Structure



(II). Department responsibility

Department	Responsibility
Internal Audit Department	* Planning, execution, scrutiny and evaluation for company auditing. * Check and handling of the drawbacks arising from company financial and business activities. * Scrutiny and rectification against company extraordinary and special events.
Risk Management Office	* Establishment of risk management policy. * Allocation of risk-bearing ceiling and risk distribution among departments. * Ensuring the effectiveness in implementing risk management policy, and providing reports in a timely manner. * Oversight of the execution by business departments in face of risk-bearing ceiling and risk distribution. * Evaluation for risk exposure and risk concentration degree faced by a securities house * Evaluate risk of ESG * Other risk management matters.
Legal Compliance Office	* Setting-up of a clear and appropriate system regarding the sending, consulting, coordination and communication for regulations. * Ensuring the updates of company operation and management to comply with relevant regulations. * Layout of content and procedure in law compliance system, and oversight of the self-assessment by departments on a regular basis. * Providing appropriate training of the law compliance applied to departments. * Scrutiny against overseas branch in compliance with local regulations. * Other matters required by the regulators.
Administration Management Department	* Purchase and verification for company equipment and necessary items. * Placement and verification of company construction projects. * Management for environment, sanitization and safety. * Handling for assets protection and rent/lease activities. * Engagement in legal issues and safeguard for company rights. * Assessment for business planning and business efficiency. * Design and execution for special projects. * Collection and analysis for information about competitor and the securities market. * Promotion of company image. * Arrangement for annual shareholder meeting and director meeting.
Information Department	* Establishment and management of a safe information system. * Design of various information systems. * Management and protection for computer hardware, software and files. * Maintenance for information network. * Providing of information education and support to business. * Recycling and remedy of damaged information equipment. * Adjusting information systems subject to law revision by regulators and examining computer online conditions during weekends.
Personnel Office	* Planning and adjusting corporate structure. * Devising rules to govern personnel resources. * Devising rules to regulate employee hiring, dismissal, promotion, performance, evaluation, rewarding, salary, insurance and bonus. * Devising training programs and employee participation in business trips and seminar. * Devising systems related to salary, remuneration, insurance, pension fund and personal matters. * Proposing budget and execution plan for personnel resources. * Responsible to collect, compile, review, register and manage personnel data. * Receiving, dispatching and managing company documents.
Financial and Accounting Department	* Devising and executing company accounting system. * Handling and filing of matters related to company accounting and taxation. * Allocation, use and management of company capital. * Proposing and carrying out company budget.

Department	Responsibility
	* Collection and analysis of various financial data. * Devising rules to handle company petty cash and checks. * Devising rules to govern major acquisition and disposal of assets. * Planning for company budget and management for subsidiary.
Proprietary Trading Department	* Trading for stocks and financial derivatives approved by regulators. * Mapping out trading strategy. * Investment and management for securities. * Responsible for futures trading. * Other matters approved by regulators.
Bond Department	* Responsible to trade the bonds approved by regulators, and participate in bond repurchase activities. * Participating in biddings for the bonds offered by the government. * Handling settlement for bond trading. * Research and promotion for bond trading. * Other matters approved by regulators.
Stock Brokerage	A. Stock brokerage * Providing brokerage services to trade stocks and the derivatives that are approved by regulators. * Providing services for public subscription, shares auction and futures trading. * Promotion of client base and business scope. * Improvement for brokerage business. * Providing services for stocks book-entry centrally-deposited operation and settlement.. * Providing services for accounts opening, settlement, liquidation and shareholders name registration. * Providing services for margin trading. * Solving the disputes between clients. B. Online trading business * Handling online trading for stocks listed at the Taiwan Stock Exchange and Taipei Stock Exchange. * Oversight for online trading business. * Providing information to clients, and promoting brokerage business. * Design for online trading, marketing and promotion. C. Institutional investor business * Providing brokerage services to trade stocks and the financial derivatives that are approved by regulators. * Expanding the business from institutional investors. * Increasing relation with institutional investors. D. Stock settlement * Handling trading settlement, cash remittance, share redemption and margin trading. * Providing services for clients' openings, cancellation and alternation in their ordinary, electronics, margin and futures accounts, * Correction for error trade, wrong account number and default trade. * Engagement in refinancing activities with securities loan and financing company. * Providing services for public subscription and shares auction. * Implementation and reporting for orders to trade stocks on the Taiwan Stock Exchange, Taipei Stock Exchange, Emerging Market and futures market.
Stock Registrar Department	* Responsible for stock registration and transfer for listed companies. * Responsible for annual stock registration and transfer for listed companies. * Providing services for annual shareholder meetings. * On behalf for listed companies to distribute dividend and new shares via rights issues. * On behalf for requesting a letter of attorney and entrusted agency. * Other matters approved by regulators.
Underwriting Department	* Providing IPO services for listings on the Taiwan Stock Exchange and Taipei Stock Exchange by companies both at home and abroad. * Providing services to listed companies for fund raising programs. * Providing services for financial planning. * Other matters approved by regulators.

Department	Responsibility
President office	* Development of core business, including but not limited to underwriting, stock registrar, brokerage and asset management. * Establishment of the EMC platform. * Sustainable development and implementation of sustainable development projects such as ESG and corporate governance * Planning for the business project assigned by the president. *Matters discussed at the shareholders' meeting and board of directors' meeting.

II. Information for director and manager

(I) Information of directors (table I.I)

March 2, 2024

Title (Note1)	Nationality	Name	Gender/age (Note 2)	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shares under spouses and minor children		Shares under other parties		Major experience and academic background	Job positions in other companies	Spouse or relatives within 2nd degree of kindship			Note
							Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)			Title	Name	Relation	
Chairman	R.O.C	Huang Bing-Jing	Male 61-70	April 14, 2023	April 14, 2023 to April 13, 2026	June 01, 2022	-	-	300,000	0.08	0	0.00%	0	0.00%	- Master of Accounting and Financial Management from Georgia State University, USA - Vice President of Securities Counter Trading Center - President of Taiwan Futures Exchange	-Legal epresentative: Chairman of Foryou Capital (Co., Ltd.)	—	—	—	—
Director	R.O.C	Huang Hsien-Hua	Male 61-70	April 14, 2023	April 14, 2023 to April 13, 2026	June 30, 2020	25,482,555	7.08	28,320,243	7.15	7,565,256	1.91	0	0.00%	Dept. of Finance (Master), NCCU Chairman of GFS Full-time Member of Financial Supervisory Commission Chairman and CEO of Bailey Securities Co. EVP of TISC	- Legal epresentative- .Chairman of Grand Fortune anagement . Chairman of Beiley Biofund Inc. - Chairman of Dayou Investment Co., Ltd. - Chairman of Cai Ci Er Assets Management Co., Ltd. - Director of Datong Co., Ltd.	—	—	—	—
Director	R.O.C	Cai Ci Er Assets management	-	April 14, 2023	2023/4/14 ~ 2026/4/13	July 1,2021	456,320	0.13	492,809	0.12	—	—	—	—	—	—	—	—	—	—
	R.O.C	Lin Huo-deng	male 71-80	April 14, 2023	2023/4/14 ~ 2026/4/13	Nov 11,2016	—	—	610,362	0.15	0	0	0	0.00%	Department of Law, National Taiwan University Institute of Information Management, National Chengchi University General Manager, Taiwan Stock Exchange (TWSE) Deputy General Manager, Taiwan Depository & Clearing Corporation		—	—	—	—

Title (Note1)	Nationality	Name	Gender/age (Note 2)	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shares under spouses and minor children		Shares under other parties		Major experience and academic background	Job positions in other companies	Spouse or relatives within 2nd degree of kindship			Note
							Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)			Title	Name	Relation	
Director	R.O.C	Jeng Geng-Yi	Male 61-70	April 14, 2023	2023/4/14 ~ 2026/4/13	Dec 18,2014	1,414,788	0.39%	1,527,920	0.39%	0	0.00%	0	0.00%	Dept. Of Accounting, Feng Chia University VP of Research Dept. of Bailey Securities Co. VP of Hong-Yang VC VP of Underwriting Dept. of TISC	-Legal epresentative . Director of Grand Fortune Securities Investment Cousltiong . .Director of Foryou Capital Co., . Director of Beiley Biofund Inc -Director of Solytech Enterprise Co., - Director of Shieh Yih Co., - Director of Leader Electronics Inc. -,Independent Director of Holy Stone Enterprise -,Independent Director of Prolific Tech. Inc. -Director of Metagone Biotech Inc.	—	—	—	—
Director	R.O.C	Da Ya Capital	-	April 14, 2023	2023/04/14 ~ 2026/4/13	Jun 30,2020	686,992	0.19%	741,926	0.19%	0	0.00%	0	0.00%	-	-	—	—	—	—
	R.O.C	Rep.：Li Qing-Rong	Male 61-70	April 14, 2023	2023/04/14 ~ 2026/4/13	Jun 30,2020	0	0%	28,716	0.01%	0	0.00%	0	0.00%	Dept. of Economics, CCU Chief of Tax Collection Office of TPG Auditor, Ministry of Fin., Internal Revenue Service, TCG	-	—	—	—	—
Independent Director	R.O.C	Huang Chi-Chiang	Male 61-70	April 14, 2023	2023/4/14 ~ 2026/4/13	April 14, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, NKU Manager, TISC	Member of Audit, Remuneration, and Risk Management Committee, GFS	—	—	—	—

Title (Note1)	Nationality	Name	Gender/age (Note 2)	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shares under spouses and minor children		Shares under other parties		Major experience and academic background	Job positions in other companies	Spouse or relatives within 2nd degree of kindship			Note
							Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)			Title	Name	Relation	
Independent Director	R.O.C	Luo Nen-Qing	Male 61-70	April 14, 2023	2023/4/14 ~ 2026/4/13	Jun 30,2020	16,488	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Dept. of Finance, NCCU Secretary General, Chung-hua Association of Public Finance Professor, Dept. of Finance, Takming U. Hua Nan Bank Member of Bookkeeper's Disciplinary Committee, Ministry of Finance Pro Vice-Chancellor of NTUB	Member of Audit, Remuneration, Risk Management Secretary-General, Chinese Fiscal Association (part-time/volunteer position) Adjunct Professor, Department of Finance and Taxation, College of Finance and Economics, Takming University of Science and Technology Member, Disciplinary Review Committee for Certified Public Accountants, Ministry of Finance (part-time)	—	—	—	—
Independent Director	R.O.C	Hsu Mei-Li	Female 61-70	April 14, 2023	2023/04/14 ~ 2026/4/13	April 14, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	National Chengchi University, Institute of Finance Assistant Section Chief, China Agricultural Bank Manager, Federal Commercial Bank Deputy General Manager, Bao Hua Commercial Bank Vice President, ING Private Bank Deputy General Manager, GuoPiao Securities	Member of Audit, Remuneration, Risk Management	—	—	—	—
Independent Director	R.O.C	Wu Zhong-Chun	Female 51-60	April 14, 2023	2023/4/14 ~ 2026/4/13	April 14, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Tamkang University, Department of Business Administration Executive Vice President, Minsheng Group Anchor, Extraordinary Television Channel	Member of Audit, Remuneration, Risk Management Chairman, Nokids Foundation Director, Angel Home Long-Term Care Foundation Vice General Manager, Kinwanlin Enterprise Co., Ltd.	—	—	—	—

Note 1. Name of an institutional shareholder and its representative shall be stated in the table 1.

Note 2. Please list your actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3. Fill in the time when you first served as a director or supervisor of the company. Please note it, if there is any interruption.

Note 4. Former experience ties to current positions, such as job in a CPA company or in the CPA firm's associates, please including title and responsibility.

Note 5. Cause, reasonableness, necessity and measure shall be provided when positions of the chairman, president or high-ranking manager are taken by the same person or taken by spouses, or blood relatives within first degree of kinship. The measures shall include additions of independent director seats, or not having more than half of directors to assume job and managerial positions in the Company.

Note 6: If the Chairman of the company and the General Manager or equivalent positions (the top executives) are the same person, spouses, or first-degree relatives, the company should explain the reasons, rationale, necessity, and measures taken (such as increasing the number of independent directors, ensuring that the majority of directors do not concurrently serve as employees or managers, etc.).

(II) Major shareholders in the Company’s institutional shareholder (table 1)

March 2, 2024

Name of institutional shareholder	Major shareholders (stake %) of institutional investor
DaYu Capital Representative	Huang Hsien-Hua (50%), Huang Yun-ru (50%)
Cai Cier management	Huang Hsien-Hua (92.50%), Huang Yun-ru (%)

Note 1. Name of a director or supervisor, if he/she is a representative for institutional investor, must be stated in the table 1.
Note 2. Name of a major shareholder, or a top-ten shareholder, must be stated. If the major shareholder is an institutional investor, the table 2 shall be filled out.
Note 3. If the institutional investor is not a corporation, name of the capital provider or donator of the institutional investor must be provided along with the ratio of capital.

(III) Institutional investor as a major shareholder of the Company’s institutional investors (table 1, 2)

March 2, 2024

Name of institutional investor	Major shareholders (stake %) of institutional investor
None	--

Note 1. Name of an institutional investor must be stated in the table 1.
Note 2. Name of major shareholder of the institutional investor and stake holding ratio must be provided.
Note 3. If the institutional investor is not a corporation, the name of the capital provider or donator of the institutional investors must be provided along with the ratio of capital.

(IV) Professional qualifications and independence of director

March 2, 2024

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Huang Bing-Jing	Master of Accounting and Financial Management from Georgia State University Former positions held: Vice General Manager of Securities Counter Trading Center, General Manager of Taiwan Futures Exchange. Extensive experience in securities and financial management, as well as strong leadership and decision-making skills; No circumstances falling under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliated enterprises. 2. Not a director or supervisor of the Company or its affiliated enterprises. 3. Neither the individual nor their spouse, minor children, or natural person shareholders holding 1% or more of th Company's issued shares or being among the top ten shareholders, held under the name of another person. 4. Not a manager listed in item 1 or a spouse of individuals listed in items 2 and 3, nor a relative within the second degre of kinship or within the third degree of direct consanguinity of individuals listed in items 2 and 3. 5. Not a director, supervisor, or employee of a juristic person shareholder who directly holds 5% or more of the total issue shares of the Company, is among the top five shareholders, or appoints a representative as a director or supervisor pursuan to Article 27, Paragraph 1 or Paragraph 2 of the Company Act. 6. Not a director, supervisor, or employee of another company whose director, supervisor, or employee holds more tha half of the Company's director seats or voting rights in shares. 7. Not a director (member of the board), supervisor (board supervisor), or employee of another company or institutio where the Chairman, General Manager, or equivalent position of the Company or its affiliated enterprises, or their spouse holds the same position. 8. Not a director (board member), supervisor (board supervisor), manager, or shareholder holding 5% or more of a specifi company or institution that has financial or business transactions with the Company. 9. Not a professional, sole proprietor, partner, director (board member), supervisor (board supervisor), manager, or spous of the aforementioned individuals, or an entity providing audit, legal, financial, accounting, or related services to th Company or its affiliated enterprises, and receiving remuneration in the past two years. 10.Not related by marriage or within the second degree of consanguinity with any other directors.	

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Huang Hsien-Hua	Master of Finance, National Chengchi University. Served as a full-time member of the Financial Supervision and Administration Commission, executive deputy general manager of Jinding Securities (stock) Company, chair of Beili Securities (stock) Company. Founded Fubon Securities Co., Ltd. Fubon Venture Capital Fubon Venture Capital Management Consultant (Shares) Company and Fuyou Capital Co., Ltd. Possessed a wealth of professional ability in securities, finance, financial operation and management, and leadership and decision-making. None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 2. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 3. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company. 4. non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 5. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 6. There is no relationship between spouses or relatives within the second degree of kinship with other directors. 7. There is no Article 27 of the Company Law that stipulates that the government, legal person or its representative shall be elected.	0

Name \ Expertise	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Jeng Geng -Yi	Department of Accounting, Feng-Chia University Served as the assistant manager of the underwriting department of Jinding Comprehensive Securities (stock) Company, the deputy general manager of Hongyang Venture Capital (stock) Company, and the deputy general manager of Beili Securities (stock) Company. Currently serving as director (legal representative) of Wenye Technology (stock) Company, director of Shouli Industrial (stock) Company, director of Xieyi Machinery Industry (stock) Company, director of Lide Electronics (stock) Company, and Heshentang Enterprise (stock) Independent director of the company, independent director of Wangjiu Technology (stock), director (legal representative) of Fubon Venture Capital Management Consulting (stock), director (legal representative) of Fubang Venture Capital (stock). Fuyou Capital (stock) Company director (legal representative), director of Xinli Biotechnology (stock) None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 2. non-person shareholders who are not themselves and their spouses, minor children or natural person shareholders who hold more than 1% of the company's issued shares or hold the top ten shares in the name of others. 3. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship, not the managers listed in 1. or the persons listed in 2~3. 4. Directors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with paragraph 1 or 2 of Article 27 of the Company Law, Supervisor, or employee. 5. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 6. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chair, general manager or equivalent of the company. 7. non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 8. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting, and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 9.. There is no relationship between spouses or relatives within the second degree of kinship with other directors. 10. There is no Article 27 of the Company Law that stipulates that the government, legal person, or its representative shall be elected.	2

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Da Ya Investment Co., Ltd Representative： Li Qing-Rong	Department of Economics, Cultural University. Served the head of the Tax Collection Office of the Taipei City Government, and an auditor of the Taipei Internal Revenue Service of the Ministry of Finance. Possess professional competence in taxation. None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 2. non-directors or supervisors of the company or its affiliates. 3. non-person shareholders who are not themselves and their spouses, minor children or natural person shareholders who hold more than 1% of the company's issued shares or hold the top ten shares in the name of others. 4. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship, not the managers listed in 1. or the persons listed in 2~3. 5. Directors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with paragraph 1 or 2 of Article 27 of the Company Law, Supervisor or employee. 6. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 7. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company. 8. non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 9. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 10. There is no relationship between spouses or relatives within the second degree of kinship with other directors.	0

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Cai Ci Er Assets Managemen , Representative: Lin Huo-deng	Department of Law, National Taiwan University. Institute of Information Management, National Chengchi University. Served as the section chief of the Finance Center of the Ministry of Finance, the chief of the Postal Savings and Remittance Bureau of the Ministry of Communications, the deputy general manager of the Taiwan Central Depository and Clearing Corp., and the general manager of the Taiwan Stock Exchange (stock). Possessed a wealth of professional ability in securities, finance, financial operation and management, and leadership and decision-making. None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 2. non-directors or supervisors of the company or its affiliates. 3. non-person shareholders who are not themselves and their spouses, minor children or natural person shareholders who hold more than 1% of the company's issued shares or hold the top ten shares in the name of others. 4. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship, not the managers listed in 1. or the persons listed in 2~3. 5. Directors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with paragraph 1 or 2 of Article 27 of the Company Law, Supervisor or employee. 6. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 7. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company. 8. non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 9. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 10. There is no relationship between spouses or relatives within the second degree of kinship with other directors. 11. There is no Article 27 of the Company Law that stipulates that the government, legal person or its representative shall be elected.	1

Name \ Expertise	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Huang Zhi-Qiang	MBA, Nankai University. Former head of the Taiwan Stock Exchange Co., Ltd. Currently serving as the convener of the Company's Audit Committee, the convener of the Remuneration Committee, the convener of the Risk Management Committee. Possess professional skills in securities management. None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 3. non-person shareholders who are not themselves and their spouses, minor children or natural person shareholders who hold more than 1% of the company's issued shares or hold the top ten shares in the name of others. 4. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship, not the managers listed in 1. or the persons listed in 2~3. 5. Directors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with paragraph 1 or 2 of Article 27 of the Company Law, Supervisor or employee. 6. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 7. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company. 8. non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 9. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 10. There is no relationship between spouses or relatives within the second degree of kinship with other directors. 11. There is no Article 27 of the Company Law that stipulates that the government, legal person or its representative shall be elected.	0

Name \ Expertise	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Luo Nen-Qing Independent director	Master of Finance, National Chengchi University. He used to be the tax collector of Taipei County. Served as a professor at the School of Finance and Economics of Deming University of Finance and Economics, a professor and vice president of the Taipei College of Commerce and Technology, a legal person director of South China Commercial Bank Co., Ltd., and the Ministry of Finance, who also served as a disciplinary review committee for bookkeepers. Currently, he is the secretary general of the Chinese Society for Finance and Economics, a member of the audit committee, remuneration committee and risk management committee of the company. Possess professional ability in securities management and finance. None of the provisions of Article 30 of the Company Law apply.	1. Not an employee of the company or its affiliates. 3. Non-person shareholders who are not themselves and their spouses, minor children or natural person shareholders who hold more than 1% of the company's issued shares or hold the top ten shares in the name of others. 4. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship, not the managers listed in 1. or the persons listed in 2~3. 5. Directors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with paragraph 1 or 2 of Article 27 of the Company Law, Supervisor or employee. 6. The directors, supervisors or employees of other companies who are not the directors, supervisors or employees of other companies controlled by the same person with more than half of the shares with voting rights. 7. A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company. 8. Non-directors (council), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company. 9. Non-professionals, sole proprietorships, partnerships, business owners, partners, directors (counselors) of companies or institutions who provide auditing or business, legal, financial, accounting and other related services for the company or related enterprises, supervisors (supervisors), managers and their spouses. 10. There is no relationship between spouses or relatives within the second degree of kinship with other directors. 11. There is no Article 27 of the Company Law that stipulates that the government, legal person or its representative shall be elected.	0

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Hsu Mei-Li Independent director	Graduate Institute of Finance, National Chengchi University Former Positions: Deputy Director, China Agricultural Bank Manager, Federal Commercial Bank Deputy General Manager, Bao Hua Commercial Bank Vice President, ING Private Bank Deputy General Manager, Guopiao Securities Possesses extensive expertise in securities and financial management, with professional capabilities in finance. No violations of Article 30 of the Company Act.	1. Not a director or supervisor of this company or its affiliated enterprises. 2. Neither the individual nor their spouse, minor children, or individuals holding more than 1% of the company's issue shares or ranking among the top ten shareholders under another name. 3. Not the spouse or blood relative up to the second degree of the individuals listed in items 1 or 2, or up to the thir degree of direct blood relatives. 4. Not a director, supervisor, or employee of a juristic shareholder who directly holds more than 5% of the company' issued shares, ranks among the top five shareholders, or is appointed as a representative under Article 27, Paragraph 1 o 2 of the Company Act. 5. The majority of the voting rights attached to the shares held by individuals occupying a director's seat or having votin rights are not controlled by the same person who controls the directors, supervisors, or employees of another company. 6. Not the same individual or spouse of the chairman, general manager, or equivalent position holder of this company o another company or institution's director, supervisor, or employee. 7. No financial or business transactions with specific companies or institutions where directors, supervisors, managers, o shareholders holding more than 5% of shares are involved. 8. Not a professional individual, sole proprietorship, partnership, company, or institution providing audit or recen remunerated business, legal, financial, or accounting-related services to this company or its affiliated enterprises, or th spouse of such individuals. 9. No spouse or blood relative within the second degree of other directors. 10. Not elected as a government representative, juristic person, or its representative under Article 27 of the Compan Act.	0

Expertise / Name	Professional qualifications and experience (Note 1)	Independence situation	Number of independent directors of other public companies
Wu Zhong-Chun Independent director	Department of Business Administration, Tamkang University Former Positions: Executive Vice President at Minshi Group, Anchor at Extraordinary TV Station Current Positions: Vice General Manager at Golden Million Enterprise Co., Ltd., Chairman of Nokids Foundation, Director at Angel Home Care Foundation Possesses extensive expertise in business management and leadership decision-making abilities; No violations of Article 30 of the Company Act.	1. Not an employee of this company or any related entity. 2. Not a director or supervisor of this company or any related entity. 3. Neither the individual nor their spouse, minor children, or any other person holds 1% or more of the company's issued shares or is among the top ten natural person shareholders. 4. Not the spouse of any of the managers listed in item 1 or the relatives up to the second degree of kinship of the individuals listed in items 2 and 3, or relatives up to the third degree of kinship of the direct blood relatives. 5. Not a director, supervisor, or employee of a juristic person shareholder who directly holds 5% or more of the total issued shares of this company, is among the top five shareholders, or is appointed as a representative under Article 27, Paragraph 1, or Paragraph 2 of the Company Act. 6. Not a director, supervisor, or employee of another company where the person controlling the majority of the shares with voting rights of the company's director seats is the same individual. 7. Not the same individual or spouse of the chairman, general manager, or equivalent position of another company or organization serving as a director, supervisor, or employee. 8. Not a director, supervisor, manager, or shareholder holding 5% or more of a specific company or institution with financial or business transactions with this company. 9. Not a professional, sole proprietor, partner, director, supervisor, manager, or employee providing audit or related services in business, legal, financial, or accounting fields, and receiving compensation within the last two years from this company or related entities, nor their spouses. 10. No spousal or second-degree or closer relative relationship with other directors. 11. Not elected under Article 27 of the Company Act by the government, legal person, or its representatives.	0

Note 2 : Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; The number and proportion of the company's shares held by relatives (or in the name of others) ; whether they serve as a company that has a specific relationship with the company (refer to the provisions of Article 3 , Paragraph 1 , Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors and Matters to be Complied with in Public Offering Companies) Directors, supervisors or employees; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

Note 3 : For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(V) Diversity and independence of the board of directors:

The composition of the board of directors of the company has formulated a policy of diversity. According to the provisions of Article 20, paragraph 3, of the " Code of Practice on Corporate Governance " of the company, the composition of the board of directors of the company should consider diversity, except Directors who also serve as managers of the company should not exceed one-third of the number of directors, and should formulate an appropriate diversification policy based on their own operation, operation type and development needs. It should include but not limited to the following two standards: 1. Basic Conditions and values: gender, age, nationality and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology) , etc. , and there is no more than half of the seats between spouses or relatives within the second degree of kinship. system.

addition, Article 20, Paragraph 4 of the Company's " Code of Practice on Corporate Governance " stipulates that member of the board of directors should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall capabilities of the board of directors should be as follows: 1. Operation and management capabilities. 2. Crisis handling capacity. 3 Industry knowledge. 4 international market view. 5. Leadership. 6. Decision-making ability. 7. Risk management knowledge and ability.

1. Diversity of board members:

The 13th board of directors of the company has a total of 14 seats, including 3 independent directors and 6 directors. None of the directors has the identity of employees. The board members have rich management experience and relevant Professional background (1) Possess the professional knowledge, skills and literacy necessary for the performance of duties; at least 2/3 of the members of the 9 major groups should have the relevant abilities (2). Independent directors shall not serve for more than 3 consecutive terms in order to maintain their independence. (3) Among the directors, the number of employees who are employees of the company, parent, child or brother company should be less than (inclusive) 1/3 of the number of directors to achieve the purpose of supervision.

The implementation of the diversity of board members is as follows:

Job title	Name	basic component					Professional ability									Industrial background			
		Gender	identity	age			Operational Judgment	Accounting and financial analysis skills	Management ability	crisis management ability	Securities and derivative financial products expertise	international market view	leadership	Decision-making capacity	Risk management knowledge and ability	securities, finance	Information, Technology	finance, Accounting	trade industry
				40-50 years old	51-60 years old	61+													
Chairman	Huang Bing-Jing	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Director	Huang Hsien-Hua	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Director	Jeng Geng -yi	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Corporate Director representative	Lin Huo-deng	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-

Corporate Director representative	Li Qing-rong	male	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	-	-	✓	-
Director	Huang Chih-Chiang	male	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	-	-
Independent director	Luo Nen-Qing	male	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	✓	-
Independent director	Hsu Mei-Li	Female	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Independent director	Wu Zhong-Chun	Female	-	-	✓	-	✓	-	✓	✓	-	✓	✓	✓	✓	-	-	-	✓

2.1 The company has established a director selection system. The selection process of all directors is open and fair, which is in line with the company's "Articles of Association", "Director Selection Process", "Code of Practice for Corporate Governance", "Public Issuance Company Independent Director Setup and Matters to be Followed" Regulations” and Article 14-2 of the Securities and Exchange Act, etc., the composition of the current board of directors is composed of three independent directors (33 %), and two directors are each other ’s spouses or relatives within the second degree of kinship. (22%), all directors who do not have the status of employees or managers meet the requirements of Article 26-3 of the Securities and Exchange Act.

2.2 The board of directors of the company emphasizes the functions of independent operation and transparency. Directors and independent directors are independent individuals and exercise their powers independently. The three independent directors also abide by the relevant laws and regulations and cooperate with the functions and powers of the audit committee to supervise: (1) the fair presentation of the company's financial statements, (2) the selection (dismissal), independence and performance of certified accountants, (3) the company's internal The effective implementation of control, (4) the company's compliance with relevant laws and regulations and (5) the management and control of the company's existing or potential risks. In addition, according to the company's "Director Selection Procedures", the cumulative voting system and candidate nomination system are adopted for the selection and appointment of directors and independent directors, and shareholders are encouraged to participate. Personnel qualification review and confirmation of whether there are any violations listed in Article 30 of the Company Law, relevant acceptance operations are carried out and announced in accordance with the law to protect the rights and interests of shareholders, avoid monopoly or excessive nomination rights, and maintain independence.

In addition , the company has established a performance evaluation system for the board of directors, and implements the completion of the board performance evaluation self-assessment questionnaire and the board member self-assessment questionnaire once a year;) to improve the decision-making quality of the board of directors, (3) the composition and structure of the board of directors, (4) the selection and continuous education of directors, and (5) internal control; and the self-performance evaluation of directors includes (1) the company’s goals and tasks. (2) Directors' awareness of duties, (3) Participation in company operations, (4) Internal relationship management and communication, (5) Directors' professional and continuing education, and (6) Internal control. The relevant self-assessment results of the above-mentioned assessments will be disclosed in the Company's annual report after reporting to the Board of Directors.

Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and whether they have not There are cases under Article 30 of the Company Law.
Note 2: Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; The number and proportion of the company's shares held by relatives (or in the name of others); whether or not he is a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors and Matters to be Complied by Public Companies) Directors, supervisors or employees; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.
Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange

(VI) Information on the general manager, deputy general managers, assistant managers, heads of various departments and branches

March 2, 2024

job title	Country of Citizenship	Name	gender (Note 2)	Elected Date	holding shares		Spouse and minor children hold shares		Holding shares in someone else's name		Main economic (education) degree	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks (Note 3)
					number of shares	Shareholding ratio (%)	number of shares	share holding ratio (%)	number of shares	shareholding ratio (%)			job say	surname name	close Tie	
General manager	Republic of China	Lin Ying-ming	male	2018/08/15	509, 825	0. 13%	—	—	—	—	National Sun Yat-Sen University Yiyou Management Consultants (Stocks) Co., Ltd. Bili Securities Co., Ltd. Vice Manager Fubon Securities Co., Ltd. Executive Vice General Manager	(Legal representative) of Foryou Capital Grand Fortune director Management Corporation supervisor	-	-	-	-
Underwriting Department Vice General Manager	Republic of China	Chen Song-zheng	male	2018/8/14	267, 574	0. 07%	30, 000	0. 01 %	—	—	Yuan Ze University Institute of Management CPA Auditor Senior Vice Manager of Qunyi Securities Co., Ltd. Assistant Manager of Underwriting Department of Fubon Securities (Shares)	none	-	-	-	-
Implement Vice General Manager	Republic of China	Shen Xin-xian	male	2017/07/12	58, 000	0. 01%	—	—	—	—	Guangwu Engineering College Vice General Manager of Jinding Securities Co., Ltd. Deputy Manager of China Jiatong Co., Ltd. Deputy General Manager of Fubon Securities Co., Ltd.	none	-	-	-	-
Brokerage Department Vice General Manager	Republic of China	Hong Liang	male	2016/4/26	0	0. 00%	—	—	—	—	Department of Economics, Zhongxing University Vice General Manager of Brokerage Business of Mega Securities Co., Ltd. Vice General Manager of Dazhong Securities Co., Ltd.	none	-	-	-	-
stock agent Vice General Manager	Republic of China	Schweiz	male	2018/8/14	194, 104	0. 05%	—	—	—	—	Xinpu Technical College Electrical Engineering Division Manager of Stock Affairs Agency Department of South China Yongchang Securities (Stock) Company Vice Manager of Asia Securities Co., Ltd. Associate Manager of the Stock Agency Department of Fubon Securities (Stocks) Co.,	none	-	-	-	-

job title	Country of Citizenship	Name	gender (Note 2)	Elected Date	holding shares		Spouse and minor children hold shares		Holding shares in someone else's name		Main economic (education) degree	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks (Note 3)
					number of shares	Shareholding ratio (%)	number of shares	shareholding ratio (%)	number of shares	shareholding ratio (%)			job say	surname name	close Tie	
											Ltd.					
senior Deputy General Manager	Republic of China	Huang Junrong	male	2020/8/11	46, 988	0. 01%	—	—	—	—	Master of Business Administration, Fu Jen Catholic University Vice General Manager of Financial Commodities Business Headquarters of Mega Securities , Special Assistant to General Manager Office of Yadong Securities	none	-	-	-	-
Accounting director	Republic of China	Zhu Shicheng	male	2002/1/29	200, 230	0. 05%	—	—	—	—	Department of Accounting, Soochow University Director of the Audit Office of the Revitalization and Rehabilitation Medical Center Hospital Manager of Zhengfeng Accounting Firm Senior Manager of Finance and Accounting Department of Fubon Securities Co., Ltd.	Grand Fortune Management Corporation Supervisory Renren (Legal Representative) ,	-	-	-	-
Hsinchu branch manager	Republic of China	Qiu Mengzhao	Female	2019/4/1	51, 842	0. 01%	—	—	—	—	Chongyou College of Business Management International Trade Cobra Securities Salesperson Citic Securities Hsinchu Branch Manager	none	-	-	-	-
Self-operated department Associate	Republic of China	Zhan Yaohong	male	2020/12/9	6, 000	0. 00%	100	0. 00 %	—	—	Master of Finance and Banking from National Taiwan University Deputy General Manager of Pine Bridge secrities investmentst Self-operated department of IBF Securities co.,Ltd manager Self-operated department of First Securities Incorporation manager	none	-	-	-	-
bond department Associate	Republic of China	Huang Junyi	male	2021/9/1	2, 000	0. 00%	—	—	—	—	Master of Finance, Tamkang University Manager of Bond Department, KGI Securities National Securities	none	-	-	-	-
Associate	Republic of China	Hsu Bin-Wei	male	2022/08/12	161, 274	0. 04%	—	—	—	—	National Chung Cheng University, Department of Accounting Assistant Manager at Taishin Securities Co.,	none	—	—	—	—

job title	Country of Citizenship	Name	gender (Note 2)	Elected Date	holding shares		Spouse and minor children hold shares		Holding shares in someone else's name		Main economic (education) degree	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks (Note 3)
					number of shares	Shareholding ratio (%)	number of shares	shareholding ratio (%)	number of shares	shareholding ratio (%)			job say	surname name	close Tie	
											Ltd.					
Associate	Republic of China	Lee Li-Ling	Female	2022/08/12	134, 346	0. 03%	—	—	—	—	Master of Finance and Banking from National Chung Hsing University Deputy Section Chief at Yuanta Securities Senior Manager at Grand Fortune Securities	none	—	—	—	—
Associate	Republic of China	Hsieh Zuo-Mei	Female	2022/08/12	50, 000	0. 01%	1, 000	0. 00 %	—	—	Accounting Department at Chung Yuan Christian University Senior Manager at Fubon Securities Assistant Manager at Cathay Securities	none	—	—	—	—
Legal Compliance Supervisor	Republic of China	Yang Muyu	male	2017/11/8	78, 660	0. 02%	—	—	—	—	Institute of Finance, Tamkang University Business Times writing member	none	-	-	-	-
Audit Supervisor	Republic of China	Huang Wanzhen	Female	2002/9/6	124, 872	0. 03%	—	—	—	—	Department of Business Administration, Chung Hsing University Chief of Audit Department of Fubon Securities Co., Ltd. of the Audit Department of Fubon Securities Co., Ltd.	none	-	-	-	-
Senior Associate	Republic of China	Wang Mei-Mei	Female	2022/08/12	81, 398	0. 02%	—	—	—	—	Department of Applied Business Studies, Continuing Education Division, Taipei Business University Securities Representative at Mega Financial Holding Co., Ltd. Assistant Manager at Grand Fortune Securities	none	—	—	—	—
Associate	Republic of China	Wang Kuo-Lian	male	2022/08/12	2, 468	0. 00%	—	—	—	—	Affiliated Senior High School of National Taiwan Normal University Assistant Manager at Yuanta Securities (Taipei) Senior Manager at Grand Fortune Securities	none	—	—	—	—
Associate	Republic of China	Huang Chen-Hui	male	2022/08/12	0	0. 00%	—	—	—	—	Department of Business Administration, Taipei University of Technology Second Grade Specialist at Hua Nan Securities & Investment Trust Co., Ltd. Senior Manager at Grand Fortune Securities	none	—	—	—	—

job title	Country of Citizenship	Name	gender (Note 2)	Elected Date	holding shares		Spouse and minor children hold shares		Holding shares in someone else's name		Main economic (education) degree	Currently holding positions in other companies	Managers with a relationship within the spouse or second degree of kinship			Remarks (Note 3)
					number of shares	Shareholding ratio (%)	number of shares	shareholding ratio (%)	number of shares	shareholding ratio (%)			job say	surname name	close Tie	
Senior Associate	Republic of China	Cghen Win-Chi	Female	2022/08/12	322, 792	0. 08%	—	—	—	—	Master of Finance and International Business, Fu Jen Catholic University Assistant Manager of Business at Hua Nan Securities & Investment Trust Co., Ltd. Assistant Manager at Grand Fortune Securities	none	—	—	—	—
Information Officer	Republic of China	Wu Wenrui	male	2010/9/16	5, 000	0. 00%	—	—	—	—	Central University Information Management Institute Assistant Manager at KGI Securities China-Philippines Computer Assistant Manager	Director of Grand Fortune Securities Investment Consulting Co., Ltd	-	-	-	-

Note 1: It should include the information of the general manager, deputy general manager, assistant manager, heads of various departments and branches, and any position equivalent to general manager, deputy general manager or assistant manager, regardless of the title, should also be disclosed.
Note 2: The experience related to the current position, if you have worked in the audit and visa accounting firm or related companies during the previous disclosure period, the title and responsible position should be stated.
Note 3: When the general manager or equivalent (top manager) and the chairman are the same person, spouse or first-degree relative, the reasons, rationality, necessity and countermeasures should be disclosed (such as increasing the number of independent directors, and there should be more than half of the directors who are not concurrently
Information about the way of serving as an employee or manager): No such item

III. Remuneration to directors, president and vice presidents
1. Remuneration to directors and independent directors (1.2.1)

Unit: NT$1.000

job title	Name	Director's Remuneration: Remuneration (A) (Note 2): Our company	Director's Remuneration: Remuneration (A) (Note 2): All companies in the financial report (Note 7)	Director's Remuneration: retirement pension (B): Our company	Director's Remuneration: retirement pension (B): All companies in the financial report (Note 7)	Director's Remuneration: Director 's Remuneration (C) (Note 3): Our company	Director's Remuneration: Director 's Remuneration (C) (Note 3): All companies in the financial report (Note 7)	Director's Remuneration: Business execution cost (D) (Note 4): Our company	Director's Remuneration: Business execution cost (D) (Note 4): All companies in the financial report (Note 7)	The total amount of the four items A, B, C and D and their proportion to the net profit after tax (Note10): Our company	The total amount of the four items A, B, C and D and their proportion to the net profit after tax (Note10): All companies in the financial report (Note 7)	Remuneration for part-time employees: Salary, bonus, and special expenses, etc. (E) (Note 5): Our company	Remuneration for part-time employees: Salary, bonus, and special expenses, etc. (E) (Note 5): All companies in the financial report (Note 7)	Remuneration for part-time employees: retirement pension (F): Our company	Remuneration for part-time employees: retirement pension (F): All companies in the financial report (Note 7)	Remuneration for part-time employees: Employee compensation (G) (Note 6): Our company: cash amount	Remuneration for part-time employees: Employee compensation (G) (Note 6): Our company: stock amount	Remuneration for part-time employees: Employee compensation (G) (Note 6): All companies in the financial report (Note 7): cash amount	Remuneration for part-time employees: Employee compensation (G) (Note 6): All companies in the financial report (Note 7): stock amount	The total amount of seven items A, B, C, D, E, F and G and their proportion to the net profit after tax (Note 10): Our company	The total amount of seven items A, B, C, D, E, F and G and their proportion to the net profit after tax (Note 10): All companies in the financial report (Note 7)	Receipt of remuneration from subsidiary reinvested business or parent company (Note 11)
Chairman	Huang Bing-Jing	34,440	36,869	-	-	10,560	10,560	154	154	45,154 7.22%	47,583 7.61%	-	2,000	-	-	-	-	-	-	45,154 7.22%	49,583 7.93%	None
director	Huang Hsien-hua																					
director	Jeng Geng -yi																					
director	Cia Cier asset management Rep: Lin Huo-deng																					
director	Dayou Investment Co., Ltd. Rep: Li Qing-rong																					
director	Shin sian Construction Industry Co., Ltd. Rep: Su Jun-hong																					
director	Huang Chi-Chiang																					
independent director	Luo Nen-Qing	1,630	1,630	-	-	-	-	126	126	1,756 0.28%	1,756 0.28%	-	-	-	-	-	-	-	-	1,756 0.28%	1,756 0.28%	none

independent director	Hsu Mei-Li																					
independent director	Wu Zhong-Chun																					
independent director	Lai Ming-Fu																					

1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors: The company's remuneration payment is based on directors and functions the salary and remuneration method of the sexual committee members works. The remuneration is based on the degree of participation in the company's operation, business execution is paid according to the number of meetings, and the director's remuneration is set out in the company's articles of association. It has a positive correlation with business performance and future risks.

2. Except as disclosed in the above table, the remuneration received by the directors of the company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: None.

[1] Started from April 2023
[2] Resign from April 2023

Remuneration table (1.2.2)

Range of remuneration	Director name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the financial statement (Note 9)	The Company (Note 8)	Companies in the financial statement (Note 9)
Below NT$1,000,000	Li Qing-rong, Su Jun-hong, Lo Neng-ching, Lai Ming-fu, Hsu Mei-Li, Wu Zhong-Chun	Li Qing-rong, Su Jun-hong, Lo Neng-ching, Lai Ming-fu, Hsu Mei-Li, Wu Zhong-Chun	Li Qing-rong, Su Jun-hong, Lo Neng-ching, Lai Ming-fu, Hsu Mei-Li, Wu Zhong-Chun	Li Qing-rong, Su Jun-hong, Lo Neng-ching, Lai Ming-fu, Hsu Mei-Li, Wu Zhong-Chun
NT$1,000,000(included) ~ NT$2,000,000(not included)	-	-	-	-
NT$2,000,000(included) ~ NT$3,500,000(not included)	Lin Huo-deng, Huang Chi-Chiang	Lin Huo-deng, Huang Chi-Chiang	Lin Huo-deng, Huang Chi-Chiang	Lin Huo-deng, Huang Chi-Chiang
NT$3,500,000(included) ~ NT$5,000,000(not included)	-	-	-	-
NT$5,000,000(included) ~ NT$10,000,000(not included)	-	-	-	-
NT$10,000,000(included) ~ NT$15,000,000 (not included)	-	-	-	-
NT$15,000,000(included) ~ NT$30,000,000(not included)	Huang Bing-Jing, Huang Hisen-Hua, Jeng Geng-yi	Huang Bing-Jing, Huang Hisen-Hua, Jeng Geng-yi	Huang Bing-Jing, Huang Hisen-Hua, Jeng Geng-yi	Huang Bing-Jing, Huang Hisen-Hua, Jeng Geng-yi
NT$30,000,000(included) ~ NT$50,000,000(not included)				
NT$50,000,000(included) ~ NT$100,000,000(not included)				
Over NT$100,000,000				
Total of directors	11	11	11	11

Note 1: The names of directors should be listed separately (legal-person shareholders should list the names of legal-person shareholders and their representatives separately), and general directors and independent directors should be listed separately, and various payment amounts should be disclosed in aggregate. If the director concurrently serves as the general manager or deputy general manager, this form and the following table (3-1), or the following table (3-2-1) and (3-2-2) shall be filled out.
Note 2: Refers to the director's remuneration in the most recent year (including director salary, position bonus, severance pay, various bonuses, incentives, etc.).
amount of directors' remuneration distributed by the board of directors in the most recent year.
Note 4: Refers to the relevant business execution expenses of the directors in the most recent year (including travel expenses, special expenses, various allowances, dormitory, car allocation and other in-kind provision, etc.). When providing houses, cars and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or reasonable value rents, fuel and other payments

should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it is not included in the remuneration.
Note 5: Refers to the salary, position bonus, severance pay, various bonuses, incentives, travel expenses, special expenses, various Subsidies, dormitories, vehicles, etc. are provided in kind, etc. When providing houses, cars and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or reasonable value rents, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it is not included in the remuneration. Salary expenses recognized in accordance with IFRS 2 "Share-Based Payments", including obtaining employee stock option certificates, restricting employees' rights to new shares, and participating in cash capital increase subscription shares, etc., should also be included in the remuneration.
received employee remuneration (including stock and cash) for directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated according to the proportion of the actual distribution amount of last year, and the third table of Appendix 1 shall be filled out.
Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report should be disclosed.
Note 8: The company pays the total amount of remuneration to each director and discloses the director's name in the attribution level.
Note 9: The total amount of remuneration paid to each director of the company by all companies (including the company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the attribution level.
Note 10: Net profit after tax refers to the net profit after tax in the most recent year; if IFRS has been adopted, the net profit after tax refers to the net profit after tax of the individual or individual financial report of the most recent year.
Note 1 1: a. This column should clearly indicate the amount of remuneration received by the director of the company from the subsidiary's outsourced investment business or the parent company (if there is none, please fill in "None").

b. If the director of the company receives remuneration from the subsidiary's reinvestment business or the parent company, the remuneration received by the company director from the subsidiary's reinvestment business, or the parent company shall be included in the I column of the remuneration scale table. Change the field name to " Parent Company and All Subsidiaries”.

(Including the remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the company as directors, supervisors or managers of subsidiaries or parent companies. related remuneration.

* The contents of remuneration disclosed in this table are different from the income concept under the Income Tax Law, so this table is intended for information disclosure and not for taxation purposes.

2. Remuneration to supervisor: The Company on December 18, 2014 has set up an audit committee, and the item is not applicable.

3. Remuneration to president and vice president (summarized with name and title) (3.2.1)

Unit: NT$1.000

Title	Name	Base compensation (A) (Note 2)		Severance and pension pay (B)		Bonus and allowance (C) (Note 3)		Remuneration to employee (D) (Note 4)				Ratio of total remuneration (A+B+C+D) over net profit		Compensation from the Company's invested-in units other than the its subsidiary (Note 9)
								The Company		Companies in the financial statements (Note 5)				
		The Company	Companies in the financial statements (Note 5)	The Company	Companies in the financial statements (Note 5)	The Company	Companies in the financial statements (Note 5)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies in the financial statements (Note 5)	
President	Lin Ying-ming	11,936	11,936	-	-	19,654	19,654	5,280	-	5,280	-	36,870 5.89%	36,870 5.89%	None
Executive vice president	Shen Xin-xian													
Vice president	Chen Song-zheng													
Vice president	Shi Wei-zhou													
Vice president	Huang Jun-rong													
Vice president	Hong Liang													
Vice president	Zheng Zhi-Wen [1]													

* Regardless of titles, disclosures must be provided for the person with position equivalent to president and vice president, such as chief, CEO and general director, etc.

[Note 1] Started from October 2023

Remuneration bracket (3.2.2)

Range of remuneration	Name of president and vice presidents	
	The Company (Note 6)	The companies in financial statement (Note 7)
Below NT$1,000,000	Zheng Zhi-Wen	Zheng Zhi-Wen
NT$1,000,000(included) ~ NT$2,000,000(not included)		
NT$2,000,000(included) ~ NT$3,500,000(not included)	Huang Jun-rong, Hong Liang	Huang Jun-rong, Hong Liang
NT$3,500,000(included) ~ NT$5,000,000(not included)	Shi Wei-zhou,	Shi Wei-zhou,
NT$5,000,000(included) ~ NT$10,000,000(not included)	Lin Ying-ming, Chen Song-zheng, Shen Xin-xian	Lin Ying-ming, Chen Song-zheng, Shen Xin-xian
NT$10,000,000(included) ~ NT$15,000,000 (not included)		
NT$15,000,000(included) ~ NT$30,000,000(not included)		
NT$30,000,000(included) ~ NT$50,000,000(not included)	-	-
NT$50,000,000(included) ~ NT$100,000,000(not included)	-	-
Over NT$100,000,000	-	-
Total of persons	7	7

Note 1: Names of president and vice presidents shall be tabulated in the corresponding columns for their respective totals of remuneration. The directors who concurrently perform as a president or a vice president must be named in the table of (1-1), or (1-2-1) and (1-2-2).
Note 2: The sums of salary, compensation and severance pay to president and vice presidents in the current year.
Note 3: Bonus and allowance include traveling fee, special allowances, stipend, boarding fee, and fee related to company cars and designated drivers, etc. The drivers assigned for president and vice presidents are entitled to receive compensation. The bonus and allowance also include the expending of salary that reflects, under the IFRS 2 rules, the Company's awarding of employee's stock options, restricted stocks and rights-issues new shares
Note 4: Remuneration to employee means the compensation received by the Company's president and vice presidents, including the compensation in the form of cash dividend and stock dividend. The compensation amount, if not available, can be calculated on a prior-year pro rata basis of the proposed amount to be paid in the current year, and shall be stated in the table 1.3. Net profit is based on the latest fiscal year, and means the net profit stated in the separate or non-consolidated financial statements, if based on the IFRS method.
Note 5: The sums of remuneration paid to president and vice presidents stated in the Company and all of the companies stated in consolidated financial statement.
Note 6: Names of president and vice presidents must be stated in the corresponding column based on the remuneration paid by the Company.
Note 7: Names of president and vice presidents must be stated in the corresponding column based on the sums of remuneration paid by the Company and all of the companies mentioned in the financial statement.
Note 8: Net profit is based on the latest fiscal year, and means the net profit stated in the separate or non-consolidated financial statements, if based on the IFRS method.
Note 9: a. The amount of remuneration received by president and vice presidents from the parent company and the invested-in units other than subsidiaries. A "none" shall be written in the column, if there's no such compensation.
b. In the cases that president and vice presidents receive remuneration from the parent company and the Company's invested-in units other than subsidiaries, the remuneration amount has to be included for calculation of remuneration. The name of the column must be renamed as "remuneration from the parent company and all of the invested-in units".
c. The compensation stated in the column means the compensation, remuneration and allowance received by the Company's president and vice presidents when acting as the directors, supervisors or managers in the Company's invested-in units other than subsidiary.

4. Names of managers receiving remuneration, and status of allocation thereof

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total of net profit (%)
Manager	President	Lin Ying Ming	0	11,700	11,700	1.87%
	Executive vice president	Shen Xin-xian				
	Senior Vice president	Huang Jun-rong				
	Vice president	Chen Song-zheng				
	Vice president	Shi Wei-zhou				
	Vice president	Hong Liang				
	Vice president	Zheng Zhi-Wen				
	Senior Associate	Wang Mei-Qang				
	Senior Associate	Chen Win-Chi				
	Associate	Lee Li-Ling				
	Associate	Hsu Wei-Bin				
	Associate	Hsieh Zhuo-Mei				
	Associate	Wang Kuo-Lian				
	Associate	Huang Chen-Hui				
	Associate	Quo Meng-Chao				
	Associate	Zhang Yao-Hung				
	Associate	Huang Chun-Da				
	Associate	Yang Mu-Yu				
	Associate	Wu Wen-Rui				
	Associate	Huang Wang-Jun				
	Associate	Zhu Shi-cheng				

Note 1. Names shall be tabulated in the corresponding column for their respective totals of remuneration.
Note 2. Remuneration to employee means the compensation received by the Company's managers, including the compensation in the form of cash dividend and stock dividend. The compensation amount, if not available, can be calculated on a prior-year pro rata basis of the proposed amount to be paid in the current year. Net profit is based on the latest fiscal year, and means the net profit stated in the separate or non-consolidated financial statements, if based on the IFRS method.
Note 3. Definition of managers: (1) president and the equivalent position. (2) Vice president and the equivalent position. (3) Assistant vice president and the equivalent position, (4) chief in the financial department, (5) chief in the accounting department, (6) persons that are responsible for the Company's management affairs and are qualified to sign the Company's name.
Note 4. The Company's directors, president and vice president that receive employee remuneration. Including the compensation in the form of cash dividend and stock dividend, must fill out the table in addition to the table 1.2.

5. Disclosure of names and the form of remuneration of the top-five remuneration received by managers of the firms listed on the TWSE and TPEx: The item is not available.

6. Comparison of the ratios by calculations of the total remuneration, that is paid to the Company's directors, supervisors, president and vice presidents by the Company and the companies in the consolidated financial statements, as a percentage of net profit in the last two years; description of the policy, standard, and combination of remuneration paid; and procedure of defining remuneration and its relation to business performance and future risks.

(1). Total remuneration paid to the Company's directors, supervisors, president, and vice presidents in the past two years as a percentage of net profit:

Unit: NT$100, %

Year / Items	2023				2021			
	Paid by the Company	% of net profit	Paid by companies in consolidated financial statements	% of net profit	Paid by the Company	% of net profit	Paid by companies in consolidated financial statements	% of net profit
Directors	46,910	7.50%	51,339	8.21%	16,575	(6.26)%	19,000	(7.18)%
President and vice presidents	36,870	5.89%	36,870	5.89%	14,401	(5.44)%	14,401	(5.44)%
Total	83,780	13.39%	88,209	14.10%	30,976	(11.70)%	33,401	(12.62)%

*The increase in director remuneration for the 2023 compared to 2022 was +158.48%, while the increase in executive compensation was +156.02%. These increases were primarily due to a 336.38% increase in post-tax net profit for the 2023 compared to 2022.

(2) Remuneration policy, standard and combination; relation between remuneration procedure, corporate performance and future risk

A. Remuneration paid to directors and independent directors includes traveling fee, execution fee and bonus from the Company's profit-sharing program is subject to

the Articles of Incorporation, Article 24, and is finalized by the board of directors and remuneration committee which together consider the peers' levels, participation degree and contribution extent.
B. Remuneration paid to president and vice presidents includes salary and severance pay, with salary level based on the peers' levels, risk adjustment and contribution degree to the Company, while remuneration paid to employee is based on the Articles of Incorporation, Article 28, and is approved by the board of director and the shareholder meeting.

Remuneration policy and standard subject to the Articles of Incorporation and personnel regulation

Item/Person	Directors (including independent directors)	Manager
Policy	Directors receive remuneration on the basis of supervision duties delegated by shareholder meetings.	Managers receive remuneration on the basis of management duties and professional experience.
Standard and combination	1. Remuneration: Based on the peers' levels, participation degree and contribution extent. 2. Execution fee: Based on the fee arising from execution. 3. Bonus: Based on the 1.5% to 2.5% of the Company's annual net profit.	1. Fixed monthly salary: Based on the job positions. 2. Bonus: Based on the performance after evaluation. 3. Compensation: Based on the 1.5% to 2.5% of the Company's annual net profit.
Procedure in deciding the amount	The board of director, taking into the considerations of CSR effect, approves the remuneration proposed by directors and remuneration committee. The remuneration is appropriated by the percentage of the pre-tax profit and is decided by directors and the committee. The paid amount will be adjusted at the current fiscal year, if rounded up by NT$10,000.	The board of director and the remuneration committee, taking into considerations of the Company's policy and the CSR effect, approves the remuneration to be paid to managers. (including the promotion of ESG benefits.)
Performance-responsive compensation evaluation items	A. Mastery of company goals and tasks (%) B. Directors' responsibilities awareness (%) C. Participation in the company's operations (%) D. Internal relationship management communication (%) E. Professional and continuing education of directors (%) F. Internal control (%) G. Other items (%)	(1) General Manager and Executive Vice President: Organizational Development (20%), Operation (35%), business (20%), finance (25%) (2) Business unit managers: business objectives and customer management (60%-80%), risk control (10%-15%), project industry services (10%-25%) (3) Managers of administrative units: administrative management (70%-80%), Risk control (10%-15%), project business (10%-15%) (4) Employees: by unit, level, and function set corresponding indicators and give appropriate weights, according to the annual indicators are used to evaluate the performance of each employee.

Based on the description above, the Company's remuneration to directors, president and vice presidents are in positive relation with the Company's performance and future risks.
Note: For the specific content of the evaluation indicators for the remuneration of directors, managers and employees, please refer to the company website for details. Measures to reflect compensation of managers and employees ".

IV. Corporate governance

(I). Board of directors

1．From April 14, 2023, to March 12, 2024, the board of directors held 9 meetings (A) The attendance of directors is as follows:

Title	Name (Note1)	Attendance in person (B)	By proxy	Attendance rate (%) (B/A) (Note 2)	Remarks
Chairman	Huang Bing-Jing	9	0	100%	2023/4/14 Re-elected, Same day recommended as Chairman Required attendance times: 7
Chairman	Cia Cier asset management Rep.: Huang Bing-Jing	2	0	100%	2023/4/14 Re-elected resigned； Required attendance times: 2
Director	Huang Hsien-Hua	8	1	89%	2023/4/14 Re-elected； Required attendance times: 9
Director	Cia Cier asset management Rep.: Lin Huo-deng	7	0	100%	2023/4/14 Re-elected； Required attendance times: 7
Director	Lin Huo-deng	2	0	100%	2023/4/14 Re-elected； Required attendance times: 2
Director	Jeng Geng -yi	9	0	100%	2023/4/14 Re-elected； Required attendance times: 9
Director	Da Ya Capital Rep.：Li Qing-rong	9	0	100%	2023/4/14 Re-elected； Required attendance times: 9
Director	Shin Shen Construction Rep.：Su Jun-hong	1	1	50%	2023/4/14 Re-elected， Required attendance times: 2
Director	Cia Cier asset management Rep.: Wu Mei-yu	7	0	100%	Required attendance times: 7
Director	Huang Zhi-qiang	2	0	100%	2023/4/14 Re-elected； Required attendance times: 2
Independent Director	Huang Zhi-qiang	9	0	100%	2023/4/14 Re-elected； Required attendance times: 9
Independent Director	Lou Neng-qing	7	0	100%	2023/4/14 Re-elected Required attendance times:7
Independent Director	Hsu Mei-Li	7	0	100%	2023/4/14 Re-elected Required attendance times:7
Independent Director	Wu Zhong-Chun	2	0	100%	2023/4/14 Re-elected resigned； Required attendance times: 2
Independent Director	Lai Ming-fu	13	0	100	2023/4/14 Re-elected resigned； Required attendance times:

Note 1: Names of an institutional shareholder, as being a director, must be disclosed along with the representative name of the institution.
Note 2: (1) Date of resignation and attendance rate during the term must be described in the column of remarks by a director who resigns before a fiscal year.
(2) A director, if newly elected or re-elected, must be descried in the column of remarks, with attendance rate to be based on the actual attendances during the term of the fiscal year.
The meeting is attended by one independent director at least. V

Date Name	2023. 01.17	2023. 02.23	112. 04.14	112. 05.05	112. 08.04	112. 10.26	112. 12.14	113. 01.29	113. 03.12
Huang Zhi-jiang	✓	✓	-	-	-	-	-	-	-
Lai Ming-fu	✓	✓	-	-	-	-	-	-	-
Lo Neng-ching	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hsu Mei-Li	-	-	✓	✓	✓	✓	✓	✓	✓
Wu Zhong-Chun	-	-	✓	✓	✓	✓	✓	✓	✓

Other mentionable items:
1. If any of the following circumstances happens in the operation of the Board of Directors, it shall describe the date, term, agenda, and opinion of independent directors and the Company’s treatment of these opinions: Please refer to page 62-64 the parts of major resolutions by the shareholder meeting and the board of director.
(I) The provision of the Securities and Exchange Act, Article 14-3:
(II) In addition to the previous provisions, other resolutions of the Board meeting against which independent directors make objections or reserve opinions or submit written statements: None.

2. Director’s name, contents of motion, causes for avoidance and voting shall be specified, if there are director’s avoidance of motions in conflict of interest.

Meeting date	Directors absent in meeting	Content of motion	Cause for avoidance	Resolutions results
2023/1/17	Huang Bing-Jing、Lin Huo-Deng Jeng Geng-yi Huang Hsien-Hua	Discussion of 2021 and 2022, remuneration distribution for the chairman, executive directors, managers and chairman of subsidiaries of the Company.	Due to the involvement of the Chairman, Executive Directors, and General Manager of the subsidiary in the discussion and resolution events regarding the payment of remuneration.	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.

		Jeng Geng-yi Huang Hsien-Hua	The subsidiary, Grand Fortune Management Corporation is processing the case of capital reduction through asset reduction.	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	
		Jeng Geng-yi Huang Hsien-Hua	The subsidiary, Grand Fortune Management Corporation, is processing the case of capital increase through cash infusion.	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	
	2023/5/5	Jeng Geng-yi Huang Hsien-Hua	To augment the operational funds of our subsidiary, Grand Fortune Management Corporation, our company intends to proceed with a cash capital increase for Grand Fortune Management Corporation.	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	

		Jeng Geng-yi Huang Hsien-Hua	The cash capital increase plan for our subsidiary, For you capital, authorizes the Chairman to adjust the amount of capital increase and make relevant decisions within the authorized limit, based on the subsidiary's funding needs and relevant regulations. 。	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	
		Jeng Geng-yi Huang Hsien-Hua	Grand Fortune Venture Capital transforms into a sustainable biotechnology venture capital investment case	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	
	2023/12/14	Huang Hsien-Hua	Salary adjustment case for the chairman of the subsidiary Grand Fortune Management Corporation	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.	

	2024/1/29	Huang Hsien-Hua	The matter of the remuneration payout for executives and subsidiary managers for the 2022 and 2023	The directors are individuals who serve as directors of the subsidiary company (Grand Fortune Securities Co., Ltd., legal representative).	1、During the discussion on the bonus payout for Huang Hisen-Hua, General Manager of the subsidiary, Huang Hisen-Hua, as a director, recused himself from participating in the deliberation and voting on this matter in accordance with the law. The resolution was passed successfully. 2、Apart from the interested director abstaining from participating in the discussion and voting on this matter, the Chairman sought the unanimous consent of all other attending directors, and the proposal was passed accordingly.。	

	Huang Bing-Jing、Lin Huo-Deng Jeng Geng-yi Huang Hsien-Hua	Discussion of 2023, remuneration distribution for the chairman, executive directors of the Company.	The party abstained from their lawful interests.	1. During the discussion on the bonus payout for Huang Hisen-Hua, General Manager of the subsidiary, Huang Hisen-Hua, as a director, recused himself from participating in the deliberation and voting on this matter in accordance with the law. The resolution was passed successfully. 2. During the discussion on the bonus payout for Lin Huo-deng of the subsidiary, Lin Huo-deng, as a director, recused himself from participating in the deliberation and voting on this matter in accordance with the law. The resolution was passed successfully. 3、During the discussion on the bonus payout for Jeng Geng -yi of the subsidiary, Jeng Geng -yi, as a director, recused himself from participating in the deliberation and voting on this matter in accordance with the law. The resolution was passed successfully. 4、During the discussion on the bonus payout for Huang Bing-Jing of the subsidiary, Huang Bing-Jing, as a director, recused himself from participating in the deliberation and voting on this matter in accordance with the law. The resolution was passed successfully.

3. Disclosures must be provided by the board of directors of TWSE/TPEx listed companies, in terms of self- or peer-evaluation covering frequency, period, scope, method and content, with the reviews described in the table (2).

Implementation status of the evaluation by the board of director

Frequency	Period	Scope	Method	Content

Once in a year	From January 1 2023 to December 31, 2024 Performance evaluation	Board of director	Full evaluation must be activated in accordance with the Article 6 under the Company's procedures for evaluating performance of the directors.	Evaluations for the board of director shall cover the five aspects in the following: 1. Participation degree for the Company's operation 2.Upgrade of decision quality 3. Composition and structure of the board of director 4. Directors' election and advanced study 5. Internal control
		Individual directors	Full evaluation must be activated in accordance with the Article 6 under the Company's procedures for evaluating performance of the directors.	Self- or peer-evaluations of individual directors shall cover the following six aspects: 1.Company's objectives and achievement of targets 2. Cognition for responsibility 3. Participation degree for the Company's operation 5. Internal relation and communication 6. Internal control
		Functional committees	Full evaluation must be activated in accordance with the Article 6 under the Company's procedures for evaluating performance of the functional committee.	Evaluations for functional committees shall cover the five aspects in the following: 1. Participation degree for the Company's operation 2. Cognition for responsibility 3. Upgrade of decision quality 4. Composition and election of the members 5. Internal control

Note 1. Frequency means the times of activating the evaluation: for example, once in a year.
Note 2. Period means the evaluation interval: for example, the company's performance evaluation results for the year 2020 at Jan. 29 2023.
Note 3. Scope covers the performance evaluations by the board of director, individual directors and functional committees.
Note 4. Method means the evaluations by the board of director itself, directors themselves, and colleagues, outside specialists, experts or other appropriate channels.
Note 5. Content covers the following items:

(1). Performance evaluations for the board of director shall include participation degree for the Company's operation, decision quality, composition and structure, advanced study and internal control.

(2). Performance evaluations for individual directors shall include the Company's objectives and achievement of targets, cognition for responsibility, participation degree for the Company's operation, directors' expertise and continued study, and internal control.

(3). Performance evaluations for functional committees shall include participation degree for the Company's operation, cognition for responsibility, upgrade of decision quality, composition and election of the members and internal control.

4. The attendance of the independent directors at the board of director to reinforce the board's function in the current and recent year. For example, setting-up of an audit committee and upgrade of information transparency.

(II). Operation of the audit committee

1. Major works:

Item/year	**Q1**	**Q2**	**Q3**	**Q4**
I. Establishment or amendment of internal control system based on the Securities and Exchange Act, Article 14-1	(By case)	(By case)	(By case)	(By case)
II. Review of the effectiveness of internal control system	Declaration of self-assessed reports of internal control			
III. Pursuant to the Securities and Exchange Act, Article 36-1 to establish and amend the procedures covering asset disposal, trading in financial derivatives, capital lending, endorsement and guarantee	(By case)	(By case)	(By case)	(By case)
IV. Items related to personal conflict of interest in directors (Note 1)				
V. Transactions of major assets and financial derivatives	(By case)	(By case)	(By case)	(By case)
VI. Major items for capital lending, endorsement and guarantee	(By case)	(By case)	(By case)	(By case)
VII. Stocks subscription, offering or private placement of voting rights-included marketable securities	(By case) capital increase via new shares offering		(By case) record date for capital increase and relevant matters	
VIII. Delegation, discharge or rewards to CPA	(Temporary no)	(Temporary no)	(Temporary no)	(Temporary none)
IX. Delegation and discharge for the chiefs at the financial, accounting and internal audit departments	(Temporary no)	(Temporary no)	(Temporary no)	(Temporary none)
X. The annual financial report signed or stamped by the chairman of the board, the manager and the accounting supervisor, and the second quarter financial report that must be verified and certified by an accountant.	Q4 Financial statement and earnings distribution	Q1 Financial statement	Q2 financial statement	Q3 Financial statement
XI. Other major items stipulated by the Company and competent authorities (Note 2)	Internal auditing (by case	Internal auditing (by case)	Internal auditing (by case)	Internal auditing report, planning for auditing in next fiscal year, and operating budget in next fiscal year (by case)

Note 1. Avoidance of motions in conflict of interest (Company’s regulation §10, item#1)

The member must be absent when the interest of the identity or that of the institutional shareholder it represents will risk the interest of the Company.

The board of director shall make resolutions when the board fails to reach resolutions due to the reasons mentioned above. (Company’s regulation §10, item#2)

Note 2. Subject to the regulation No. 15/16/22/24 of the Company’s internal control principle.

2. Operation of the audit committee

The audit committee convened 8 meetings (A). The following is the attendance of the independent directors during 2022 to March 12, 2024.

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) (B/A)	Remarks
Independent director	Lo Neng-ching	8	-	100.00	Chairman
Independent director	Hsu Mei-Li	8	-	100.00	
Independent director	Wu Zhong-Chun	8	-	100.00	
Note1: The Company at the extraordinary shareholder meeting on December 18, 2014, set up the audit committee to take over the function. Note2: At the shareholder meeting on April 14 2023, Hsu Mei-Li, Wu Zhong-Chun and Lo Neng-ching were elected as the Company’s independent directors and became the members in the audit committee with the term from April 14 2023, to April 13 2026.					
Other mentionable items: I. For matters listed in Article 14-5 of the Securities and Exchange Act and other matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors, the date of the board of directors, the period, the content of the proposal, and the resolution of the audit committee shall be stated. Results and the Company's handling of the Audit Committee's opinion: 3. (d) Communication situation of audit committee meeting. II. Independent director’s name, contents of motion, causes for avoidance and voting shall be specified, if there are independent director’s avoidance of motions in conflict of interest: None III. Communication between independent directors and the audit chief and CPA in the Company’s matters related to financial and business conditions. (a). The audit chief report to independent directors for the regular and non-regular auditing reports and is present in the audit meetings with the board of director. The communications are described as below: Regular communication: 1. The auditing and follow-up reports, after being approved, will be sent to each independent director for reference. 2. At the Company’s quarterly board meeting, independent directors and audit chief will be present, with the audit chief reporting the committee’s auditing at each meeting. Non-regular communication: 1. Independent directors, by phone or in person, will ask for more details for the matters that need further explanation from the committee. 2. The committee will immediately report to each independent director for any violation of					

laws or the matters that will pose material impairment to the Company.

(b). CPA will communicate will independent directors for the financial conditions on a regular and non-regular basis.

1. The committee will provide its communication papers with the Company's departments in the period preceding and following the Company's preparation of annual, semi-annual and quarterly financial statements, while the CPA will report its process and scope of the auditing of the Company's financial statements, as well as the analysis of the Company's variation in income and equity.
2. If necessarily, the CPA will directly communicate with all of the directors to promulgate relevant regulations and KAM issues, with the meetings being processed smoothly.

(c). Independent directors have direct communication channels with internal audit and certified accountants, and the communication is good. According to the annual audit plan and actual implementation, the internal audit supervisor reports to the audit committee and interacts with the independent directors in the convened audit committee; the internal audit supervisor reports and communicates with the independent directors in a monthly written audit report. Accountants attend the audit committee held irregularly and communicate and interact with independent directors on financial report review or review, or issues related to finance, taxation or internal control. The important contents of the communication and interaction between the independent directors and the financial director, accounting director, internal audit director and certified accountants in the audit committee are recorded in the minutes of the audit committee.

(d). Main points at the audit committee meetings in the recent fiscal year, up to the date of the report printed.

Time	Communication items on the agenda	Securities Act Items listed in §14-5	Opinions of Independent Directors and the Company's Handling of Opinions	Communicate with independent directors & resolve results
January 17, 2023, The 3rd, 21th times.	*Report: Routine audit operations for the fiscal year 2021 and addressing improvement matters based on the opinions from the Financial Supervisory Commission Inspection Bureau. The company has provided the "Continued Improvement Status Report (Form B)" along with relevant supporting documents. Additionally, oversight for the investments in subsidiary companies Grand Fortune Management Corporation and Foryou Capital during the quarter.			All passed without objection and submitted to the board of directors .
	*Discuss: 1. Ongoing assessment of the independence and suitability of the audit firm. 2. Amendment of the internal control (including internal audit) systems for the "Equity Division," "Operation of Futures Trading Auxiliary Business," and "Computer Operations and Information Provision" within the company. 3. Proposal to approve the reduction of capital through asset reductions for subsidiary company Grand Fortune Management Corporation. 4. Proposal to approve the cash capital increase for subsidiary company Grand Fortune	V V V V	none none none none	All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.

		Management Corporation.				
	December 23, 2023, The 3rd, 22th times.	*Report : Routine audit operations for the fiscal year 2022.Compliance operations for anti-money laundering and counter-terrorism financing for the 2023, #2 Quarterly supervision for investment in subsidiary companies: Grand Fortune Securities Investment Consulting Co., Ltd., Grand Fortune Management Corporation, and Foryou Capital. Report on changes in shareholding of subsidiary company Grand Fortune Securities Investment Consulting Co., Ltd., Grand Fortune Management Corporation, and Foryou Capital. Progress report on cash capital increase for subsidiary companies Grand Fortune Securities Investment Consulting Co., Ltd., Grand Fortune Management Corporation, and Foryou Capital. *Discuss: 1. Proposal for the second quarter financial report for the fiscal year 2023. 2. Proposal to transfer the portion of rights to subscribe for cash capital increase of subsidiary company Fortune Venture (Stock) Company in the fiscal year 2023 to all shareholders of the company. 3. Proposal to approve the change of name for subsidiary company Fortune Venture (Stock) Company. 4. Amendment of the "Internal Control System for the 2023 (including Futures IB Business)" for the 2023. 5. Amendment of the "Rules of Procedure for Board Meetings" for the 2023.	V V V V	none none none none	All passed without objection and submitted to the board of directors . All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.	
	May 5, 2021, The 4th, 1st times	*Report: Routine audit operations for the fiscal year 2022 and quarterly supervision for investment in subsidiary companies: Grand Fortune Securities Investment Consulting Co., Ltd, Grand Fortune Management Corporation, and Foryou Capital. Progress report on the reduction and increase of capital for subsidiary company Fubon Investment Management. ◦ *Discission: 1. Proposal for the first quarter financial report for the 2023. 2. Amendment of the "Internal Control System for the Securities Unit for 2023. 3. Proposal for cash capital increase for subsidiary company Grand Fortune Management Corporation ◦ 4. Proposal for cash capital increase for subsidiary company Foryou Capital. 5. Proposal to approve the transformation into a sustainable biotechnology venture for subsidiary company Grand Fortune Investment Management. 6. Amendment of the "Bond Department Investment Quota and Risk Management Regulations," "Practical Guidelines for Corporate Governance," "Practical Guidelines for Sustainable Development," "Operating Procedures for Subsidiary Monitoring," and "Pre-approval Process for Audit of Non-Confidence Services Provided by Certified	V V V V V V	none none none none none none	All passed without objection and submitted to the board of directors . All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.	

		Public Accountants."				
	August 4, 2023, The 4th, 2nd times	*Report: Routine audit operations for the fiscal year 2022. Compliance operations for anti-money laundering and counter-terrorism financing for the fiscal year 2022,#2.Quarterly supervision for investment in subsidiary companies: Fubon Investment Management, Fubon Venture, and Foryou Capital. Report on changes in shareholding of subsidiary company Grand Fortune Management Corporation in subsidiary. Progress report on cash capital increase for subsidiary companies Fubon Investment Management and Foryou Capital, and transformation progress for subsidiary of Grand Fortune Securities Investment Consulting Co., Ltd. *Discission: 1. Proposal for the second quarter financial report for the 2023. 2. Proposal to transfer the portion of rights to subscribe for cash capital increase of subsidiary Grand Fortune Management Corporation in the 2023 to all shareholders of the company。 3. Proposal to approve the change of name for subsidiary company Grand Fortune Venture. 4. Report on changes in shareholding of subsidiary company Fubon Investment Management in subsidiary company Fubon Venture. 5. Progress report on cash capital increase for subsidiary companies Fubon Investment Management and Foryou Capital, and transformation progress for subsidiary company Fubon Venture.	V V V V V	none none none none none	Internal Audit and Independent Director Symposium Communication : Detailed web page records . All passed without objection and submitted to the board of directors . All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.	
	October 26, 2023, The 4th, 3rd times	*Report: Regular audit operations and improvement matters based on the inspection opinions of the Financial Supervisory Commission Inspection Bureau for the fiscal year 2023. The company issued the "Improvement Status Report (Table B)" along with relevant supporting documents. Report on anti-money laundering and counter-terrorism financing risk control operations for the fiscal year 2023. Quarterly supervision report for subsidiary companies: Grand Fortune Investment Management (Stock) Company, Foryou Capital, and equity method investment company Beiley Biofund Inc. (formerly Grand Fortune Venture) Company. Report on changes in shareholding of subsidiary company Grand Fortune Management Corporation in equity method investment company Beiley Biofund Inc. *Discussion: 1. Proposal for the second quarter financial report for the 2023。 2. Amendment of the "Internal Control System for the Fiscal Year 2022" for the company。 3. Amendment of the "Policy on Fair Treatment of Customers" and "Strategy on Fair	V V V	none none none	Internal Audit and Independent Director Symposium Communication : Detailed web page records . All the members present had no objection, and passed the proposal as per the case , and the internal control procedures were used for future reference.	

		Treatment of Customers" for the company.				
	December 14, 2024, The 4th, 4th times	*Report: Regular audit operations for 2023 and the assessment report on the core operational systems and equipment for annual information security。 *Discussion: 1. Proposal for the operational plan and budget for the fiscal year 2024. 2. Proposal for the internal audit check plan for the fiscal year 2024. 3. Amendment of the "Internal Control System - Business Regulations" for the company. 4. Amendment of the internal control system for "Securities Brokerage Futures Trading Auxiliary Services" for the company. 5. Amendment of the internal control system for "OTC Stocks" for the company. 6. Amendment of the "OTC Stock Negotiated Buying and Selling Internal Operation Regulations" and "Brokerage Business Customer Credit Review Operation Guidelines" for the company.	V V V V V V	none none none none none none	All passed without objection and submitted to the board of directors . * [3] case ruling: In this report, Independent Director Huang believes that relevant regulations should be formulated for the insider trading and underwriting of securities of the same type, and the management mechanism should be strengthened. All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.	
	January 29, 2024, The 4th 5th times	*Report: Regular audit operations for December 2023, including the monitoring of investments in subsidiary Foryou Capital and Grand Fortune Management Corporation and its affiliated enterprises, as well as the evaluation of the Beiley Biofund Inc. for Q4 2023 and the supplementary report on the assessment of anti-money laundering and counter-terrorism financing risks for the 2023. Additionally, the first report on anti-money laundering and counter-terrorism financing operations for 2024 and the first report on legal compliance execution and legal compliance risk management for 2024. *Discussion: 1. Proposal for the financial report for the fiscal year 2023. 2. Pre-review of the independence and suitability of the auditor and pre-review of non-assurance matters.。 3. Amendment and revision of internal control systems for computer operations and information provision, outsourcing operations, and the handling and reporting mechanism for significant and unforeseen events. 4. Amendment and revision of the subsidiary monitoring procedures, procedures for handling significant and unforeseen events, board meeting regulations, and audit committee organizational regulations. 5. Proposal to approve the change of institutional name for Grand Fortune Venture (Stock) Company.	V V V V	none none none none	All passed without objection and submitted to the board of directors . All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.	
	March 12, 2024, The 4th, 6th times	*Report: Routine audit operations in January (2024). *Discussion: 1. Proposal for the 2023 Annual Operating Report。 2. Proposal for the distribution of profits for	V V	none none	All passed without objection and submitted to the board of directors .	

	the fiscal year 2023 。 3. Proposal for the distribution of cash dividends for the fiscal year 2023 。 4. Proposal for the self-assessment of internal control systems and the submission of internal control system statements for the fiscal year 2023 (including information security implementation), as well as the submission of statements on anti-money laundering and counter-terrorism financing internal control systems. 5. Amendment and revision of the internal control system for computer operations and information provision. 6. Amendment and revision of the "Bond Department Investment Limit and Risk Management Measures" and the "Grand Fortune Securities Sustainability Report Compilation and Verification Measures." 。	V V V V	none none none none	All the members present had no objection, and the proposal was approved and submitted to the board of directors for deliberation . The company's handling of the committee's opinions: All directors present agreed to approve it.

Assessment by the audit committee and the board of director against the independence and competency of the designated CPA and the CPA firm

Independence	Yes	No	Note
Does the designated CPA act as a general director or an independent director for the Company or its associates?		✓	
Does the designated CPA act as an interest party with the Company, have any spouse, or second-degree kinship relation relatives with the Company's owner and managers, have any investment or profit sharing with the Company, or have any financial borrowing with the Company?		✓	
Does the designated CPA get salary from the Company or its associates?		✓	
Does the designated CPA have continued to provide auditing service for the Company for the seventh straight year?		✓	
Does the designated CPA confirm that its CPA company has complied with relevant requirements of independence? (With reports of independence being provided each year)	✓		
No former partner of the designated CPA serves as a director, supervisor, or manager of the Company or in a position having significant influence on the audit case within one year after leaving his/her office.	✓		
After assessment that matches the requirements of independence, accountants Xie Jian-xin and Chen Chiang-Chun are qualified to be designated as the CPAs for the Company			

Competency	Yes	No	Note
Do the auditing and tax services not match the requirements?		✓	
Does the designated CPA not communicate well with them with the Company's management team or internal audit chiefs?		✓	
Does the Company face any correction from regulators for financial statement, or get involved in any lawsuits in the annual auditing period?		✓	

Does business or reputation of the designated CPA firm get hurt by any material impact?		✓	
After assessment that matches the requirements of competency, accountants Xie Jian-xin and Chen Qiang-xun are qualified to be designated as the CPAs for the Company.			

Declaration

Recipient: Grand Fortune Securities Co., Ltd.

Subject: The firm intends to accept the entrustment to check the financial statements of your company in the 2023. In accordance with the "Professional Ethics Bulletin No. 10 Integrity, Fairness, Objectivity and Independence" of the National Federation of Certified Public Accountants of the Republic of China, the members of the audit team declare that they have complied with the following Norms, no violation of independence.

1. The members of the audit team and their spouses and dependent relatives did not have the following circumstances:

    1. Hold your company's direct or indirect significant financial interests.
    2. There is a commercial relationship with your company or its directors, supervisors, and managers that affects independence.

2. During the audit period, members of the audit team, their spouses and dependent relatives did not serve as directors, supervisors, managers, or positions that have a direct and significant influence on the audit work.

3. The members of the audit team and the directors, supervisors or managers of your company do not have a spouse, direct blood relative, direct in-laws or second relatives and other internal collateral blood relatives.

4. The members of the audit team have not received gifts or gifts of great value from your company or its directors, supervisors, managers or major shareholders.

5. The members of the audit team have implemented the necessary independence/conflict of interest procedures and have not found any violation of independence or unresolved conflicts of interest.

Deloitte Taiwan
Accountant Xie Jian-xin
Accountant Chen Chiang-Chun

(III) Corporate governance implementation status and deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Evaluation items	Implementation Status			Deviation and reason
	Y	N	Explanation	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		The Company has established and disclosed the Corporate Governance Best-Practice Principles for TWSE/TPEx” on the Company’s website.	No deviation
II. Shareholder structure and shareholder interest (I) Does the Company establish the internal operating system to deal with shareholder’s suggestion, question, dispute and litigation, or implement the procedure as established?	V		The Company has established its spokesperson and deputy spokesperson system to handle shareholders’ suggestions and disputes.	No deviation
(II). Does the Company possess any list of major shareholders and ultimate owners of those shares?	V		The Company on a regular basis cooperates with the stock registrar agent to update the list of major shareholders and ensure the stability of operation.	No deviation
(III). Does the Company establish or execute the risk management and firewall system with its associates?	V		The Company has regulations to supervise operation of subsidiary, and transaction with special firm, conglomerate enterprise and interested party, in order to regulate inter-company’s financial activities and internal control, as well as to reduce risk in the group.	No deviation
(IV) Does the Company have any rules to forbid the insider trading based on undisclosed information?	V		To prevent any insider trading, the Company at its website indicates its procedure in stopping the spread of the Company’s information at will and asking its relevant persons to keep financial secret.	No deviation
III. Director’s structure and responsibilities (I). Does the board of directors formulate diversity policies, specific management objectives and implement them?	V		The company has formulated Article 20 of the "Code of Practice on Corporate Governance" for implementation. The policy on diversity of board members is to consider the company's future business direction. In addition, the company's "Director Selection Procedure" has determined that the selection of directors should consider the diversity and availability of members. With his professional skills and industry experience, he will implement the qualifications and selection procedures of executive directors, so as to gain insights and improve the quality of decision-making, which is in line with Fubon's business characteristics and positioning. In addition to considering different professional backgrounds and work fields, the composition of the board of directors of the company has the following three goals: (1) The board of directors focuses on operational judgment, business management and crisis management capabilities, and more than 2/3 of the board members should have relevant core items. (2) Independent directors shall not serve for more than 3 consecutive terms in order to maintain their independence. (3) Among the directors, the number of employees who are employees of the company, parent, child or brother company should be less than (inclusive) 1/3 of the number of directors to achieve the purpose of supervision. In this term (from April 14, 2023 to April 14, 2026), there are a total of three independent directors and nine directors in total.. None of the directors has the identity of an employee. The members of the board of directors have rich management experience, and each has relevant professional backgrounds and has the necessary professional knowledge to perform their duties., skills and literacy; in the 9 major ability projects, at least 2/3 of the members have the ability to execute relevant business.	No deviation

Indicated at the Company's website, main factors being taken into considerations are stated in the table below.

Job title	Name	basic component					Professional ability									Industrial background			
		Gender	identity	age			Operational Judgment	Accounting and financial analysis skills	Management ability	crisis management ability	Securities and derivative financial products expertise	international market view	leadership	Decision-making capacity	Risk management knowledge and ability	securities, finance	Information, Technology	finance, Accounting	trade industry
				40-50 years old	51-60 years old	61+													
Chairman	Huang Bing-Jing	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Director	Huang Hsien-Hua	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Director	Jeng Geng-yi	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
Corporate Director representative	Lin Huo-deng	male	-	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-	✓
Corporate Director representative	Li Qing-rong	male	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	✓	✓
Corporate Director representative	Huang Zhi-qiang	male	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	-	-	✓	-
Independent director	Luo Nen-qing	male	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	-	-
Independent director	Hsu Mei-Li	Female	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	✓	-
Independent director	Wu Zhong-Chun	Female	-	-	-	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-	✓	-

<table>
<tr>
<td>(II). Does the Company set up any other functional committees in addition to the remuneration committee and audit committee?</td>
<td>V</td>
<td></td>
<td>The company has already established the Remuneration Committee and the Audit Committee in accordance with the law. In addition to these, it has set up a Risk Management Committee responsible for controlling the risk limits of the company's various business holdings, and also established a Sustainable Development Committee to assist the board of directors in planning and promoting sustainable development policies and plans. For the operation of each functional committee, please refer to the company's website under the ESG section/Governance/Functional Committees.
<table>
<tr><th>Independent Director</th><th>Remuneration committee</th><th>Audit committee</th><th>Risk management committee</th></tr>
<tr><td>Lo Neng-ching</td><td>V(Chair)</td><td>V(Chair)</td><td>V(Chair)</td></tr>
<tr><td>Hsu Mei-Li</td><td>V</td><td>V</td><td>V</td></tr>
<tr><td>Wu Zhong-Chun</td><td>V</td><td>V</td><td>V</td></tr>
</table>
</td>
<td>No deviation</td>
</tr>
<tr>
<td>(III). Does the Company set up a standard to evaluate director performance, and use it as the references for director remuneration and reappointment?</td>
<td>V</td>
<td></td>
<td>The company has established the "Board Performance Evaluation Method," conducting regular evaluations of board performance each year and submitting the results for approval at the first board meeting of the following year. The performance evaluation results for the 2023 were presented to the board in January 2024. For details on the evaluation process and results, please refer to the company's website under the ESG section, specifically under Corporate Governance/Board of Directors.</td>
<td>No deviation</td>
</tr>
<tr>
<td>(IV) Does the Company regularly evaluate the impendence of CPA?</td>
<td>V</td>
<td></td>
<td>The company annually assesses the independence and suitability of its auditors based on Audit Quality Indicators (AQIs). There have been no instances of disciplinary actions or compromises on the independence of the company's auditors. For more information on the operations of the Audit Committee in the 2023, please see the ESG section of the company's website under Corporate Governance/Functional Committees.</td>
<td>No deviation</td>
</tr>
<tr>
<td>IV. Does the Company arrange appropriate personnel and chiefs to handle corporate governance (including but not limited to providing needed data and assistance for director and supervisor in business, laws compliance and shareholder meeting matters)?</td>
<td>V</td>
<td></td>
<td>The Company’s chief of corporate governance is responsible to lead all of the departments to provide data, new regulation and assistance to directors for the purpose of complying with the law and safeguarding shareholder interest. A routine reporting to the board of director is held in the fourth quarter.
<table>
<tr><th>Promotion items</th><th>Chief of the Corporate Governance</th><th>Organizer (Co-organizer)</th><th>Reports to the board</th><th>Notes</th></tr>
<tr><td>1. Routine reporting to the board for new regulations regarding corporate governance.</td><td>Shen Xin-xian</td><td>Yang Mu-yu
(Cho Ching-Tong)</td><td>Reported</td><td></td></tr>
<tr><td>2. Reporting to the board for the Company’s material information.</td><td>Shen Xin-xian</td><td>Yang Ya-hui
(Cho Ching-Tong)</td><td>_</td><td>Reported on the MOPS</td></tr>
<tr><td>3. Providing agenda, including avoidance of conflict of interest, seven days preceding the board of director meeting, and concluding the minutes within 20 days following the meeting.</td><td>Shen Xin-xian</td><td>Zhu Shi-cheng
(Yang Ya-hui)</td><td>Reported</td><td></td></tr>
<tr><td>4. Evaluating the performance of the board of director and individual directors.</td><td>Shen Xin-xian</td><td>Yang Ya-hui</td><td>Reported</td><td></td></tr>
<tr><td>5. Preparing needed materials for shareholder meeting, and filing for change of Article of Incorporation and change of board of director</td><td>Shen Xin-xian</td><td>Hsu Hui-Lan</td><td>Reported</td><td></td></tr>
<tr><td>6. Providing training for director</td><td>Shen Xin-xian</td><td>Yang Ya-hui</td><td>Reported</td><td>Reported on</td></tr>
</table>
</td>
<td>No deviation</td>
</tr>
</table>

and evaluating the purchases of liability insurance for director and key employees.				the MOPS
7. Convening a meeting from time to time with CPA, independent director, audit and financial chiefs to fulfill the internal control system. The records are recorded on the Company's website, CSR reports and corporate governance review.	Shen Xin-xian	Zhu Shicheng Huang Wan-zhen (Cho Ching-Tong)	Reported	Reported on the Securities & Futures Institute
8. Holding an analyst meeting and setting up the window to provide service to interested party and build a diversified communication channel.	Shen Xin-xian	Zhu Shicheng (The contact person for the avoidance of conflict of interest)		Reported on the company's website

Note 1. The chief of the corporate governance was approved by the board of director on March 27, 2019.

Name	Gender	Age	Academic degree	Experience	License
Shen Xin-xian	Male	64	Dept. of EE, TPCU	1.86/6~98/6(12 yrs) VP of Stock Registrar, TISC, 2.98/7~99/10 (1 yr) VP of stock registrar Dept. Unitech Co., Ltd 3.99/11/ ~ now EVP, GFS	1.Securities Broker 2.Senior Securities Broker

Note 2. Training courses (18 hours)

Date	Course name	Hours
2023/04/26	Engaging Local Revitalization to Create a New Milestone in ESG with Enterprises	3
2023/05/17	Low Carbon Transformation: A Significant Difference - Practical Management of ESG in Sustainability/Climate Finance	3
2023/06/09	Corporate Governance 3.0: Blueprint of the Capital Market and Green Finance	3
2023/11/22	Legal and Risk Responsibilities that Directors, Supervisors, and Insiders Must Know under Corporate Governance	3

Note 3. The corporate governance team has achieved its annual target in the review.

V. Does the Company set up any communication channels with interested parties (including but not limited to shareholder, employee, client and supplier), create any interested-party page on the	V		1. The Company has set up its spokesperson and deputy spokesperson systems and has established a page for interested party on its official website for communication. 2. The Company holds an analyst meeting for its annual results and has a contact window with interested party.	No deviation

Company's website, or properly answer the CSR-related issues?				
VI. Does the Company appoint any professional stock registrar firm to handle the shareholder meeting?	V		The Company has designated a professional stock registrar firm to handle the events including the shareholder meeting.	No deviation
VII. Information transparency (I). Does the Company set up any website to disclose information about financial condition and corporate governance?	V		The Company has set up an investor-relation page on its website, and disclosed information on the MOPS to disclose corporate operation, financial condition, material information and governance.	No deviation
(II). Does the Company have any other ways to release its information, such as setting-up of an English website, appointing any designated person to handle disclosure or collection, effectively implement its spokesperson system, and webcasting the Company's analyst meeting?	V		The Company has set up its spokesperson and deputy spokesperson system and has designated a person for update and collection of information. After listing on the Taipei Stock Exchange, the Company since 2018 had held its analyst meeting on its own, each in the first and second half of a fiscal year. Our company has established an English website, disclosing financial, operational, and conference call information in English.	No deviation
(III). Does the Company within two months following the end of a fiscal year to report its annual financial statement, or report as schedule or earlier its 1Q, 2Q, 3Q financial statements and monthly sales?	V		According to the Company's schedule, the annual report is reported before February-end, and the semi-annual report before August-end. The first and third quarter reports are reported before May 14 and November 14, while the monthly revenue is released before the 10th in the following month. All of the reports have been sent as required.	No deviation
VIII. Is there any other information that will facilitate a better understanding of corporate governance, including but not limited to employee rights, employee wellness, investor relation, supplier relation, rights of interested party, advanced study by director/supervisor, risk management policy, policy execution with client and purchase of liability insurance for director/supervisor?	V		1. Employee rights: The Company has valued employee as the most important assets, paying much attention to employee welfare, health and on-job training. Therefore, employee rights are safeguarded well, pursuant to Labor Standards Act. 2. Labor-employee care: The Company has devoted itself to strengthen the labor-employee relation by holding beneficial activities. 3. Investor relation: The Company has set up its spokesperson and deputy spokesperson system to deal with relevant matters, with details provided on the investor relation page on the official website. 4. Supplier relation: The Company established a procedure for purchase management that is based on a fair and transparent method, with details provided at the interested-party page on the official website. 5. Interested party relation: The interested party can communicate with the Company for the personal rights, with details provided at the interested-party page on the official website. 6. Advanced study by director: The study is based on the Article 40 of the Company's Corporate Governance Principles 7. Risk management policy and execution of risk measurement standards: All of the Company's departments are responsible to execute the policy. Details are provided at the risk management page of its official website. 8. Execution of client policy: The Company has taken into effect its KYC policy, pursuant to anti-money laundering and resolution of trading dispute regulations. 9. Since 2018, the Company has begun to purchase liability insurance for directors and key employees, and in every first quarter will report the purchases to the board of director.	No deviation
IX. Reports of correction and proposed improvement items and measures will be provided to Taiwan Stock Exchange Corporate Governance Center. In reaction to the Company's sub-par ratings issued by the center every year, the Company will prepare an improvement schedule and has rectified most of the poor ratings.				

(IV) Operation of the remuneration committee

1. Background of committee members

Identity (Note 1) / Name \ Qualification		Professional qualification and experience (Note 2)	Independent situation (Note 3)	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Independent director (Convener)	Lo Neng-ching	Please refer to pages 13-17 for the of Directors and Supervisors and Disclosure of Independence of Independent Directors.	Please refer to pages 13-17 for the Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors.	0
Independent director	Hsu Mei-Li	Please refer to pages 13-17 for the Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors.	Please refer to pages 13-17 for the Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors.	0
Independent director	Wu Zhong-Chun	Please refer to pages 13-17 for the Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors.	Please refer pages13-17 for the Disclosure of Professional Qualifications of Directors and Supervisors and Disclosure of Independence of Independent Directors.	0

Note1: Please specify in the form the relevant working years, professional qualifications and experience and independence of each member of the Compensation and Remuneration Committee. If they are independent directors, please refer to table 1 page 00 for directors and supervisors, and information (1) Related content. Please fill in the series as independent directors or others respectively (if it is the convener, please add a note).

Note 2: **Professional qualifications and experience**: describe the professional qualifications and experience of individual compensation committee members.

Note 3: **Condition of independence**: state that the members of the Compensation and Remuneration Committee meet the conditions of independence, including but not limited to in-person, spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; in-person, spouse, relatives within the second degree of kinship (or in the name of others) hold the number and proportion of the company's shares; whether it is a company that has a specific relationship with the company (refer to the establishment and exercise of powers of the compensation committee of the company whose stock is listed or traded at the business office of a securities firm) The director, supervisor or employee of Article 6, Paragraph 1, Subparagraphs 5 to 8); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

2. Responsibility of remuneration committee

The committee shall act as good administrator to truthfully fulfill the following functions and to submit recommendations to the board of director for discussion.

(1). Periodically review the guidelines and propose recommendation for revision.

(2). Formulate and periodically review the performance appraisal for directors, supervisors and managers, as well as the policy, system, standards, and structure for salary and remuneration.

(3). Periodically evaluate and specify the salary and remuneration for directors, supervisors and managers.

(4) The remuneration of directors (including independent directors) includes travel expenses, business execution expenses and the remuneration of surplus distribution, according to the company's remuneration Article 24 of the Articles of Association stipulates the remuneration of all directors and authorizes the board of directors to make the same industry standard and

the degree of participation and contribution to the operation of the company are negotiated.
(5) The remuneration of the general manager and deputy general manager is salary and severance pay, and the salary level is adjusted according to the industry standard and risk adjustment, rectification, and contribution to the company; the distribution standard of employee remuneration is in accordance with Article 28 of the company's articles of association and is reported to the directors. It will be issued after the resolution of the shareholders meeting.
(6) The principle of remuneration is mainly that the salary is determined according to the salary standard of each rank, the bonus is based on the results of business performance evaluation, and the remuneration is based on According to the company's articles of association, if the company has annual profits, 1.5% should be allocated.

3. Operation of remuneration committee

(1) The committee has three members.

(2) The salary and remuneration committee has its current term during April 14, 2023, and April 13, 2026. From FY2023 to March 14, 2024, the committee convened 5 meetings

(A). The qualifications and attendance of the members are described below.

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B/A) (Note)	Remarks
Convener	Lo Neng-ching	5	0	100%	
Member	Hsu Mei-Li	5	0	100%	
Member	Wu Zhong-Chun	5	0	100%	
Other mentionable items: I. If not accepting or rectifying the proposal by the remuneration committee, the board of director shall specify the date, term, content of motion, resolution and treatment to the committee's opinions, such as in the event that the board's proposed remuneration is higher than suggested by the committee. Descriptions must be provided to explain the discrepancy and causes. The Company does not have any aforementioned event. II. The date, term, content of motion, as well as proposed opinion and treatment by all of the members in the committee must be mentioned, if any member of the committee holds any records or written statement for objection or reservation to the committee's resolutions. The Company does not have any aforementioned event.					

Note:
(1). The resignation date must be stated by a committee's member who leaves the Company before the end of a fiscal year. The member's attendance rate shall be based on the times of the committee meetings and the member's actual attendance during the stay in the committee.
(2). In the case that an election of the committee members takes place before the end of a fiscal year, the status of a new, old and re-elected members and the election date of the committee must be stated. The members' attendance rate shall be based on the times of the committee meetings and the actual attendance during the stay in the committee.
(3) Content of motion and resolution by the remuneration committee during January 1, 2020, to May 10, 2021.

Meeting date	Content of motion	Resolution	Company's solution to opinion by the committee
2023.05.05	Discussion on the remuneration of the managerial personnel of the subsidiary, Foryou capital	Approved as proposed by all directors in attendance.	None, Submitted to the board of director for approval.
2023.08.04	1. Amendment of certain clauses in the "Managerial Personnel Remuneration Regulations". 2. Proposal for the participation of managerial personnel in employee stock allocation for the cash increase of Grand Fortune Management Corporation.	Approved as proposed by all directors in attendance. Approved as proposed by all directors in attendance.	None, Submitted to the board of director for approval.
2023.10.26	Personnel adjustment proposal for the company.	Approved as proposed by all directors in attendance.	None, Submitted to the board of director for approval.
2023.12.14	Discussion on the salary adjustment for the Chairman of the Grand Fortune Management Corporation.	Approved as proposed by all directors in attendance.	None, Submitted to the board of director for approval.
2024.1.29	1. Proposal for the remuneration and employee allocation ratio of directors for the 2023. 2. Discussion on the remuneration of managers and subsidiary managers for the 2022 and 2023. 3. Discussion on the remuneration of the Chairman of the Board and Executive Directors for the 2023.	Approved as proposed by all directors in attendance. Approved as proposed by all directors in attendance.	None, Submitted to the board of director for approval.

(V-I). Operation of the promoting sustainable development

Evaluation items	Implementation status			Deviations and reasons
	Y	N	Explanation	
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and the supervision of the board of directors?	V		1. In the process of operation and development, the company is always concerned about its impact on the economic environment and society, so the opinions of stakeholders are integrated into the operation plan. In 2014 , the " Social Corporate Responsibility Policy" and "Social "Code of Responsibility and Practice" , as a guideline for sustainable development , and established a sustainable development committee in 2020 , with the chairman as the chairman and the company's other four senior executives as members, together to promote the company towards the sustainable development goal, regularly and From time to time, the director of corporate governance (executive vice general manager) will convene relevant departments to promote sustainable business development, and guide functional organizations at all levels to participate in, promote and implement sustainable management matters . addition, in order to cooperate with the establishment of the sustainable development group, in 2022, the original " Social Corporate Responsibility Policy" and "Social Responsibility Code of Practice" were revised and renamed as "Sustainable Development Policy" and "Sustainable Development Code of Practice”. And set four goals for promoting sustainable development, namely 1. Implementing corporate governance, 2. Developing a sustainable environment, 3. Maintaining social welfare and 4. Strengthening information disclosure. 2. During the promotion process, 1. Sustainable corporate governance, 2. Corporate social responsibility plan, 3. Identification and communication of stakeholders, 4. Corporate governance operation report, 5. Implementation of integrity management and 6. Implementation of corporate governance the implementation of social responsibility and other matters shall be reported to the board of directors. 3. The members of the board of directors also supervise and make suggestions on the implementation of the company, including but not limited to management policies, strategy and target formulation, and review measures. 4. According to Article 3 of the Organizational Regulations of the Sustainable Development Committee of the Company, it is stipulated that the committee shall report to the board of directors at least once a year. On December 12, 2023, the committee reported to the board of directors on the execution status and execution strategies and plans of various matters, including (1) sustainable corporate governance, (2) participation in social responsibility, (3) identification and communication with stakeholders, (4) operation report of corporate	No Deviations

			governance, and (5) implementation of integrity management, etc. 5. Board members also supervise and provide suggestions on the company's implementation efforts, including but not limited to management policies, strategy and goal setting, and review measures. 6. In addition to receiving reports on the effectiveness of ESG promotion, board members also supervise the strengthening of improvement strategies for sustainable development during meetings, serving as a reference for the operation of the Sustainable Development Committee.	
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		1. The company has formulated the "Corporate Social Responsibility Issues Risk Management Policy" on April 7, 2020 and revised and changed its name to " Sustainability Report Preparation and Issue Risk Management Measures " on March 15, 2022. The risk assessment covers the scope of the Company and its subsidiaries. 2. The company attaches immense importance to the opinions of stakeholders, so it has established a variety of communication channels and communication with stakeholders, which are used as a reference for the formulation of company management policies. Conduct risk assessment of major issues, identify stakeholders, and collect environmental (E), social (S) and governance (G) issues that stakeholders are concerned about, and confirm the degree of impact on the company's sustainable operation (or impact), according to which the social responsibility report is prepared. For details, please refer to the identification and communication of stakeholders in the report and the corporate website governance section in the annual report. 3. In response to the impact of climate change on the environment and economy and the significant impact on the sustainable development of the company, the company has attached great importance to this issue. Management Policies" and "Risk Management Procedures", including climate risk factors, and submitted to the Risk Management Committee and the Board of Directors for approval. 4.According to the "Roadmap for the Sustainable Development of Listed OTC Companies" issued by the Financial Supervisory Commission in March 2022, the company is an OTC company with a paid-in capital of 3 billion yuan. The GHG inventory is applicable to each stage (i.e., the inventory was completed before 2026, and the verification was completed before 2028). Therefore, in accordance with the reference guidelines and relevant regulations issued by the competent authority, the completion of the GHG inventory and verification and disclosure schedule will be continuously controlled. 5. Since July 2022, it will be implemented gradually from the second half of the year. A brief list of factors affecting climate change and countermeasures is as follows:	No Deviations

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
<table>
<tr><td colspan="2">Factors Affecting Climate Issues</td><td>coping measures</td></tr>
<tr><td rowspan="3">Fubon Internal</td><td>carbon emissions</td><td>Investigate the fuel consumption of official vehicles, the carbon and paper consumption of printers, the fuel consumption of generators, and set carbon reduction targets</td></tr>
<tr><td>monthly water consumption</td><td>Investigate the overall water consumption of the Taipei Headquarter, Hsinchu Branch, and Tainan Operation Base, and set a water saving target</td></tr>
<tr><td>Waste consumption</td><td>*Inventory wastepaper recycling and waste weight, and set waste reduction targets
*Continued push for a paperless policy</td></tr>
<tr><td rowspan="2">business derivative</td><td>Investment targets</td><td>Increased identification and integration of climate-related risks in investment portfolios</td></tr>
<tr><td>service case</td><td>* Actively support green energy related industries (including power generation and environmental recycling)
* Promote and arrange clients to participate in ESG trend sharing seminars</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>III. Environmental issues
1.Has the company established an appropriate environmental management system according to its industrial characteristics?</td>
<td>V</td>
<td></td>
<td>1. The company is in the securities and financial services industry. It has no manufacturing process and does not produce wastewater, waste gas and other environmental pollution wastes. It is a low-carbon industry and has little impact on the overall environmental issues. cum Energy Conservation and Carbon Reduction Management Policy ”, continue to carry out environmental protection and energy conservation and carbon reduction plans in daily operations, and the company also actively promotes the reuse of resources, such as: electricity consumption in business premises using contracted capacity, high power consumption in offices to save energy Electric appliances and call for the use of recycled paper, and implement paperless meetings and electronic billing plans in various departments, while sorting garbage and recycling resources to reduce waste, and the company continues to use annual water, electricity and paper consumption. , in order to set an annual reduction target of 1% , and continue to implement energy-saving and carbon-reduction plans. For details, please refer to the corporate website governance ESG area.</td>
<td>No Deviations</td>
</tr>
<tr>
<td>2. Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?</td>
<td>V</td>
<td></td>
<td>2. The actual measures taken by the company to promote and improve energy efficiency are as follows:
(1.) Office environmental protection:
a. Implementation of energy-saving and carbon-reduction policies: including the brightness setting of personal computers and screen off, photocopier standby settings, network equipment power-saving settings, and air-conditioning temperature settings, etc., there are regulations to achieve the goal of saving electricity. There are also usage regulations for matters such as water and paper consumption, and paper recycling is actually implemented.
b. Resource recycling (including waste disposal): Resource recycling bins are set up on each floor. In addition to requiring the cooperation of all colleagues, the cleaning personnel are also required to further sort out the garbage, and discarded computer equipment, toner cartridges, etc. It is handled by professional recycling manufacturers and will never be discarded at will, causing secondary pollution.</td>
<td></td>
</tr>
</table>

3. Has the company assessed the current and future potential risks and opportunities of climate change to the company, and taken measures to address climate-related issues?	V		(2.) Purify the air: In order to purify the toxic substances in the air (such as carbon monoxide and formaldehyde and other harmful substances) and the dust generated by the operation of the business machine, so as to maintain the health of colleagues, all kinds of potted plants are placed in the offices on each floor. Regularly clean the filter screen and central air-conditioning equipment at least twice, clean the water tower four times, and completely smoke-free in the office. (3.) Green Procurement: When decorating and renewing office equipment, in terms of construction design and material procurement, the proportion of green building materials is required to be more than 90%, which is higher than the 45% standard set by the competent authority, and the lamps have been completely changed to power-saving LEDs. lamps. (4.) Care for the earth and sustainable environment: All departments of the company actively participate in environmental cleaning activities such as cleaning mountains and beaches from time to time, so as to restore the natural environment to its original appearance. 3. In addition to paying attention to various energy-saving and carbon-reducing issues, the company actually promotes various energy-saving measures in the company's business premises, and before self-operated or venture capital investment in issuing companies and underwriting guidance, the target company is also selected. Whether the issue of climate change has been taken into consideration for investment or underwriting. 1. Promote various energy-saving measures at our company's business premises, and before engaging in self-operated or venture investment issuance companies and underwriting advisory selection, also consider whether the target companies have addressed climate change issues. 2. In accordance with the framework outlined in the Task Force on Climate-related Financial Disclosures (TCFD) recommendations published by the Financial Supervisory Commission, we commissioned experts in 2022 to assess the risks and opportunities arising from climate change for our company, including immediate physical risks, long-term physical risks, and opportunities for managing transitional risks. The recommendations have been disclosed in our company's sustainability report. 3. In addition, the company has formulated the "Enterprise. Environment and Energy Conservation and Carbon Reduction Management Policy" and "Energy Conservation and Carbon Reduction Management Measures" to pay attention to and adjust the air-conditioning temperature of the company's office environment at any time, considering energy conservation and carbon reduction and employee welfare. The actual promotion measures are as follows: (1.) Irregularly remind colleagues by E-MAIL. (2.) Perform refrigerator cleaning at least twice a month. (3.) Prioritize the purchase of electrical appliances with a first-grade energy efficiency label. (4.)"Caring for the earth" and "sustainable environment" are the social responsibilities of all colleagues in the company. We hope that through preferential purchase of electrical appliances with the first-class energy-saving label, and actively promoting measures such as energy conservation and carbon reduction, garbage classification, and resource recycling, we hope that the office area is divided into areas of responsibility, to strengthen publicity and urge employees to work together to maintain the natural environment. (5.) There is an annual reduction target of 1.0% in water/electricity/paper consumption. In addition, the	

<table>
<tr>
<td>4. Has the company counted the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated the company's policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?</td>
<td>V</td>
<td></td>
<td>wastepaper treatment will be reduced according to the current situation, and the improvement operations will be continuously tracked and reviewed. The assessment scope includes the company and its subsidiaries.

4.Greenhouse gas emissions in the last two years:
Unit: metric tons CO2e
<table>
<tr><th></th><th>2022</th><th>2023</th></tr>
<tr><td>Direct Greenhouse Gas Emissions (Scope 1) (metric tons of CO2e)</td><td>38.8811</td><td>62.2056</td></tr>
<tr><td>Energy Indirect (Scope 2) (metric tons of CO2e)</td><td>219.5465</td><td>220.3062</td></tr>
<tr><td>Other Indirect (Scope 3)" (metric tons of CO2 equivalent)</td><td>None</td><td>12.4998</td></tr>
<tr><td>Total emission (Metric tons of CO2 equivalent)</td><td>258.4276</td><td>295.0116</td></tr>
<tr><td>Greenhouse gas emission intensity (tons CO2e / revenue)</td><td>1.0956</td><td>0.2138</td></tr>
</table>

Note 1: Includes the consolidated financial statements of parent and subsidiary companies.
Note 2: Scope 1 emissions are calculated using the company's fuel consumption for vehicles multiplied by the carbon emission factor. Scope 2 emissions are calculated using the company's electricity consumption multiplied by the carbon emission factor.
Note 3: Total emissions unit: metric tons of CO2e per year.
Note 4: Intensity is in metric tons of CO2e per million dollars of revenue.
Note 5: Revenue for 2022: 235.883 million dollars;
Revenue for 2023: 1,379.822 million dollars.
Note 6: The greenhouse gas emissions for the company in the 2022 are self-reported and have not been verified by a third party. Verification of the greenhouse gas emissions for the 2023 is expected to be completed by the end of April.
Electricity/water/paper usage (including waste shredded paper) in the last 2 years:
Unit: degree/sheet
<table>
<tr><th></th><th>electricity</th><th>water</th><th>paper</th></tr>
<tr><td>2022</td><td>431,329</td><td>2,601</td><td>1,139,683</td></tr>
<tr><td>2023</td><td>446,558</td><td>4,520</td><td>1,122,711</td></tr>
</table>

waste shredded paper
<table>
<tr><th></th><th>2022</th><th>2023</th></tr>
<tr><td>Trash (ton)</td><td>3.159</td><td>3.406</td></tr>
<tr><td>Recycle (ton)</td><td>1.978</td><td>1.502</td></tr>
<tr><td>Total (ton)</td><td>5.137</td><td>4.908</td></tr>
<tr><td>Average (ton/Per)</td><td>0.0233</td><td>0.0206</td></tr>
</table>
Note 1: Resource recycling includes statistics on paper recycling.
Note 2: The number of employees was 230 in 2022; and 232 in 2023.</td>
<td></td>
</tr>
<tr>
<td>IV. Social Issues
1.Does the company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?

2. Does the company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?</td>
<td>V

V</td>
<td></td>
<td>1. The company has always complied with the "Labor Standards Law" and relevant government regulations and established complete and compliant personnel management regulations to protect the legitimate rights and interests of employees. In terms of human rights policy management, the company has formulated the "Sexual Harassment Prevention and Complaint" and Punishment Measures”, which includes matters such as the company’s internal complaint and handling mechanism.

2. The company has formulated a remuneration policy for reasonable wages, which combines the employee performance appraisal system with the corporate social responsibility policy to make the reward and punishment system clearer and more effective. For details, please refer to the company's annual report "Remuneration Policy and Standards". For employee benefit measures,</td>
<td>No Deviations</td>
</tr>
</table>

<table>
<tr>
<td>3.Does the company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?</td>
<td>V

V</td>
<td></td>
<td>please refer to the quotation in “Labor-Management Relations” in the Company’s Annual Report “Wu, Operation Overview” or visit the corporate governance section of the Company’s website.
In 2021 for the employee evaluation mechanism, corresponding indicators are formulated and given appropriate weights according to the unit, level and function.
1. Average number of employee benefits: NT$ 2,202,000 /person
2. Average salary of employees: NT$1,977,000 /person
3. The average salary of full-time employees who are not in supervisory positions: NT$1,482,000 per person.
4. Median salary of full-time employees who are not in supervisory positions: NT$1,207,000 per person.
5. The average proportion of female staff is 63%, and the average proportion of female supervisors is 8%.
<table>
<tr><th>Disclosure item</th><th>2022</th><th>2023</th></tr>
<tr><td>Average number of employee benefits</td><td>938 thousand/per</td><td>1,452 thousand/per</td></tr>
<tr><td>Average salary of employees</td><td>784 thousand/per</td><td>1,270 thousand/per</td></tr>
<tr><td>The average salary of full-time employees who are not in supervisory positions</td><td>904 thousand/per</td><td>1,347 thousand/per</td></tr>
<tr><td>Median salary of full-time employees who are not in supervisory positions</td><td>746 thousand/per</td><td>1,164 thousand/per</td></tr>
<tr><td>The average proportion of female staff</td><td>60%</td><td rowspan="2">Note (3)</td></tr>
<tr><td>the average proportion of female supervisors</td><td>5%</td></tr>
</table>
(1) The number of employees was 230 in 2022 and 238 in 2023.
(2) The number of non-supervisory employees was 215 in 2022 and 227 in 2023.
(3) The data still requires verification by the accountant and will be disclosed in the company's 2023 annual sustainability report."

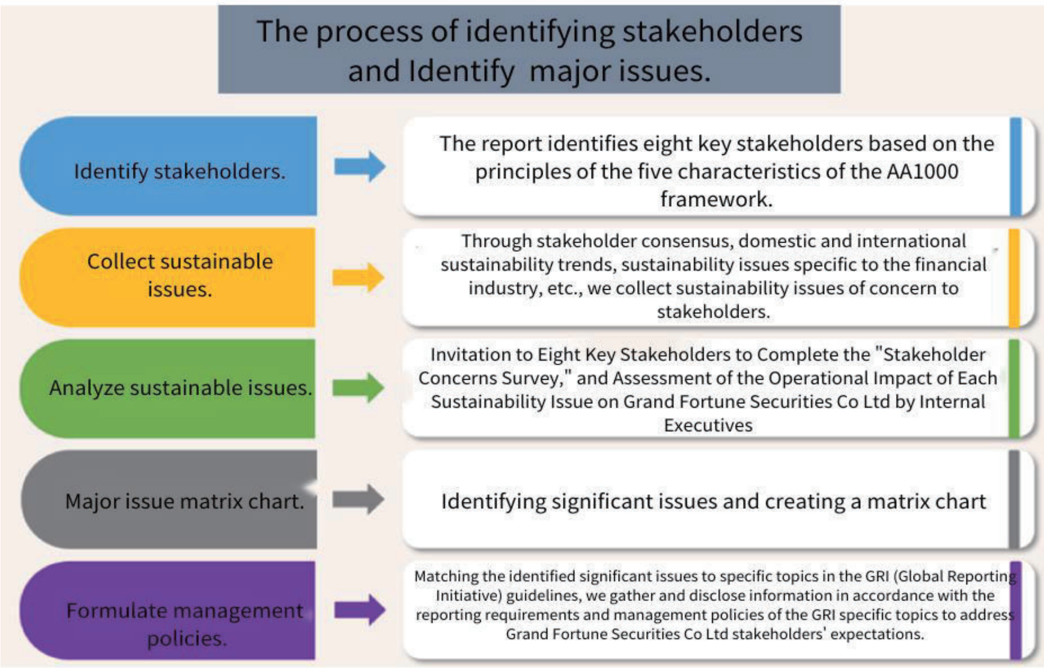
3.The company's implementation measures for maintaining employee safety, environment and health education are as follows:
(1.) Working environment:
a. In order to provide a safer office space for colleagues, the office decoration is in accordance with relevant laws and regulations and is reported to the competent authority to pass public safety inspections and fire safety inspections.
b. The company has a security system, which is entrusted to the listed company Shin Kong Security to provide online security services set by the system. In addition, the office building is also entrusted with the entry and exit control of security personnel stationed in the office building. The elevators in the building are regularly maintained and installed. Surveillance video equipment.
c. Considering the health of colleagues, the company cleans air-conditioning equipment every year to prevent Legionnaires' disease; and places first aid kits on each floor in case of emergency.
d. Provide employees with non-occupational medical and health services:
In accordance with the "Labor Health Inspection Protection Rules", sign a long-term employee health inspection contract with the clinic, provide employees with free health inspections and consultations on a regular basis, file and continuously track health inspection reports, and require the clinic to regularly send staff to the office to accept the health of employees</td>
<td></td>
</tr>
</table>

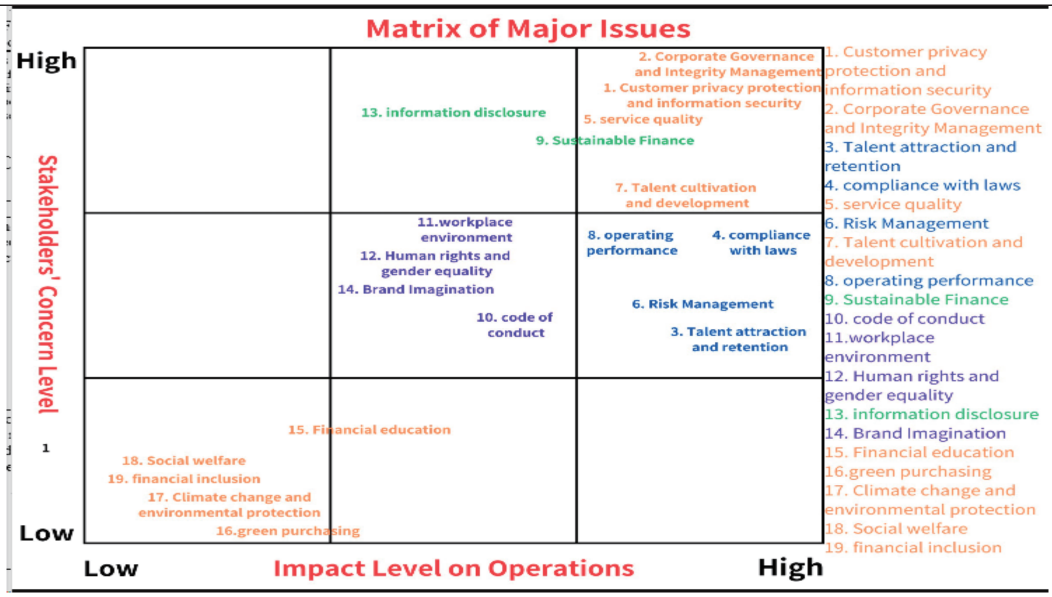
<table>
<tr><td></td><td>V</td><td></td><td>(4.1) Analyze and evaluate the results of employee health checkups.
(4.2) Track management and health guidance for employees with abnormal health results.
(4.3) Maternity protection interviews and follow-up. To protect the physical and mental health of employees, the Chang Teacher Foundation organizes a "Awareness and Coping with Stress" course, assisted by clinical counseling psychologists to help colleagues self-awareness and change their mindset. A total of 20 people participated, with a duration of 3 hours.

(2.) Personal protection:
The company's office space and moving lines are planned according to business needs and safety considerations, and relevant equipment is placed according to the requirements of operation convenience and safety, and environmental safety introductions are implemented to new colleagues.

a. The number and rate of occupational accidents, no such incident occurred in 2023.
b. Hours of occupational safety and health education and training:
<table><tr><td>year</td><td>Visits</td><td>man time</td></tr><tr><td>2022</td><td>20 people</td><td>3 hours</td></tr><tr><td>2023</td><td>215 people</td><td>3 hours</td></tr></table></td><td></td></tr>
<tr><td>4.Does the company establish an effective career development training program for employees?</td><td>V</td><td></td><td>4. The company regularly arranges employees to participate in securities professional on-the-job training courses, in order to respond to the knowledge of new laws and regulations related to the financial market, and formulate different training plans for relevant professional development, and send employees to participate in seminars from time to time. Professional training for employees to continuously strengthen their professional knowledge, extend and strengthen their career capabilities.
In 2023, a total of 15 people completed pre-employment training for new employees with a total of 174 hours, and a total of 142 employees completed professional training with a total of 1,725 hours, and a total of 14 supervisors completed professional training with a total of 159 hours.</td><td></td></tr>
<tr><td>5. Does the company follow relevant laws and international standards, and formulate relevant policies and complaint procedures for the protection of consumer or customer rights and interests regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services?</td><td></td><td></td><td>5. The company belongs to the securities service industry. The business service process is strictly implemented in accordance with the relevant laws and regulations and the internal control system. It attaches great importance to the ability to provide customers with professional services, confidentiality of customer confidentiality and compliance with the regulations of the competent authority. The Ministry of Finance and Consumers Complaints, Complaints and Transaction Disputes Handling Operating Guidelines, Financial Consumer Protection Law, and Principles of Fair Hospitality in the Financial Services Industry are implemented in accordance with relevant regulations, and the specific implementation situation will be reported to the board of directors. The company has established a grievance mechanism and channel, and properly handles related matters. For details, please refer to the contact window on the company's website for handling.</td><td></td></tr>
<tr><td>(6)Has the company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?</td><td></td><td></td><td>The company has established a "Supplier Management Policy" to evaluate the environmental protection implementation of its suppliers. In order to implement green procurement, it requires the suppliers to sign the "Supplier Social Responsibility Statement", and annually follow the "Supplier Management Questionnaire"., evaluate whether the supplier complies with labor and environmental regulations, etc., and will terminate or rescind the contract at any time if there is a violation of the policy.</td><td></td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td>Performance: In 2023, a total of 33 evaluated suppliers (with annual procurement amounts exceeding NT$300,000) were assessed.
<table><tr><td>level</td><td>belong</td><td>number</td></tr><tr><td>Level A</td><td>Qualified</td><td>33</td></tr><tr><td>Level B</td><td>Limited</td><td>0</td></tr><tr><td>Level C</td><td>unqualified</td><td>0</td></tr></table></td><td></td></tr>
<tr><td>V. Has the company prepared corporate social responsibility reports and other reports that disclose the company's non-financial information with reference to internationally accepted reporting standards or guidelines?
Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?</td><td>V

V</td><td></td><td>In accordance with the GRI guidelines issued by the Global Sustainability Reporting Association and the "Operational Measures for the Preparation and Reporting of Sustainability Reports by OTC Companies", the company regularly edits and announces the "Sustainability Report" to disclose the company's implementation of sustainable development. For relevant measures and information, please refer to the investor area of the company's website.
Since the previous disclosure report in 2022, Deloitte Taiwan has been entrusted to issue a third-party verification unit's assurance report, and the assurance index includes five verification items. .</td><td>No Deviations</td></tr>
<tr><td colspan="5">VI. The company has its own sustainable development code in accordance with the "Code of Practice for the Sustainable Development of Listed OTC Companies “, please describe the differences between its operation and the code:
The company formulated the Company's " Sustainable Development Code of Practice" in accordance with the " Sustainable Development Code of Practice for Listed OTC Companies ", and there is no discrepancy between its operation and the content specified in the Code.</td></tr>
<tr><td colspan="5">VII. Other important information helpful to understand the implementation of the promotion of sustainable development:
(1) The company recruits and appoints personnel not based on gender, race, etc., and spares no effort to safeguard the rights and interests of employees. Every employee join labor insurance and health insurance in accordance with the law and sets aside retirement reserves to protect employees. rights, and provide employees with a good working environment.
(2) Regarding the company's investor relations and the rights and interests of stakeholders, the company maintains smooth communication channels at all times, fully utilizes the spokesperson mechanism, and upholds the principle of good faith to release public information immediately to safeguard investor relations and the rights and interests of stakeholders.
(3) Promoting sustainable development plans
The company establishes the promotion of sustainable development and adopts the work of functional groups and discusses relevant issues according to ESG stakeholders to plan the structure of division of powers and responsibilities for the functional groups. The specific promotion plan is listed as follows:

</td></tr>
</table>



Note: For quotations of important performance under various communication frequencies, please refer to Chapter II of the annual "Corporate Social Responsibility Report " or the company's website area for details.

Note 1. Details of policy, strategy, measure and execution must be provided for the implementation conditions that are ticked with a "Y", while details must be also provided if with a "N".
Note 2: The principle of materiality refers to those who have a significant impact on the company's investors and other stakeholders in relation to environmental, social and corporate governance issues.
Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(V-II) Climate-related information implementation status

Item	Implementation Situation
1. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	1. The board of directors of our company serves as the highest authority for overseeing and governing climate-related risks and opportunities. It is responsible for supervising and reviewing the progress of the implementation of the group's relevant risk policies and action plans. 2. There are two functional committees that assist the board of directors in promoting climate-related risks and opportunities. 2.1Sustainability Committee: Formulates climate action plans and goals, regularly reviews the implementation of these plans, and reports on climate-related progress to the board of directors annually. 2.2Risk Management Committee: Reviews management policies for various risks, identifies climate-related risks and opportunities, and reports on the execution of climate risk management to the board of directors annually.
2. Describe how the identified climate risks and opportunities may impact the business, strategies, and finances of the company in the short term, medium term, and long term.	The company convened senior executives and various departments for a climate change workshop to identify and assess potential climate risks and opportunities based on their significance and relevance to the company's operations. The identified climate risks with high impact and probability for the company include extreme weather events (such as flooding, strong typhoons, landslides), droughts, reputational risks, technological risks, and uncertain policy and regulatory changes. High-impact climate opportunities include potential increases in customer demand for products and services and associated business opportunities, as well as benefits from market trends towards green investments. In response to these identified climate risks and opportunities, the company has developed mitigation strategies aimed at reducing the impacts of climate change risks while seeking new opportunities for transformation.
3. Describe the financial impact of extreme climate events and transition actions.	In response to physical risks arising from extreme weather events, such as operational disruptions to investment targets or losses due to flooding affecting operational sites and collateral, and opportunities for transition actions, such as costs associated with carbon reduction policies and regulations, industry transformation towards green energy and environmental protection, and reputational impacts from investing in high-polluting industries, the financial impacts are detailed on our company's official website under the ESG section in the Climate Sustainability Statement. Our company will continue to mitigate climate risk factors' impact on the value of financial products through portfolio diversification. To effectively manage extreme weather events and the transition to a low-carbon economy, climate change risks are integrated into operational decision-making, identifying and managing risks while addressing the crises of global warming and resource depletion. We are committed to responding to the energy-saving and carbon-reduction trend, undertaking mitigation and adaptation measures.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Our company has established risk policies and management practices covering operational, legal, and climate-related risks, addressing environmental protection, social responsibility, and corporate governance. The risk management policy of our company has incorporated climate risks and integrated their identification, assessment, and processes into the overall risk procedures of the company.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	None
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	Our company follows low-carbon operational management indicators and sets short-term, medium-term, and long-term goals for greenhouse gas emissions reduction (Scope 1 and Scope 2) as follows: 1. Greenhouse Gas Emissions (Scope 1 and Scope 2) (1) In 2023, the greenhouse gas emission intensity decreased by 8% compared to the previous year (2022), continuously progressing towards the SBT goal of reducing carbon emissions by 25% by 2030. (2) Despite a significant increase in revenue in 2023 compared to the previous year (2022), the carbon emissions from Scope 2 slightly increased. The main reason for this was the completion of the installation of heat-insulating film on floors 5-7, which led to adjustments in air conditioning temperatures during the summer. We will continue to monitor emissions. (3) Future Plans: We plan to complete the installation of office circulation fans and LED light panels within the next four years to sustainably reduce our electricity consumption.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	None
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.	1. Our company follows greenhouse gas emission reduction targets (referred to as carbon reduction targets), referring to the Science-Based Targets (SBT) method to set a carbon reduction pathway to limit global warming to 1.5°C. Targets are set for short, medium, and long terms, with intervals of every five years: (1) Short-term target: Achieve a cumulative reduction of 15% by 2028， (2) Medium-term target: Achieve a cumulative reduction of 25% by the year 2030。 (3) Long-term target: Achieve a cumulative reduction of 50% by 2050。 The carbon reduction targets cover operational activities at operational locations under Scope 1 and Scope 2。 2. We plan to use renewable energy sources and aim to utilize green energy by the year 2028, thereby achieving the medium-term target ahead of schedule. 3. Regarding low-carbon transformation management indicators and goals, our company uses 2023 as the baseline year and calculates carbon emissions and carbon intensity.
9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	Refer to 1-1 and 1-2

Description:1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million yuan) and data coverage of greenhouse gases in the past two years.

	2022	2023
Total emission (Tons CO2e)	258.4276	295.0116
Greenhouse gas emission intensity (tons CO2e / revenue)	1.0956	0.2138

Note 1: Data coverage: consolidated financial statements of parent and subsidiary companies
Note 4: Intensity is metric tons CO2e/revenue (million yuan)
Note 5: Revenue in 2022: 235.883 million yuan; Revenue in 2023: 1,379.822 million yuan)
Note 6: The company's greenhouse gas emissions in the past 2022 and 2023 years are based on internal self-inspections and have not been verified by third parties.

Note 1: Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), energy indirect emissions (Category 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions Amount (Category 3, that is, emissions generated by company activities, which are not indirect energy emissions, but come from emission sources owned or controlled by other companies).
Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of these Guidelines. Other indirect emissions information may be disclosed voluntarily.
Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT$ million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.
The company's greenhouse gas emissions in the past 2022 and 2023 have been internally audited but verified by third parties. In 2023, we commissioned Taiwan Sustainable Value Consulting Company to assist in establishing an internal audit and internal verification system.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Code. If the company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual

report, it should indicate that "the complete assurance information will be included in the sustainability report." "Disclosure". If the company does not prepare a sustainability report, it should indicate that "complete and confident information will be disclosed in the Public Information Observatory" and disclose complete and confident information in the next annual report.
Note 2: Confirmed institutions should comply with the relevant requirements for certified institutions on sustainability reports stipulated by the Taiwan Stock Exchange Co., Ltd. and the Securities Over-the-Counter Trading Center of the Republic of China.
Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Taiwan Stock Exchange's Corporate Governance Center.

Description:1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
The company follows the greenhouse gas emission reduction target (hereinafter referred to as the carbon reduction target) and sets a carbon reduction path with reference to the Science-based Carbon Reduction Target (SBT) method within the control of temperature rise of 1.5°C. The company sets a carbon reduction path every five years. Short-, medium- and long-term goals: (1) Short-term goal: cumulative reduction of 15% in 2028, (2) Mid-term goal: cumulative reduction of 25% in 2030. (3) Long-term goal: cumulative reduction of 50% in 2050.

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of these Guidelines.
Note 2: The base year should be the year in which the review is completed based on the boundaries of the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of these Standards, companies with a capital of more than 10 billion yuan should complete the consolidated financial report in 2024. For the inventory, the base year of 2024. If the company has completed the inventory of the consolidated financial report in advance, the earlier year can be used as the base year. In addition, the data for the base year can be calculated as the average of a single year or several years.
Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Taiwan Stock Exchange's Corporate Governance Center.

Company basic information	According to the provisions of the sustainable development road map of listed companies
□ Companies with capital of more than NT$10 billion, steel industry, cement industry □ Companies with capital of more than NT$5 billion but less than NT$10 billion ■ Companies with capital of less than NT$5 billion	■ Parent company individual inspection ■ Consolidated Financial Reporting Subsidiary Inventory □ The parent company is personally confirmed □ Consolidated Financial Reporting Subsidiary Confirmed

Category 1	Total Emission (Tons CO2e)	density (metric tons CO2e/million) (Note 2)	Believe in the organization	Description of convinced circumstances (Note 3)
Merger of parent and subsidiary companies	62.2056	0.0451	None	A consulting company was appointed to assist in the 2023 greenhouse gas internal inventory and internal verification.
Total	62.2056	0.0451		
Category 2	Total Emission (Tons CO2e)	density (metric tons CO2e/million) (Note 2)	Believe in the organization	Description of convinced circumstances (Note 3)
Merger of parent and subsidiary companies	220.3053		None	A consulting company was appointed to assist in the 2023 greenhouse gas internal inventory and internal verification.
Total	220.3062	0.1597		
Category 3 (Voluntary disclosure)	12.4998	0.0091	None	A consulting company was appointed to assist in completing area three - internal inspection of employee commuting and business travel.

(VI). Implementation status as well as deviations and reasons from "the Ethical Corporate Management Principles for TWSE/TPEX Listed Companies"

Evaluation items	Implementation status			Deviations and reasons
	Y	N	Explanation	
I. Establishment of ethical corporate management policies and programs				No deviation
1. Does the Company declare its ethical corporate management policy and procedure in its guideline and external document, as well as the commitment from its board to implement the policy?	V		The Company has established its ethical corporate management policy for its enterprise culture and commercial operation, with the board and high-ranking executives promising to materialize the policy.	
2. Does the Company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Principles for TWSE/ TPEx Listed Companies?	V		With relevant rules being established to govern director and manager, the Company has routinely executed precaution measure based on the Article 2, Paragraph 7 of the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies	
3. Does the Company establish policy to prevent unethical conduct with clear statement regarding relevant procedure, guideline of conduct, punishment for violation, rule of appeal, and the commitment to implement the policy?	V		The Company has established procedure, guideline of conduct, punishment for violation, and reporting system to prevent unethical conduct.	
II. Fulfill operation with integrity				No deviation
1. Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		To avoid the deceitful conduct, the Company undertakes credit examination against the supplier, and includes the rights-obligations clause in business contracts.	
2. Does the Company establish any exclusively dedicated unit supervised by the board to be in charge of corporate integrity, or regularly report to the board its execution?	V		The Company has set up a sustainable development committee to watch over corporate integrity, check potential deceitful events, and report to the board regularly for its execution and promulgation to employees.	
3. Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		According to the board's rules of procedure, directors are forbidden to join the discussion and voting, or act as the proxy for other directors, in the matters that will impact the Company's interest due to personal interest or the interest of institutional shareholders represented by the directors.	
4. Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		The Company has a rigorous accounting system and an exclusively dedicated accounting unit, in order to ensure the fairness of financial statements which are also audited by internal audit team.	
5. Does the Company regularly hold internal and external educational trainings related to operational integrity?	V		The company conducts relevant internal and external education and training sessions periodically. Information regarding the implementation of integrity management education and training, as well as related procedures, is disclosed on the company's official website/ESG section. Whenever there are new additions or revisions to these procedures, all employees are notified via email.	
III. Operation of the integrity reporting channel				No deviation
1. Does the Company establish a reward/punishment system and an integrity reporting hotline? Can the accused be reached by an appropriate person for follow-up?	V		The Company has enacted the reporting channel according to personnel regulation and internal control system set by business departments. In addition, employees can file an integrity reporting and complaint with direct chiefs, while the investor-relation page also offers the accessibility for such reporting.	
2. Does the Company establish a standard operating procedure for confidential reporting when investigating accusation cases, or prepare any follow-up and protection move?	V		The Company has stipulated it well for the setting-up of the rules about the ethical corporate management principles which are enacted accordingly.	
3. Does the Company provide proper protection to whistleblower who will not face inappropriate treatment?	V		The Company has stipulated it well for the setting-up of the rules about the ethical corporate management principles which are enacted accordingly.	

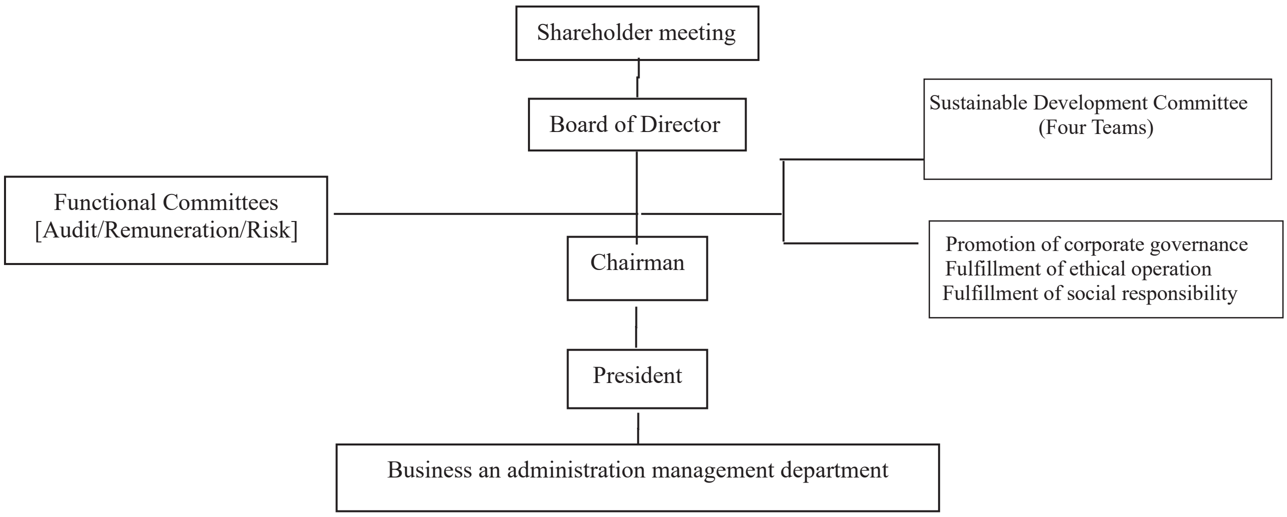
IV. Strengthening of information disclosure Does the Company disclose its ethical corporate management principles and the results of its implementation on the Company's website and MOPS?	V		The Company has formulated the ethical corporate management principles which are revealed on the official website, annual report and MOPS.	No deviation
V. If the Company has established the ethical corporate management principles based on the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the principles and their implementation: There have been no differences.				
VI. Other mentionable information to facilitate a better understanding of the Company's ethical corporate management policy (e.g., review and amend its policy). The personnel department is in charge of implementing the three events as follow: (I). Establishment of the ethical corporate management policy and project. (II). Fulfillment of the ethical corporate management policy. (III). Setting-up of a confidential reporting system. The above-mentioned events are carried out effectively, with no violations of the policy or occurrences of confidential reporting taking place in the fiscal year.				

(VII). Approach to search the corporate governance principles and relevant regulations as defined by the Company.

The company has established "Code of Practice for Corporate Governance", "Code of Practice for Sustainable Development ", "Code of Integrity Management", "Integrity Management Procedures and Behavior Guidelines", "Directors and Managers Ethical Code of Conduct" and other regulations and measures. For details, see Various special areas of the company's website (http://www.gfortune.com.tw) and public information observatory (http://mops.twse.com.tw/mops/web/index; company code 6026) query.

(VIII). Other important information that helps understand corporate governance:

1. Company governance structure



2. Promote the effectiveness of corporate governance implementation (including specific quantitative performance):

relevant archives and materials such as “Corporate Governance Self-Assessment Report”, “Board of Directors Performance Evaluation Report”, “Report on Fulfillment of Corporate Social Responsibility”, “Report on Implementation of Integrity in Business Operation”, “Report on Corporate Social Responsibility” and so on are detailed. The relevant implementation results are reported to the board of directors in the annual (Q4), “record” details on the company's website.

3. The succession and operation of the company's chairman and important management:

In order to organize a good management team, the company selects candidates for the personnel appointment at the management level. In addition to excellent work ability and professional knowledge, values and personality traits must also be consistent with the company's business philosophy (active, active, Responsible and pragmatic).

The succession planning of board members and important management layers also adheres to the management personnel appointment principle and implements it in accordance with the times. It will be carried out next time after considering suitable candidates and at the right time to ensure the effective continuation of the leadership style and business philosophy.

Part of the chairman: For details, please refer to 2020/6/30 General Meeting of Shareholders Election (Record) and 2021/6/10 Economic Daily's Smart Management (Report);

Important management level (general manager): For details, please refer to 2018/8/14, The 7th session of the 12th session of the board of directors discussed the 7th case (Record).

The above operations are carried out continuously and effectively in accordance with the relevant provisions of the Company Law and corporate governance. For details of the succession operation, please refer to the investor - corporate governance section of the company's website.

4. On January 29, 2021, the board of directors of the Sustainable Development Committee decided to establish and implement ESG operations.

(IX). Implementation status of internal control

1. Declaration of internal control system

Grand Fortune Securities Co., Ltd.
Declaration of internal control system

Date: March 12, 2024

The internal control system in 2023 conformed to the following declarations made in accordance with the self-inspection conducted:

1. We understand it is the responsibility of the Company's management to have internal control system established, enforced, and maintained. The Company has the internal control system established to provide a reasonable assurance for the realization of operating effect and efficiency (including profits, performance, and assets safety), the reliability of financial report, and the obedience of relevant regulations.

2. Internal control system is designed with limitations; therefore, no matter how perfectly it is designed, an effective internal control system is to ensure realization of the aforementioned three objectives. Due to the change of environment and condition, the effectiveness of an internal control system could change at any time. Our internal control system is designed with self-monitoring mechanism; therefore, we are able to have corrective actions initiated upon identifying any nonconformity.

3. We have based on the internal control criteria of "Governing Rules for handling internal control system by public offering companies" (referred to as "the Governing Rules" hereinafter) to determine the effectiveness of internal control design and enforcement. The internal control criteria of the "Governing Rules" are the management control process and with the internal control divided into five elements: 1. Environment control, 2. Risk analysis, 3. Control process, 4. Information and communication, and 5. Supervision. Each element is subdivided into several items. Please refer to the "Governing Rules" for the details of the said items.

4. We have based on the aforementioned internal control criteria to inspect the effectiveness of internal control design and enforcement.

5. We believe that our audits provide a reasonable basis for our opinion. On December 31, 2022, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the internal control system (including the supervision and management over the subsidiaries) including the fulfillment of business performance and efficiency, the reliability of financial statements and the obedience of governing regulations, and the design and enforcement of internal control system is free of material misstatement and is able to ensure the realization of the aforementioned objectives.

6. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Securities Transaction Regulation No.20, No. 32, No. 171, and NO. 174.

7. We hereby declared that the Declaration of Internal Control was approved by the Board of Directors on March 12, 2024, unanimously by the eight directors at the meeting.

Grand Fortune Securities Co., Ltd.
Chairman: Huang Bing-Jing
CEO: Lin Ying Ming
Chief Auditor: Huang Wan-Jan
Chief supervisor responsible for information: Tang Zin Chiang

Grand Fortune Securities Co., Ltd.
Internal control system must be strengthened matters and improvement plan

Must be strengthened matters	Improvement measure	Expected to complete
On January 19, 2023 received a letter with reference number 11103611601 from FSC (1) The internal personnel conflict of interest transaction check did not control for patterns of buying or selling the same securities in the same direction within a short period of time.	Add a confirmation item for 5-minute conflict of interest on the documents to ensure proper implementation and control.	Improved
(2) Failure to update or cancel exclusive account controls when an internal person's spouse obtains or loses internal person status.	The company has completed the establishment of an internal personnel change verification system, established a management verification mechanism, and implemented effective control measures.	Improved
(3) Accepting orders from third parties via telephone on behalf of elderly clients without proper authorization.	It is strictly prohibited for entrusted trading business personnel to accept orders from unauthorized individuals on behalf of others. This policy has been diligently enforced. Any violations discovered will result in disciplinary actions.	Improved
(4) During the period when entrusted trading representatives work from home, accepting telephone orders without recording client conversations has been carried out, but control measures have been implemented. Accepting non-specific natural person clients' non-limit orders by phone and determining the order price during execution.	It has been reiterated that entrusted trading personnel must proactively confirm the details of orders and ensure the operation of the recording and backup functions. This control measure has been effectively implemented.	Improved
(5) Failure to prudently assess the relationship between clients and implement comprehensive control measures for related party credit limits.	The company has revised its "Risk Management Procedures for Brokerage Department" and implemented a mechanism for combined control of related account and trust investment quotas to reduce credit risk. This measure has been effectively implemented and monitored.	Improved
On December 19, 2023 received a letter with reference number 11203859741 from FSC (1) Failure to implement confirmation measures for elderly clients who suddenly engage in frequent trading, frequent stock transfers, or trading after no activity for over a year via electronic order	The company has revised its "Operating Procedures for Providing Financial Services to Elderly Clients" and has diligently implemented these revised procedures.	Improved

placement, which is inconsistent with the "Operational Procedures for Providing Financial Services to Elderly Clients."		
(2) Failure to implement the requirement that risk management personnel shall not concurrently hold other positions as prescribed by regulations.	The change in the position of the risk management supervisor was approved by the board of directors on August 4, 2023, and has been effectively implemented.	Improved
(3) Failure to implement the required procedures for reporting suspected money laundering or terrorist financing transactions as prescribed by regulations.	The company has revised the "Suspicious Money Laundering or Terrorist Financing Transaction Reporting Procedures" and the "Suspicious Money Laundering and Terrorist Financing Transaction Monitoring Procedures," and has implemented effective controls.	Improved
(4) Failure to conduct customer risk review and risk assessment procedures as required by regulations.	The foreign legal entity information has been updated and revised in accordance with regulations.	Improved

Note: Please list in detail the penalty imposed by the competent authority (inclusive) or more than NT$240,000 or more; please also list the findings of the competent authority, stock exchange, stock exchange trading center, and futures exchange. Improvement of information security deficiencies

Anti-Money Laundering and Counter-Terrorist Financing Internal Control Statement

On behalf of Grand Fortune Securities Co., Ltd., I hereby declare that the company has indeed complied with the relevant laws and regulations concerning anti-money laundering and counter-terrorism financing from January 1, 2023 to December 31, 2023. We have established internal control systems, implemented risk management measures, and conducted audits by an independent audit department, reporting regularly to the Board of Directors and the Audit Committee. After careful assessment, it is confirmed that the internal controls for anti-money laundering and counter-terrorism financing across all departments during the fiscal year were effectively executed, except for the matters listed in the attached "Areas for Strengthening Anti-Money Laundering and Counter-Terrorist Financing Internal Control Systems and Improvement Plans."

To Financial Supervisory Commission

The Declaration: Grand Fortune Securities Co. Ltd.

Director: Huang Bing-Jing

President: Lin Ying Ming

Audit Manager: Huang Wang-Jin

Anti-Money Laundering and Counter-Terrorist: Yang Mu-Yu

March 12, 2024

Grand Fortune Securities Co. Ltd.

Areas for strengthening and improvement plans for internal controls on anti-money laundering and combating the financing of terrorism

Areas requiring improvement	**Improvement measures**	**Expected completion time for improvements**
Reporting process for suspected money laundering or transactions	Amendment of the "Procedure for Reporting Suspected Money Laundering or Terrorist Financing Transactions" and the "Procedure for Monitoring Suspected Money Laundering or Terrorist Financing Transactions" to include the process for reviewing suspicious money laundering patterns and determining the decision-making hierarchy.	Complete
Establish a mechanism for risk assessment and review 1. Occupational categories are not updated promptly. 2. Regular review and updating of [Director Certificate] documents for foreign clients.	1. Taking into account the 2021 National Money Laundering, Terrorist Financing, and Proliferation Financing Risk Assessment Report published on December 29, 2021, incorporate the newly identified industries susceptible to being exploited for money laundering or terrorist financing into the "Customer Risk Weight Table."	Complete
	2. Orders are temporarily placed pending the update of the Certificate of Incumbency (COI) for high-risk foreign clients during the annual regular review of customer due diligence and risk assessment procedures.	Complete

(X) The punishment delivered to the Company and the staff of the Company, or, the punishment delivered by the Company to the staff for a violation of internal control system, the major nonconformity, and the corrective action in the most recent years and up to the date of the annual report printed: None

(XI) Resolutions reached in the shareholder meeting and the board of director in the recent fiscal year and up to the date of the annual report printed:

Important resolutions at the general shareholder meeting (July 1, 2021):

Matter	Resolution and implementation	Implement situation
Acknowledge matter	**Proposal 1**: Report of 2022 business report. **Resolution**: After voting by shareholders present, the number of votes in favor has exceeded the statutory amount, and this case was passed as the case was. **Proposal 2**: Profit loss allocation plan for the year 2022. **Resolution**: After voting by shareholders present, the number of votes in favor has exceeded the statutory amount, and this case was passed as the case was.	Relevant forms have been reported to the competent authority and announced in accordance with the regulations. As passed.
Discussion matter	**Proposal 1**: Case of lifting the restriction on director's non-compete clause. **Resolution**: As a result of voting by the shareholders present, the number of votes in favor has exceeded the statutory amount, and the case was passed as the case was.	As passed
Election matter	**None**	

Major resolution at the board of director

Date	Major Resolution	Listed items in Stock and Exchange Act, 14-3	Independent directors' opinion and company response	Attendance by director / Voting
The thirteenth, 23rd meeting 2023/1/17	Amend the internal control system and internal audit implementation details of the "Computer Operations and Information Provision", "Operation of Futures Trading Auxiliary Business", and "Equity Services Unit".	ˇ	Based on the reminder from Independent Director Huang during the Audit Committee meeting, it is advised to enhance internal communication and promotion regarding the revision of internal control and internal audit.	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Discuss the payment of remuneration to the Chairman, Executive Directors, managers, and general managers of subsidiaries for the years 2021 and 2022.	ˇ	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Allocate shares to managers and participating employees for capital increase.			The chairman sought the approval of all attending directors for the photo-taking proposal.
	The company intends to approve the physical reduction of capital for its subsidiary, Grand Fortune Management Corporation.	ˇ	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	The company intends to approve the cash capital increase for its subsidiary, Grand Fortune Management Corporation	ˇ	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Set the agenda for the 2023 Annual General Meeting.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The thirteenth, 24rd meeting 2023/2/23	Approval of the 2022 fiscal year's business report.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Resolution regarding the allocation of funds to cover losses for the 2022 fiscal year.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Presentation of the company's self-assessment of the internal control system for the 2022 fiscal year, along with the internal control system statement.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Presentation of the statement on the company's internal control system for preventing money laundering and combating the financing of terrorism for the 2022 fiscal year.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Resolution regarding the private placement of unsecured convertible bonds, which automatically expire upon maturity.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Proposal to conduct a private placement of domestic secured convertible bonds.	✓	Director's Proposal: Due to the cash capital increase being carried out during this fiscal year and the absence of any bank borrowings b the company, with no urgent need for fund utilization at present, it	

Date	Major Resolution	Listed items in Stock and Exchange Act, 14-3	Independent directors' opinion and company response	Attendance by director / Voting
			is proposed to withdraw this agenda item and reconsider it separately in the future as per the company's funding requirements.	Agreed by all present directors
	Discussion on the resolution to lift restrictions on directors' non-compete clauses.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Addition of agenda items for the 2023 Annual General Meeting.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The fourteenth, 1st meeting 2023/4/14	Resolution to appoint members to the 5th term Compensation Committee and the 4th term Risk Management Committee of the Company.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The fourteenth, 2nd 2023/5/5	Revision of "Internal Control System of Stock Affairs Unit for the Year 2022" (including internal audit implementation rules and audit workpapers).	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	The Company proposes a cash capital increase for its subsidiary, Grand Fortune Management Corporation.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	The Company proposes a cash capital increase for its subsidiary, Foryou Private Equity Limited Partnership	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	The subsidiary Grand Fortune Venture Investment (Stock) Co., Ltd. proposes a transformation into a sustainable biotechnology venture capital.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Revision of "Bond Department Investment Quota and Risk Management Measures", "Subsidiary Monitoring Procedures", "Corporate Governance Practices", "Sustainable Development Practices", and "Audit Procedures for Advance Approval of Non-Assurance Services Provided by Certified Public Accountants".	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Compensation proposal for the executives of subsidiary Foryou Capital.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The fourteenth, 3rd 2023/8/4	Partial waiver of the subscription rights for the cash capital increase of Grand Fortune Management Corporation for the year 2022.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Approval for the change of institutional name for Grand Fortune Venture Investment (Stock) Co., Ltd.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Revision of "Internal Control System for the Year 2022" (including internal audit implementation rules, audit detail sheets, and audit workpapers), "Board Meeting Regulations", and "Executive Compensation Regulations".	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Adjustment of the risk management supervisor for the Company.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Employee subscription allocation for the cash capital increase of Grand Fortune Securities Investment Consulting Co., Ltd. for the 2022.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The	Revision of the "Internal Control System for the 2023" (including	-	-	The chairman sought the

Date	Major Resolution	Listed items in Stock and Exchange Act, 14-3	Independent directors' opinion and company response	Attendance by director / Voting
fourteenth, 4th 2023/10/26	internal audit implementation rules and audit detail sheets), "Fair Customer Treatment Principal Strategy", and "Fair Customer Treatment Principal Policy".			approval of all attending directors for the photo-taking proposal.
	Revision of the Company's "Fair Customer Treatment Principal Strategy" and "Fair Customer Treatment Principal Policy".	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The fourteenth, 5th 2023/12/14	Authorization for amendments to credit agreements with various financial institutions for the year 2024.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Allocation of risk limits and assignments for the year 2024.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Adjustment of the Chairman's salary at the subsidiary company, Grand Fortune Management Corporation, for the 2024.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
The fourteenth, 6th 2024/1/29	Continued assessment of the independence and suitability of the company's auditors, as well as pre-approval of non-assurance services.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Addition of "Outsourcing Procedures", "Handling Mechanism for Significant Occasional Events", revision of "Information Security Inspection Mechanism", "Subsidiary Monitoring Operations Regulations", and "Handling and Reporting Mechanism for Significant and Significant Occasional Events".	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Proposal to increase the high customer margin trading and securities lending credit limit to four billion.	✓	The credit limit amount for this agenda item shall be annotated as "New Taiwan Dollars."	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Approval for the change of name for Grand Fortune Venture Capital (Stock) Company.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Proposal for the allocation ratio of directors' and employees' remuneration for the 2023.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Discussion on the remuneration distribution for executives and subsidiary managers for the years 2022 and 2023.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Discussion on the remuneration distribution for the Chairman and Executive Directors for the 2023.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Consultant appointment proposal.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Resolution to lift restrictions on competition for executives and directors.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Acceptance of proposals for shareholder meeting agendas submitted by shareholders.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Establishment of matters related to the 2024 annual general meeting of shareholders.	-	-	The chairman sought the approval of all attending directors for the photo-

Date	Major Resolution	Listed items in Stock and Exchange Act, 14-3	Independent directors' opinion and company response	Attendance by director / Voting
				taking proposal.
The fourteenth, 7th 2024/3/12	Proposal for 2023 Fiscal Year Business Report.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Proposal for the distribution of earnings for the 2023 fiscal year.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Proposal for the distribution of cash dividends for the 2023 fiscal year.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Amendment to the "Articles of Incorporation".	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Self-assessment of the company's internal control system for the 2023 fiscal year, including the internal control system and the anti-money laundering and counter-terrorism financing internal control system declaration.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Disclosure of qualitative information on risk management for the 2023 fiscal year.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Issuance of unsecured convertible corporate bonds domestically through private placement.	✓	-	The chairman sought the approval of all attending directors for the photo-taking proposal.
	Addition of agenda items for the 2024 Annual General Meeting of Shareholders for review.	-	-	The chairman sought the approval of all attending directors for the photo-taking proposal.

(XII) Record or written statement made by a director or supervisor dissenting to important resolution passed by the board of director: None

(XIII) Resignation or dismissal of the Company's key individuals, Including the Chairman, CEO, and heads of accounting, finance, internal audit and R&D: None

V. CPA fee information: CPA fee information is disclosed on the basis of fee range

(I). CPA information

CPA firm	Name	Period	Audit expenses	Non-Audit expenses	Total	Note
Deloitte Taiwan	Xie Jian-xin Chen Qiang-xun	FY2023	1,480	281	1,761	
	Chen Ying-jhou Fang Han-ni	FY2023	0	2,100	2,100	

Note 1: Non-audit public expenses mainly include tax visas, in-kind capital reduction cases, report printing and other public expenses.

Note 2: Non-audited public expenses include sustainability report consulting services and sustainability report assurance services.

VI. Change of CPA: None

(I). About the former CPA

<table>
<tr><td>Date of change</td><td colspan="4">None</td></tr>
<tr><td>Cause and explanation</td><td colspan="4">Change of job position within Deloitte Taiwan itself (Note)</td></tr>
<tr><td rowspan="3">Explanation for termination of appointment by appointer or CPA</td><td colspan="2"></td><td>CPA</td><td>Appointer</td></tr>
<tr><td colspan="2">Automatic termination</td><td colspan="2" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">Refusal for continuation</td></tr>
<tr><td>Opinions and reasons in audit reports other than unqualified opinions in recent two years</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="6">Different opinions with securities houses</td><td rowspan="4">Yes</td><td colspan="2"></td><td>Accounting rule and practice</td></tr>
<tr><td colspan="2"></td><td>Disclosures of financial statement</td></tr>
<tr><td colspan="2"></td><td>Scope and procedure in audit</td></tr>
<tr><td colspan="2"></td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">✓</td><td></td></tr>
<tr><td>Explanation</td><td colspan="3"></td></tr>
<tr><td>Other disclosures
(Subject to Regulations Governing Securities Firms, Article 31)</td><td colspan="4">None</td></tr>
</table>

Note: The Company's former CPAs were Liao Wan-yi and Chen Qiang-xun, and in 2020 the Company appointed Xie Jian-xin and Chen Qiang-xun as new CPAs, due to the realignment of job positions in Deloitte Taiwan itself.

(II). About the new CPA

CPA firm	
CPA name	
Date of appointment	
Opinions provided by the new CPA in respect of accounting method and principle for special transactions	Not applicable
Written opinions in matters form between the former and new CPAs	

(III). Reply from the former accountant to the matters in Subparagraph 1 of Article 24, Subparagraph 2 and Subparagraph 3 of Subparagraph 2 of Subparagraph 2 of Article 24 of the Financial Reporting Standards for the Insurance Industry: None.

VII. The chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year: None.

VIII. Information on change in shareholding and change in shares pledged by director, supervisor, department head and shareholder with an over-10% stake or more:

(I) Information on change of shareholding Unit: share

Title	Name	2023		As of Feb 29, 2024	
		Share increase / (decrease)	Pledged share increase / (decrease)	Share increase / (decrease)	Pledged share increase / (decrease)
Chairman	Huang Bing-Jing (Note 3)	30,000		0	0
Director	Huang Hsien-Hua (Note 3)	2,837,688		0	0

Director	Cia Cier asset management(Note 3)	36,489			
	Lin Huo-deng (Note 3)	230,384			
Director	Jeng Geng -yi (Note 3)	113,132			
Director	DaYa Capital (Note 3)	54,934		0	0
Director	Li Qing-rong (Note 3)	2,126		0	0
Director	Huang Zhi-qiang (Note 3)	0		0	0
Independent director	Lo Neng-ching (Note 3)	-16,488			
Independent director	Xu Mei-li (Note 4)	0		0	0
Independent director	Wu Zhong-chun (Note 4)	0		0	0
President	Lin Ying Ming	141,825		-30,000	0
Vice president	Chen Song-zheng	-19,264		-10,000	0
Vice president / governance head	Shen Xin-xian	58,000		0	0
Vice president	Hong Liang	-89		0	0
Vice president	Shi Wei-zhou	48,816		-40,000	
Vice president	Huang Jun-rong	9,960		-10,000	0
Vice president	Zhenh Zhi-wen	3,000		3,000	0
Associate Manager and Head of Accounting Department	Zhu Shi-cheng	43,530		0	0
Associate	Qiu Meng-zhao	19,579		0	0
Associate	Huang Jun-yi	2,000		0	0
Associate	Xu Bin-wei	19,348		0	0
Associate	Li Li-ling	44,000		0	0
Associate	Xie Zhuo-mei	50,000		0	0
Compliance officer	Yang Mu-yu	34,195		-11,000	0
Audit supervisor	Huang Wan-zhen	49,988		0	0
Senior Associate	Wang Mei-juan	51,398		0	0
Senior Associate	Chen Yun-qi	41,493		0	0
Associate	Wang Guo-lian	404		-3,000	0
Associate	Huang Chen-hui	0		0	0
Information manager	Wu Wen-rui	-18,976		-2,000	0

Note 1: Shareholders holding more than 10% of the company's total shares should be marked as major shareholders and listed separately.
Note 2: If the counterparty to the equity transfer or equity pledge is a related party, the following should be filled in: None.
Note 3: At the 2023/4/14 shareholders' meeting for comprehensive re-election, Huang Zhi-qiang resigned as an independent director and became a director after the election.
Note 4: Comprehensive re-election at the 2023/4/14 shareholders' meeting: Xu Mei-li and Wu Zhong-chun are new independent directors.

(II) Information on share transfer: None

Name (Note 1)	Cause (Note 2)	Transfer date	Counterpart	Relation of the counterpart with the Company's director, supervisor and the over-10%-stake shareholder	Shares transferred	Price transferred
-	-	-	-	-	-	-

Note 1. The Company's director, supervisor and the over-10%-stake shareholder.
Note 2. Fill in the list of acquisition or disposal.

(III) Information on share pledged by director, supervisor and the over-10%-stake shareholder: None

IX. Name and relation among the top-ten shareholders as being interested party, spouse or relatives within second degree of kinship

March 02, 2024

Name (Note 1)	Current shareholding		Shareholding by spouse and minor children		Shares held under the names of other parties		Name and relation among the top-ten shareholders as being interested party, spouse or relatives within second degree of kinship (Note 3)		**Remarks**
	Shares	Stake (%)	Shares	Stake (%)	Shares	Stake (%)	Name	Relation	
Huang Hsien-hua	28,320,243	7.15%	7,565,256	1.91%	-	-	-	-	
Hongtai Electric Co., Ltd. Rep.: Chen Shi-yi	17,407,992	4.39%	- -	- -	- -	- -	- -	- -	
Central investment holding co. Ltd. Rep.: Chen Shu	11,828,775	2.99%	- -	- -	- -	- -	Sin Kung Hua	Same Rep.	
Jui li enterprise co.,ltd. Rep.: Wu Ming-can	7,605,410	1.92%	- -	- -	- -	- -			
Chen YA Rep.: Zheng Wen-zong	7,588,314	1.92%	- -	- -	- -	- -	- -	- -	
Wu Mei-yu	7,565,256	1.91%	28,320,243	7.15%					
Sin Kung Hua Rep.: Chen Shu	7,228,754	1.82%	- -	- -	- -	- -	Central investment holding co. Ltd.	Same Rep.	
Central Motion Picture Corporation Guo Tai-Ciang	6,004,188	1.52%	- -	- -	- -	- -	- -	- -	
HSBC Holdings plc	3,066,086	0.77%							
Hsing tech enterprise co., ltd.	2,621,687	0.66%	-	-	-	-	-	-	

Note 1. Names of all of the top-ten shareholders must be disclosed, with the institutional shareholders needed to disclose its names and representatives respectively.
Note 2. The stake is calculated on the basis of shares held by personal name, spouse, minor children, or under the names of other parties.
Note 3. Status of the relation must be disclosed according to the rules for the compiling of financial statement.

X. Shareholding and stake ratio in the same affiliate by the Company, director, manager, the Company's directly- and indirectly owned subsidiary:

Investment company name (Note 1)	Number of invested companies shares (Grand Fubon Securities)		Directors, supervisors, managers and directly or indirectly controlled investors		Total shareholding	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Grand Fortune Securities Investment Consulting Co., Ltd.	9,480,000	100%	-	-	9,480,000	100%
Foryou Capital Corporation (Note 3)	22,029,931	100%	-	-	22,029,931	100%
Grand Fortune Management Corporation	59,280,261	100%	-	-	59,280,261	100%

Investment company name (Note 1)	Number of invested companies shares (Grand Fubon Securities)		Directors, supervisors, managers and directly or indirectly controlled investors		Total shareholding	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Foryou venture capital Limited Partnership	(Note 2)	9.62%	-	-	(Note 2)	9.62%
Foryou Private Equity Limited Partnership	(Note 2)	10%	-	-	(Note 2)	10%
Beiley Biofund Inc. (Note 3)	48,773,889	24.39%	-	-	48,773,889	24.39%

Note 1: The company adopts long-term investment using the equity method.
Note 2: Limited partnership.
Note 3: The group's organizational structure was adjusted. After the organizational reorganization, Foryou Capital was directly held by Grand Fubon Securities, Beiley Biofund (formerly Fubon Venture Capital) was directly held by Fubon Venture Management, and Beiley Biofund (formerly Fubon Venture Capital) was transformed into sustainable biotech venture capital.

Chapter four: Fundraising Situation

Plan and use of capital raised by issuances of corporate bond, preferred share, global depository receipts, and employee stock ownership plan; Implementation of M&A (including merger, acquisition and split-off)

I. History of capitalization

(I). Type of shares Unit: share

Type of share	Authorized shares			Type of share
	Outstanding shares	Unissued shares	Total	
Common shares	396,161,841	103,838,159	500,000,000	The Company's share is listed on the TWEx

(II). Issued shares

Year Month	Par value (NT$)	Authorized shares		Paid-in capital		Note		
		Shares (1,000 units)	Amount (NT$1,000)	Shares (1,000 units)	Amount (NT$1,000)	Source of capital (NT$1,000)	Capital increased by assets other than cash	Note
Sept. 1989	10	30,000	300,000	30,000	300,000	Incorporation	--	-
Apr. 1990	10	130,000	1,300,000	100,000	1,000,000	Rights issue NT$700,000	--	1
Apr. 1993	10	130,000	1,300,000	103,000	1,030,000	Retained earnings NT$25,863, Bonus to employee NT$4,137	--	2
Dec. 1997	10	410,000	4,100,000	200,000	2,000,000	Rights issue NT$918,500, Retained earnings NT$51,500	--	3
Dec. 1998	10	410,000	4,100,000	205,000	2,050,000	Retained earnings NT$50,000	--	4
Jul. 1999	10	410,000	4,100,000	211,150	2,111,500	Retained earnings NT$61,500	--	5
Jul. 2000	10	410,000	4,100,000	216,429	2,164,288	Retained earnings NT$52,788	--	6
Oct. 2003	10	410,000	4,100,000	140,000	1,400,000	Capital cut NT$764,288	--	7
Dec. 2004	10	410,000	4,100,000	138,996	1,389,961	Capital cut NT$10,039	--	8
Apr. 2010	9	410,000	4,100,000	200,000	2,000,000	Rights issue NT$610,039	--	9
Aug. 2014	10	410,000	4,100,000	230,000	2,300,000	Rights issue NT$300,000	--	10
Jan. 2016	11	410,000	4,100,000	241,700	2,417,000	Rights issue NT$117,000	--	11
Oct. 2018	10	410,000	4,100,000	242,609	2,426,090	ESOP NT$9,090	--	12
Jan. 2019	10	410,000	4,100,000	242,925	2,429,245	ESOP NT$3,155	--	12
Mar. 2019	10	410,000	4,100,000	243,648	2,436,475	ESOP NT$7,230	--	12
Oct. 2019	10	410,000	4,100,000	244,579	2,445,785	ESOP NT$9,310	--	12
Jan. 2020	10	410,000	4,100,000	245,155	2,451,550	ESOP NT$5,765	--	12
Apr. 2020	10	410,000	4,100,000	245,558	2,455,575	ESOP NT$4,025	--	12
Aug. 2020	10	410,000	4,100,000	245,748	2,457,475	ESOP NT$1,900	--	12

Oct. 2020	10	410,000	4,100,000	246,677	2,466,765	ESOP NT$9,290	--	12
Jan. 2021	10	410,000	4,100,000	248,367	2,483,665	ESOP NT$16,900	--	12
Apr. 2021	10	410,000	4,100,000	248,836	2,488,355	ESOP NT$4,690	--	12
Jun. 2021	10	410,000	4,100,000	249,248	2,492,475	ESOP NT$4,120	--	12
Jun. 2021	10	410,000	4,100,000	284,248	2,842,475	Capital increase NT$350,000	--	13
Aug. 2021	10	410,000	4,100,000	300,025	3,000,249	Retained earnings NT$157,774	--	14
Sep. 2021	10	410,000	4,100,000	300,135	3,001,349	ESOP NT$1,100,000	--	12
Oct. 2022	10	500,000	5,000,000	360,162	3,601,618	Earnings capitalization NT$600,270	--	15
Apr. 2023	10	500,000	5,000,000	396,162	3,961,618	Cash capital increase NT$360,000	--	16

Note:
1. Approved at the sixth meeting by the 1st board of director on February 7, 1990
2. Original plan was stated in the 1992.08.15 SFE Ruling (81) Tai-Tsai-Cheng (II) No. 67098 by rights issue for capital increase and recapitalization of retained earnings. The cash-raising program was dropped due to insufficient subscription interest, based on the 1993.03.02 SFE Ruling (82) Tai-Tsai-Cheng (II) No. 13232, in which the original plan of recapitalization of retained earnings was completed.
3. 1997.12.16 SFE Ruling (86) Tai-Tsai-Cheng (II) No. 77256
4. 1998.12.19 SFE Ruling (87) Tai-Tsai-Cheng (II) No. 104058
5. 1999.07.27 SFE Ruling (88) Tai-Tsai-Cheng (II) No. 69020
6. 2000.07.21 SFE Ruling (89) Tai-Tsai-Cheng (II) No. 64094
7. 2003.10.13 SFE Ruling (92) Tai-Tsai-Cheng (II) No. 0920147565
8. 2004.12.17 SFE Ruling Jin-Kwong-Cheng (II) No. 0930156719
9. 2010.04.07 SFE Ruling Jin-Kwong-Cheng No. 0990014564, in which the rights issue exercise was carried out at offering price of NT$9 per share.
10. 2014.06.17 FSC Ruling Jin-Kwong-Cheng No.1030022941
11. 2015.12.22 FSC Ruling Jin-Kwong-Cheng No.1040052050
12. 2016.07.25 FSC Ruling Jin-Kwong-Cheng No.1050028413
13. 2021.04.13 FSC Ruling Jin-Kwong-Cheng No.10100337032
14. The FSC website announced on 2021.07.19 that the application for allotment of new shares for free will take effect.
15. The FSC website announced on 2022.07.25 that the application for allotment of new shares for free will take effect.
16. 2023.01.11 FSC Ruling Jin-Kwong-Cheng No.1110367678

(III) Self-registration system: Not applicable

II. Shareholder structure

Record date: March 02, 2024

Structure	Government institute	Financial institute	corporate juridical person	Another juridical person	Foreign institutional	Foreign juridical person	Foreign investor securities trust investment	Domestic natural person	Foreign natural person	Total
Number	1	0	211	3	1	24	14	30,647	22	30,923
Stake (%)	0.00	0.00	0.68	0.01	0.00	0.08	0.05	99.11	0.07	100%
Number	2,859	0	83,018,232	72,811	532,063	10,169,632	3,211,332	298,946,254	208,658	396,161,841
Stake (%)	0.00	0.00	20.96	0.02	0.13	2.57	0.81	75.46	0.05	100%

III. Share distribution

Record date: March 02, 2024

Bracket by number of shares	Shareholder number	Share holdings	Stake (%)
1-999	15,147	871,516	0.22
1,000-5,000	8,641	19,476,536	4.92
5,001-10,000	2,844	21,172,229	5.34
10,001-15,000	1,292	16,102,311	4.06
15,001-20,000	629	11,375,418	2.87
20,001-30,000	775	19,319,236	4.88
30,001-40,000	400	14,141,167	3.57
40,001-50,000	224	10,221,122	2.58
50,001-100,000	487	34,788,621	8.78
100,001-200,000	278	39,150,529	9.88
200,001-400,000	115	32,051,238	8.09
400,001-600,000	29	14,243,774	3.60
600,001-800,000	15	10,492,226	2.65
800,001-1,000,000	11	9,729,150	2.46
Over 1,000,001	36	143,026,768	36.10
Total	30,923	396,161,841	100.00

Note: Face value at NT$10 per share. No issuance of preferred shares.

IV. List of major shareholders

Record date: March 02, 2024

Name	Shareholding	Stake (%)
Huang Hsien-hua	28,320,243	7.15
Hongtai Electrical Co., Ltd.	17,407,992	4.39
Central Investment Co., Ltd.	11,828,775	2.99
SWEETLY INVESTMENTS LIMITED	7,605,410	1.92
Cheng Ye Investment Co., Ltd.	7,588,314	1.92
Wu Mei-yu	7,565,256	1.91
Hsin Kuang Hua Co., Ltd.	7,228,754	1.82
Central Movie Picture Co.	6,004,188	1.52
HSBC	3,066,086	0.77
HSING TECH ENTERPRISE CO., LTD.	2,621,687	0.66

V. Market price, net worth, earnings and dividend

Item \ Fiscal year			2022	2023	As of February 29, 2024 (Note 1)
Market price per share	Highest		24.00	13.95	13.45
	Lowest		9.41	9.98	12.5
	Average		15.57	11.96	12.95
Net worth per share	Before distribution		12.57	14.38	14.86
	After distribution		–	–	–
Net earnings per share	Weighted average shares		360,162	387,581	396,162
	Earnings per share	Before adjust	(0.73)	1.61	0.41
		After adjust	–	–	–

Dividend per share	Cash dividend		–	–	–
	Free allotment	Earnings allotment	–	–	–
		Allotment of capital reserve	–	–	–
	Accumulated undistributed dividend		–	–	–
Return of investment (Note 2)	Price earnings ratio	Before adjust	(21.33)	7.43	31.65
		After adjust	–	–	–
	Price/dividend ratio		–	–	–
	Cash dividends yield rate		–	–	–

Note 1: The earnings per share and net asset value per share are as of the audited financial statements for the fiscal years ended 2022 and 2023. As of February 29, 2024, they are based on the self-compiled financial statements.
Note 2: If there are adjustments required due to bonus issues or other circumstances, the earnings per share before and after adjustment should be disclosed.
Note 3: The P/E ratio = Average closing price per share for the year / Earnings per share.
Note 4: The P/C ratio = Average closing price per share for the year / Dividends per share.

VI. Execution of dividend policy

(I). Dividend policy

The Company's dividend policy, based on the stable growth of future business, the healthy conditions of long-term financial structure and the maximization of shareholder interest, is carried out on a balanced manner to include cash and stock dividend. The dividend shall not be less than 10% of distributable profit in the current year, but the distributable profit, if less than 5% of share capital, will not be paid out and will be accumulated into retained earnings. In distribution, the cash dividend shall not be less than 10% of total dividend, while the cash dividend, if less than NT$1 per share, shall be paid out in the form of stock dividend.

(II) Proposed distribution of dividend

The earnings distribution proposal at April 30 ,2024 shareholder meeting is as follow:

Unit: NT$

Item	Amount
Initial unappropriated earnings	**0**
Add: 2023 after-tax net profits Add: Disposal of equity instruments measured at fair value through other comprehensive income, with accumulated gains or losses transferred to retained earnings Less: Defined benefit plan remeasurement (loss) included in retained earnings	625,602,116 104,304,340 (225,547)
Denote the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period as calculated by a profit-seeking enterprise Less: 10% percent legal reserve Less: 20% percent Special Reserve appropriated Add: Reverse provision of 0.5% special surplus reserve	729,680,909 (72,968,091) (145,936,182) 42,000
2023 Distributable earnings	**510,818,636**
Less: Allocation item Shareholder dividends--Cash (NT$1.28 per share) Shareholder dividends--Stock (NT$ 0 per share)	 **(507,087,156)** **(0)**

Final unappropriated earnings	**3,731,480**
Note 1: The allotment amount per share is calculated based on the number of 396,161,841 shares that can participate in the rights distribution when the board of directors resolves on March 12, 2024 . Note 2: Pursuant to Article 28-1 of the company's articles of association, the board of directors is authorized to decide to distribute all or part of the dividends and bonuses to be distributed in the form of cash.	

VII. Impact of the proposed stock dividend in shareholder meeting on business performances and EPS:

Stock dividend is not proposed to be paid out, not applicable.

VIII. Remuneration to employee and director

(I). Ratio and scope of remuneration to employees and director referred to in the Articles of Incorporation

The net profit earned in a fiscal year shall be reserved to cover accumulated loss in prior years, and then appropriated by 10% for legal reserves and 20% for special reserves. After setting aside or reversing special reserves, the remaining profit shall be added by the undistributed profit in the beginning of the fiscal year and be available for being paid out, through the dividend policy initiated by the board of director. A payout in the form of stock dividend is needed to be approved by the shareholder meeting.

The Company, if profitable in a fiscal year, shall appropriate net profit by between 1.5% to 2.5% as the employee remuneration that will be decided by the board of director, and paid out either through the form of cash or stock dividend. The Company shall appropriate net profit by 1.5% to 2.5% as the remuneration to directors. The dividend payout to employee and director is required to be reported in the shareholder meetings, after the company's accumulated loss is erased by the net profit.

(II). Accounting methods for the discrepancy, if any, between the actual payout levels and the estimated levels that include remunerations to employees and directors as well as the stock dividend as remuneration to employees.

The remuneration means the potential payout amount that is appropriated from pre-tax profit by a certain percentage as stated in the Articles of Incorporation. No stock dividend is paid out for the current fiscal year. The discrepancy amount, if occurring after the resolution by the board of director, shall be treated as expense in the next fiscal year. The discrepancy amount, if occurring again at the shareholder meeting day, shall be adjusted into the current-year financial statement approved by the shareholder meeting.

(III) Remuneration distribution approved by the board of directors:

On January 29, 2024, board of directors distribute NT$10,560,000 of employee remuneration and NT$10,560,000 of directors' remuneration, the amount is consistent with the recognition in the individual financial statements for 2023.

(IV) The actual distribution of employees, directors, and remuneration in the previous year (including the number of shares distributed, amount, and share price), and the discrepancy from the recognized employees, directors, and remuneration, and the number of discrepancies, reasons, and handling should be stated:

The amount is consistent with the disclosure in the individual financial statements.

IX. Buyback of the Company's stock: None

X. Issues of corporate bonds (including overseas bonds): None

XI. Issues of preferred shares: None

XII. Issues of GDR: None

XIII. Status of employee stock option certificate: None

XIV. Issuance of restricted shares to employee: None

XV. Issuance of new shares due to merger and acquisition of other companies: None

XVI. Implementation of capital use: None

Chapter five: Operation Overview

I. Business scope

(I) Main operation

* Acting as an agent for the trading of securities on the centralized securities market.
* Acting as an agent for the trading of securities at the business premises.
* Engaging in proprietary trading of securities on the centralized securities market.
* Engaging in proprietary trading of securities at the business premises.
* Underwriting securities
* Acting as an agent for securities registration and transfer services.
* Operating auxiliary services for futures trading.
* Other businesses permitted by regulators

(II) Revenue and portion Unit: NT$1,000 / %

Annual / Product	FY2022		FY2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Brokerage	123,361	53.45	156,147	11.43
Proprietary trading (Including bond)	(375,099)	(162.53)	546,727	40.03
Underwriting (including stock registrar)	426,713	184.90	515,378	37.73
Others (including subsidiary)	55,807	24.18	147,606	10.81
Total	230,782	100.00	1,365,858	100.00

(III) Current business activities:

1. Brokerage Business
   * Brokerage business for stock trading (including online trading).
   * Self-operated margin loans for stock trading.
   * Stock settlement, subscription for new share and participation in share auction.
   * Futures trading business
2. Underwriting business
   * Engage in planning, counseling, submission, and underwriting services for securities listing on the primary market (exchange or OTC), as well as handle counseling for the registration of the listing of company stocks on the emerging stock market and act as a recommended securities firm for emerging stock market stocks.
   * Engage in planning, counseling, submission, and underwriting services for domestic (and foreign) fundraising activities in the secondary securities market, including but not limited to cash increases, convertible bonds, overseas depositary receipts, overseas convertible bonds, and ordinary corporate bonds.
   * Provide comprehensive financial planning and financial advisory services, assist in corporate mergers, recommend strategic alliance partners, and provide planning services and consulting for fundraising.
3. Proprietary trading
   * Trading for stocks on Taiwan Stock Exchange, Taipei Stock Exchange, Emerging Market and ETF.
   * Trading for futures for the purpose of risk-hedging.
   * Trading for stocks in the U.S., Hong Kong and Japan stock markets.
4. Bond dealing business
   * Services related to central government bond, corporate bond, and bond repo activities.
   * Services related to trading and bidding for government and corporate bond at the secondary market.
   * Proprietary trading of convertible corporate bonds.
   * Assist corporate entities and financial institutions in bidding and purchasing bond products, as well as provide interest rate consulting services.
5. Stock registrar business
   * Stock registrar for publicly traded companies.
   * Stock registrar for annual publicly traded companies.
   * Arrangement for shareholder meeting.
   * Arrangement for the payout of dividend and distribution of rights-issue new shares.
   * Management for undistributed shares of publicly traded companies.

(IV) Future plan:

* Continuously optimize existing electronic trading systems and develop additional features for the trading platform.
* Enhance the research team's lineup and expertise to provide both internal departments and external clients with high-quality investment recommendations.
*Actively expand private fund management business and discretionary investment services, and, where regulations permit, develop management services for retirement funds, private equity funds, etc., to establish a comprehensive asset management platform.
*Establish a comprehensive ECM platform to strengthen underwriting and distribution capabilities, assist clients in fundraising, explore business opportunities, and enhance competitiveness.

II. Industry and operation overview

(I) Industry condition and development

1. Macro Economy

(1). Global Economy

In 2023, the world entered the post-pandemic era. Due to changes in the international situation, such as the restructuring of global supply chains, the implementation of minimum tax policies, population aging, and regional conflicts, the economic environment characterized by "low inflation, high growth" created by trends such as globalization, automation, and information technology over the past 30 years has ceased to exist. Except for Japan and China, major economies have been committed to monetary policy normalization. In the first half of the year, central banks around the world continued the tightening policies implemented since 2022, managing inflation through actions such as interest rate hikes and balance sheet reduction, with the goal of achieving inflation control at the cost of withdrawing excess currency and curbing economic growth. Global financial markets performed relatively suppressed under the environment of tightening liquidity. However, starting from the middle of the year, as the Fed and ECB began to slow down the pace of interest rate hikes and with the emergence of AI-related emerging applications, the U.S. chip sector led the Taiwan stock-related supply chain to lead the rally. The index returned to bull market territory, closing nearly at the year's high of 17,930.81 points.

Nation/ Region	Index	Total Value (USD)			Index		
		2022	2023	Change rate %	2022	2022	Change rate %
USA	Dow Jones	9,666.42	12,005.32	24.20	33,147.25	37,689.54	13.70
	S&P	33,498.11	41,737.60	24.60	3,839.50	4,769.83	24.23
	NASDAQ	17,797.55	25,327.32	42.31	10,455.48	15,011.35	43.42
	INDEXNASDAQ: SOX	2,288.39	4,236.29	85.12	2,532.11	4,175.47	64.90
EUR	DAX	1,588.67	1,725.59	8.62	13,923.59	16,751.64	20.31
	FTSE	2,469.84	2,618.62	6.02	7,451.74	7,733.24	3.78
	CAC	2,255.73	2,721.04	20.63	6,473.76	7,543.18	16.52
China	SHA	6,402.45	6,332.92	(1.09)	3,089.26	2,974.94	(3.70)
	SZI	4,699.10	4,365.02	(7.11)	1,975,61	1,837.86	(6.97)
	SHE	2,830.55	2,543.30	(10.15)	19,781.41	17,047.39	(13.82)
	INDEXHANGSENG: HSCEI	2,071.11	1,836.88	(11.31)	6,704.94	5,768.50	(13.97)
Taiwan	TWII	1,434.15	1,856.15	29.43	14,137.69	17,930.81	26.83
	OTC	143.64	188.94	31.54	180.34	234.01	29.76

Source : Bloomberg, Fubon Investment Consulting

Looking ahead to 2024, although there are expectations for a more significant demand recovery in the middle of the year from the perspective of industry fundamentals, the strength of the recovery remains uncertain. After nearly two years of tightening monetary policies, global markets continue to react to the effects of investment reduction and consumption downgrading. Since March 2022, the Fed has raised interest rates by a total of 21 times, and the ECB has raised interest rates 18 times since July 2022, ending an eight-year era of negative interest rates. Even though the current market consensus suggests that this round of interest rate hikes has reached its endpoint, geopolitical conflicts continue to occur globally, particularly in Asia, which is the most unstable region. Conflicts include the Russia-Ukraine war at the Eurasian border, the Israel-Palestine conflict in the Middle East, tensions between North and South Korea in Northeast Asia, sovereignty disputes in the Taiwan Strait and the Diaoyu Islands, sovereignty issues in the South China Sea, border confrontations between India and China, sporadic conflicts between Iran and Pakistan, and the competition between the two superpowers, the United States and China, in trade, technology, finance, and other dimensions. These factors contribute to the instability of the global post-pandemic recovery path and introduce variables that could lead to a resurgence of inflation.

According to the latest estimates from the World Bank, the global economic growth rate for 2023 is expected to be around 3.0%, lower than the 3.5% in 2022, due to ongoing adjustments in post-pandemic supply chains and geopolitical risks such as the Russia-Ukraine war and the Israel-Palestine conflict, as well as the impact of inflation and interest rate hikes. Additionally, the economic growth rate for 2024 is expected to further slow down to 2.4%. In the same report, the economic growth rate of the United States is forecasted to increase from 1.9% in 2022 to 2.5% in 2023, but it is expected to slow down to 1.6% in 2023. China's economic growth rate is projected to rebound from 3.0% in 2022 to 5.2% in 2023, but it may fall back to 4.5% in 2024. It is anticipated that major global economies will maintain tight monetary policies this year, and with the risk of economic recession, financial markets will face more uncertainty and challenges.

(2.) Taiwan economy

Domestic economy has also been affected by inflation and interest rate hikes. With sluggish global demand for end products, the industry continued inventory adjustments in the first half of last year. Under the suppression of export momentum, the economy declined by 0.98% compared to the same period the previous year. In the second half of the year, benefiting from the booming demand for AI-related applications and the slight replenishment of electronic product inventories, exports showed a slight recovery. On the domestic demand side, following the lifting of pandemic restrictions, the country experienced a retaliatory consumption boom. Coupled with government tax rebates stimulating the economy, consumption in sectors such as dining, tourism, and retail increased, supporting economic growth. According to the latest estimates released by the Directorate-General of Budget, Accounting, and Statistics in January this year, the economy grew by 5.12% year-on-year in the fourth quarter of last year, slightly down by 0.10% from the previous estimate of 5.22% in November. The estimated annual growth rate for 2023 is 1.40%, a slight decrease of 0.02% from the forecasted 1.42%. The projected annual growth rate for 2023 is currently maintained at 3.35%.

2. Taiwan’s stock and securities markets

(1) Taiwan’s stock market

The stock market reflects market efficiency and is highly correlated with economic cycles. After experiencing rapid interest rate hikes in 2022, leading to tightening of liquidity and causing a rapid correction in global stock markets, as the interest rate cycle nears its end, international funds have flowed out of Europe and the United States. Coupled with the boost from emerging applications such as AI and high-speed computing, the stock market rebounded in 2023. In our country, the weighted index reached a high of 17,945.70 points and a low of 14,001.97 points, with a fluctuation range of 3,943.73 points. The market recorded a full-year increase of 26.83%.

In 2023, foreign and China investors accumulated net purchases of Taiwan stocks totaling NT$275.45 billion. Looking back at the performance of the Taiwan stock market throughout the year, despite fluctuations due to weak global demand, inflation, and geopolitical risks, the weighted index climbed steadily to nearly 18,000 points, buoyed by the influx of funds, the emergence of new demands such as AI and high-speed computing, and the restructuring of global supply chains. As for market capitalization, the total market value of listed stocks at the end of 2023 was

NT$62.81 trillion, compared to NT$48.80 trillion at the end of 2022, representing an increase of NT$14.01 trillion. It is anticipated that the Taiwan stock market will face higher uncertainty this year due to geopolitical risks and global economic sluggishness, with the possibility of significant fluctuations in Taiwan stocks still on the table.

According to the information in the table, the trading proportion of domestic individual investors decreased by 0.4% in 2023 compared to the previous year, but the overall trading situation remained largely the same as in 2021. Foreign investors had a net purchase of NT$2754.5 billion in Taiwan stocks in 2023, and with substantial funds flowing into ETFs through domestic institutional investors, the stock market nearly recovered from the lows of 2022. As the interest rate hike cycle in major economies around the world is coming to an end and quantitative tightening is expected to gradually phase out, coupled with the potential exit of Japan from ultra-loose monetary policies and various factors such as capital outflows from China, it is anticipated that global funds will shift towards safer markets in Asia. Although Taiwan stocks may not be the first choice, there are still opportunities for considerable performance if the industry trends remain favorable.

Changes in the proportion of investors in the centralized trading market:

Contribution ratio by investors on Taiwan Stock Exchange Unit: %

Type of investors	Ratio in 2022	Ratio in 2023	Up/(Down)
Local individuals	58.3%	57.9%	（0.4）%
Local institutions	10.4%	10.7%	0.3%
FINIs (not including foreign individuals)	31.2%	31.3%	0.1%

Source of data: Taiwan’s FSC (December 2023)

(2) Taiwan’s securities market

The emergence of Generative AI has brought about significant momentum to the global technology industry. The first step naturally involves the infrastructure of AI, with semiconductor-related supply chains benefiting first, followed by the AI server ecosystem. These supply chains are predominantly concentrated among Taiwanese firms, presenting a once-in-a-decade opportunity for listed companies in the Taiwanese stock market. In 2023, the Taiwan stock market has already begun reflecting the wave of the AI era, and it is anticipated that this trend will continue to ferment in 2024, becoming the mainstay of the Taiwanese stock market. However, amidst the optimism, attention should also be paid to the Federal Reserve's interest rate reduction measures, the downward pressure on the Chinese economy, and the potential policy changes brought about by the 2024 US presidential election. It is imperative to remain vigilant to international developments and respond prudently.

Trading value in Taiwan’s securities markets Unit: NT$1 billion / %

Year	2022	2023	Annual growth
TWSE			
Stocks	56,080.59	63,170.25	12.64%
ETF	2,938.09	3,454.32	17.57%
Closed-end mutual fund	4.06	4.14	1.97%
TDR	10.36	9.25	(10.71)%
Depository receipts	9.44	36.58	287.75%
Option	531.21	531.64	0.08%
Sub-total	59,573.75	67,206.19	12.81%
TOPIX			
Stock	14,878.66	16,847.45	13.23%
Bond	29,956.55	29,461.27	(1.65)%

Option	133.74	171.80	28.46%
Index-based ETF0	228.16	1,237.04	442.18%
ETN	1.93	1.02	(47.15) %
Sub-total	45,199.04	47,718.57	5.57%
Total	104,772.79	114,924.76	9.69%

Source of data: Taiwan's SFB (December 2023)

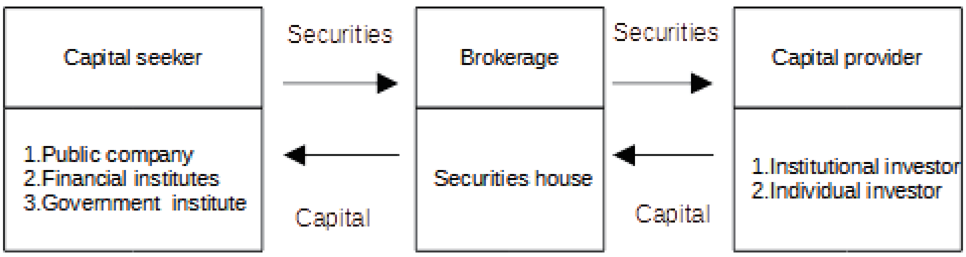
In the issuance market, as of the end of 2023, the total number of listed and over-the-counter (OTC) listed companies in the domestic securities market reached 1,813, with a total capitalization of NT$8,396.71 billion. This represents an increase of 34 companies and NT$154.77 billion in capitalization compared to the previous year. The government actively encourages enterprises with key core technologies, innovative capabilities, or innovative business models to enter the securities market. It has also relaxed the conditions for the innovation board to optimize the investment environment for innovative businesses, while balancing the development of the securities market and the stimulation of economic activities. This allows companies of different sizes and characteristics to find suitable investment platforms, making the overall capital market structure more complete. In addition to the expected continuous growth of the domestic capital market, the industrial attributes of listed companies will become more diverse.

Number of listed firms and market capitalization Unit: NT$100 million

Year / Exchange	2022		2023	
	Number of listed firms	Market capitalization	Number of listed firms	Market capitalization
TWSE	971	74,999	997	76,388
TPEx	808	7,420	816	7,579
Total	1,779	82,419	1,813	83,967

Source of data: Taiwan's SFB (December 2021)

(II) Relation of the industry's upstream, midstream and downstream sector



(III) Development and competition of major products

1. Brokerage business

In 2023, in addition to continuously enhancing information security protection in compliance with regulatory authorities, Fubon Securities also continued to optimize the functionality of its mobile app "Stock and Futures Mobile Network to better serve customers. The company's electronic trading volume accounted for approximately 68.12% of the total trading volume for the full year, which was lower than the market's 78% electronic trading proportion. Fubon Securities will continue to improve and optimize its electronic trading system to provide customers with higher quality, more convenient, and secure services.

With the easing of the COVID-19 pandemic and ample market liquidity, the average daily trading volume of Taiwan's stock market in 2023 was NT$3,582.25 billion, with a 16.18% increase in trading volume on the centralized market and a 23.68% increase on the OTC market.

Grand Fortune Securities' brokerage business has long focused on institutional clients, combining underwriting and stock agency services to maximize comprehensive benefits. Looking ahead to 2024, the company will strengthen ECM (Equity Capital Markets) business integration to provide customers with comprehensive services.
Although interest rates issued were frequently at record lows, the probability of facing upward interest rate risks will gradually increase in the future.

2. Underwriting business
In 2023, despite the global economy being continuously affected by geopolitical conflicts and the monetary policy of major economies, Taiwan's capital market demonstrated resilience. Unlike the declining trend seen in the number of IPOs and fundraising amounts globally, Taiwan's capital market saw growth against the odds. In 2023, there were a total of 45 new listings (including the Innovation Board and the conversion from the Securities Market to the main board), raising a total of NT$37.9 billion (compared to NT$36.2 billion in 2022), reaching a ten-year high. Among these, Grand Fortune securities sponsored Foxtron's listing on the Innovation Board, with a total fundraising amount of NT$7.5 billion, accounting for 19.79% of the total fundraising amount, making it the second-largest fundraising amount in the market.
Regarding the industry distribution of listed companies, the biotechnology and medical industry had the highest number of new listings, with seven companies. This was followed by the newly added industry categories of green energy and environmental protection, and digital cloud industries, with five and three successful listings, respectively. Grand Fortune securities also sponsored Teng Yun Technology's listing on the Securities Market, which is a leading player in the digital cloud industry. In addition, there were nine new listings on the Innovation Board in 2023, with Fubon Securities assisting in two of them, and receiving the Exchange's "Innovation Promotion Award - Capital Market Contribution Award" for 2023.
Overall, Taiwan's capital market in 2023 sought new opportunities and development momentum amid adversity by entering the capital market and fundraising layout ahead of time. As of the end of 2023, there were 39 applications for listing (including four cases of conversion from the Securities Market, four first-time listings, and 12 cases on the domestic Innovation Board) and 24 listings on the Securities Market (including two first-time listings). Additionally, there were 73 companies applying for registration on the emerging stock market in the same year, with 18 initially applying for the Strategic Emerging Companies Board and then transferring to the general board. As of the end of 2023, there were a total of 213 fundraising cases, representing a 15% growth compared to the previous year.
Looking ahead, small and medium-sized securities firms must have their strategic niches and integrate resources across departments to surpass large securities firms under financial holding companies and maintain their market position. They also need to continue to monitor market regulations and government policies, pursue diversified products, provide customers with more in-depth and timely services, and promote the listing of high-quality enterprises to sustain the prosperity of the capital market.
In terms of financial advisory services development, amidst the rapidly changing global political and economic situation, many Taiwanese business owners and management teams are contemplating transformation and succession issues. Through mergers and acquisitions, organizational restructuring, and strategic alliances, they seek new strategies and layouts for the next generation. In this context, the demand for financial advisory services is expected to grow steadily, allowing firms to continue operating with service characteristics distinct from other securities firms. Additionally, they need to strengthen their focus on ESG (Environmental, Social, and Governance) sustainable development issues and accompany Taiwanese companies in facing the evolving political and economic environment and future challenges.

3. Proprietary business
The main operation of the business focuses on the Taiwan stock market, but it also requires close observation of international developments. The most significant macroeconomic factor affecting the stock market this year is the interest rate policy of the US Federal Reserve (FED). Despite market expectations, there has been a discrepancy between the timing and extent of interest rate cuts by the FED and market expectations, which will continue to be closely monitored. Additionally, the economic situation in mainland China is a concern for various stakeholders. Given geopolitical risks, foreign

investors are seeking a "+1" capacity layout outside of China, with many establishing factories in India, Southeast Asia, and other regions. The subsequent impact on the mainland Chinese economy deserves attention. Furthermore, the US presidential election at the end of the year is another factor to consider. At present, the candidates from both parties are almost certain to resemble those from the previous election cycle. As the November election approaches, the policy proposals of both parties will become hot topics in the stock market, requiring close monitoring.

Setting aside these macroeconomic variables, looking at industry trends, the emergence of Generative AI is poised to be the industry's major trend for the next decade. The related supply chain in the Taiwan stock market is quite comprehensive, positioning Taiwan's stock market to directly benefit. Coupled with the research energy of Grand Fortune Securities Investment Consulting Co., Ltd.'s research department, it can explore potential sub-industries and individual stocks for investment decisions. This synergy can significantly improve the success rate of investments. Therefore, the proprietary business can continue to develop steadily.

4. Bond business

Bonds are an important fund-raising tool for companies in the capital market. According to statistics, the total issuance in 2021 will be 730.551 billion yuan, which is lower than the record high of 842.5 billion yuan in 2020 but compared with the long-term annual issuance of less than 300 billion yuan. Still more than double the amount. Although the central bank has a clear intention to raise interest rates this year, domestic interest rates are still at historically low levels, which will still help companies issue corporate bonds and lock in interest rate costs. Loose capital has indeed allowed the issuance of corporate bonds issued by companies with poor credit ratings to enjoy low interest rates. However, in the face of the possibility of rising interest rate risks in the future, attention should be paid to the financial situation of the above-mentioned companies.

(IV) Technology and research

Due to gradually controlled inflation, many countries have ended their monetary policies of interest rate hikes. The central bank of our country even temporarily ceased its interest rate hike actions in the middle of 2023. With inflation expected to gradually stabilize, it is anticipated that our country's central bank will maintain its policy interest rate unchanged in 2024. As interest rates have reached relatively high levels in recent years, the investment value of bonds has become apparent. However, given the slowdown in the economy, corporate credit risks have also increased significantly. Therefore, in investments, it is necessary to be vigilant about the risk of companies facing downgrades.

(V) Business development plan over the short- and long-term

Banking on the continued growth for corporate governance, operation management and risk control to ensure the Company's safety and legality, the Company is seeking better revenue and profit, as well as balance, stability and stronger results. Main business development plans are described as below:

1. Short-term business plan

(1). Brokerage business

The Company lifted its market share, on the back of new branch in Hsinchu County in June 2018, optimization of online trading platform, assistance of transaction by the underwriting department and stable growth at it headquarter in Taipei City. Going forward, the Company will beef up its revenue source and profit profile and comply with the government's policy.

(2). Underwriting business

On top of helping high-quality companies go public and raise capital, the Company is trying to boost the underwriting market share, offer tailor-made services, study the option trading strategy and promote the primary listing by overseas Taiwanese business. Amid its continued focus on the principal client, subsidiary and regional markets in Taiwan, the Company is also utilizing the relation from the companies being underwritten, the once-cooperated CPA, attorney, venture capital and strategic partner to widen client base and strengthen business scope. With the operations being marked by profession, expertise and good underwritten cases, the Company will perform well in the future as being a middleman in the Taiwan's industry and capital market.

(3). Proprietary trading business

Utilizing the research outcomes of its subsidiary investment advisory companies to assist in selecting investment targets, Fubon Securities aims to grasp the cyclical trends of industry sectors to enhance operational flexibility and performance. In terms of investment strategy, the selection of investment targets primarily relies on industry trend analysis to identify the most competitive stocks within industries as investment portfolios. Long-term investment is the primary focus, supplemented by timely short-term trading strategies.

(4). Bond business

On the back of reports from credit-rating companies, the business will widen its flexibility in engaging in bond repos and sharpen its function as a bond dealer.

(5). Stock registrar business

Through the cooperation with the industry and academic sectors to cultivate talent, the Company is seeking potential business from the IPO clients being underwritten by the Company.

2. Long-term business plan

(1). Transformation into an investment bank:

Underpinned by the underwriting and stock registrar businesses, the Company is pursuing stable growth for business related to institutional investors, stock registrar, brokerage, proprietary trading and bond. Through the expertise from the venture capital and stock consulting subsidiaries, the Company is able to discover potential industry and value of investment, thereby expediting its target to become a nimble investment bank that in the future will enhance talent quality, talent cultivation and professional training.

(2). Asset management service:

Driven by major operations related to asset management and investment, the Company has designed consulting services based on client’s needs. Once the government relaxes its rules further, the Company will extend its reach into the pension fund and private equity sectors.

(3). Strategic alliance for expansion into Asia market:

In addition to setting up an investment platform between Taiwan and China, the Company in the future plans to co-own or invest in a subsidiary with the peers in China, Japan and Southeast Asia.

(VI) Market analysis and revenue/output conditions

1. Market analysis

(1). Main revenue items and targets

(A). Service items: Brokerage, underwriting, stock registrar, proprietary trading and bond.

(B). Service targets: Domestic institutional investors and individual investors.

(2). Market share

(A). Brokerage business in the past three years.

Our company's brokerage business primarily serves institutional clients. Despite the fluctuations in the international stock market due to factors such as the pandemic, military activities near Taiwan, the Russia-Ukraine war, and interest rate hikes caused by inflation, the domestic stock market also experienced ups and downs influenced by the global macroeconomic environment. While the overall market indices fluctuated, our company's market share saw a slight increase in 2023.

Market share of brokerage business Unit: %

Year	2021	2022	2023
Market share (%)	0.076%	0.082%	0.1128%

Source of data: Monthly report from Taiwan Stock Exchange

(B) Underwriting business in past three years

Our company has been deeply engaged in professional investment banking services, with outstanding underwriting records. In recent years, our achievements and awards include:

Year	Record
2021	● The No.3 prize from the Taiwan Stock Exchange for “IPO market value” ● The No.3 prize from the Taiwan Stock Exchange for “IPO fund-raising value” ● The No.2 prize from the Taiwan Stock Exchange for “securities Underwriter” ● The No.2 prize from the TPEX for “Recommended Coaching OTC Effectiveness Award” ● The Best partner from the TPEX for “Promote strategic new board”
2022	● The No.3 prize from the Taiwan Stock Exchange for “IPO market value” ● The No.2 prize from the Taiwan Stock Exchange for “IPO fund-raising value”
2023	● The No.2 prize from the Taiwan Stock Exchange for “Future Forward Award - IPO Fundraising Amount” ● The No.3 prize from the Taiwan Stock Exchange for “Future Forward Award - IPO Market Value” ● The No.3 prize from the Taiwan Stock Exchange for “Collaboration Award - Submission Count” ● The prize from the TPEX for “Promoting Innovation Award - Capital Market Contribution Award” ● The prize from the TPEX for “Recommended Counseling Registration Performance for Emerging Stock Listing”

Underwriting statistics Unit: NT$1,000

Year / Results	2021	2022	2023
IPO fund-raising value	3,375,744	5,668,167	7,126,532
SPO fund-raising value	3,350,801	2,901,933	6,407,253
Total in value	6,726,545	8,570,100	13,533,785
IPO cases	4	2	4
SPO cases	13	11	14
Cases in total	17	13	18

Source of data: Taiwan Securities Association

In the field of financial consulting services, due to the rapid changes in global industries and technologies, the competition between the supply chains of major enterprises in the United States and China continues to intensify. This has led to an increasing number of Taiwanese companies feeling the urgent need to undergo organizational restructuring, accelerate investment, engage in industry consolidation, or actively seek strategic partnerships to maintain competitiveness and a dominant position in the market. In response to this changing environment, our company is actively enhancing the service and growth capabilities of our financial consulting business to meet the evolving needs of our clients, with the number of cases steadily increasing each year. To date, we have successfully completed 91 cases of various types of financial consulting services. In the future, we will continue to integrate various resources, closely monitor industry and economic trends, and assist clients in transformation and upgrading to expand their competitive strength and presence in the market.

Furthermore, our company continues to stay abreast of the industry developments and consolidation trends among our group clients. We will assist long-term, financially sound clients in actively developing strategies, leveraging our professional expertise to identify more merger and investment opportunities, thereby enhancing their competitiveness.

(C)Statistics of stock registrar business in past three years
The stock registrar business includes routine registrar activities, shareholder meeting, ex-dividend/rights trade and professional consultation. The department has won clients' confidence, with the number its of clients and the market share having risen annually.

Number of clients and market share at the stock registrar department

Unit: Number of companies: %

Year / Business	2021	2022	2023
Number of clients	275	296	312
Market share (%)	7.58	7.95	8.08

Source of data: The Company

(D) Statistics of proprietary trading business in past three years
Our proprietary trading operations encompass the buying and selling of stocks and bonds in both the domestic concentrated and over-the-counter markets. In our investment decision-making process, we rely on research reports provided by analysts, covering macroeconomic trends, industries, and individual companies. We supplement this analysis with technical, fund flow, event, and market sentiment analyses to inform our investments. All investment activities are conducted with effective risk management practices in place to achieve stable investment performance.

Profit and loss by the proprietary trading business Unit: NT$1,000

Year / Results	2021	2022	2023
Profit (Loss)	750,905	22,014	292,127

Source of da.ta: The Company

(E) Business outlook
In response to the sustained growth trend of the Taiwanese capital market and the promotion of innovative industry development, the government is actively promoting a multi-tiered capital market framework to facilitate companies at various stages to enter the capital market. Historically, the Taiwanese capital market has focused extensively on the electronics-related industries. However, in July 2023, the Taiwan Stock Exchange and the Taipei Exchange introduced four new industry categories, including 'Digital Cloud,' 'Green Energy and Environmental Protection,' 'Sports and Leisure,' and 'Home Living,' highlighting industry characteristics and increasing visibility to attract domestic and foreign investors' attention.

As the scale of listings in new economy industries continues to increase, the diversification of the Taiwanese capital market will gradually take shape. Our company, in support of fostering corporate growth, will continue to assist companies in entering the capital market and utilizing capital market tools for fundraising, mergers, and acquisitions. Overall, the future business development and growth prospects appear promising.

(3). Supply/demand condition and growth prospects
Supply and demand condition are provided by the Company as being a securities service company.
(A). Supply side
According to data from Taiwan SFB, the number of securities houses and branches in the past decade has been on the decline, with the number described in the table below.

Number of securities houses Unit: house

Year	Number of securities houses		Brokerage firm	Proprietary trader	Underwriter
	Headquarter	Branch			
2012	120	1,031	83	80	55
2013	121	993	82	81	54
2014	119	964	78	80	57
2015	120	965	80	81	62
2016	116	910	78	79	59
2017	111	883	74	77	58
2018	108	871	72	76	58
2019	106	853	71	75	58
2020	105	848	70	74	58
2021	105	849	70	74	58
2022	105	849	69	74	59
2023	102	828	67	74	58

Source of data: Taiwan's SFB

The overall number of securities merchants decrease three of them and 21 branch office. At present, domestic securities firms are mainly comprehensive securities firms that also engage in brokerage, underwriting and self-management. Compared with securities firms operating a single business type, they can provide more comprehensive services and have better risk response capabilities.

(B). Demand side

The Taiwanese IPO market, under the vigorous promotion of the Taiwan Stock Exchange and the Taipei Exchange to establish a multi-tiered capital market structure, continues to develop steadily. The growing interest of investors in the new economy industries is expected to attract more new industries to join the Taiwanese capital market. Additionally, with the Financial Supervisory Commission actively promoting ESG sustainable information disclosure to align with international standards, the positive atmosphere persists. Therefore, it is anticipated that the number of new listings on the stock exchange and the Taipei Exchange will continue to grow in 113, offering promising prospects.

(4). Competitive edge

(A). Compact and appropriate operation size

The advantage will allow the Company to run efficiently, flexibly and easily, making it achieve the goal to satisfy clients demand, integrate resource, adopt a rigorous risk-control policy, and promote business in a balanced manner. Under the advantage, the Company is self-independent and nimble, with it showing stellar efficiency and results in operation.

(B). Concentration of resource on investment bank business

The Company has been driven by its company asset management and investment management businesses that are provided to its clients on demand. The company's asset management business is highlighted by the capital raising and shareholder management that is accompanied with the underwriting and stock registrar services. In addition, in the corporate different periods from inception, growth to transformation, the Company is poised to offer corresponding services and grow itself along the way.

(C). Experienced team and experts

Setting sight on the securities talent that is aggressive about the securities industry, the Company is comprised of experienced team and experts to provide professional, trustful and enthusiastic services that have been welcomed by clients and pivotal to the Company's growth.

(D) Close-cooperation culture in corporate structure
Setting sight on the securities talent that is aggressive about the securities industry, the Company is comprised of experienced team and experts to provide professional, trustful and enthusiastic services that have been welcomed by clients and pivotal to the Company’s growth.

(5). Advantage and disadvantage in development and countermeasures

(A). Advantage

a. Market bailout program

To revive the capital market and increase securities trading, Taiwan’s government has kept easing its rules on the IPO and trading fronts, through introduction of dual-currency ETF, ETN, innovation, and strategy, opening of the equity-linked capital-raising platform, widening of scope of available day-trade stocks, and function upgrade of settlement accounts at securities houses. These rules are much helpful to the business in securities houses.

b. Government’s aggressive development of capital market

In recent years, the government has aimed to provide innovative enterprises with new funding channels and expand the scale of Taiwan's capital market to support the development of small and medium-sized enterprises and innovative industries. A friendly environment for the development of innovative enterprises has been fostered, allowing a diverse range of startups at different stages of development to find suitable platforms for listing. Additionally, in September 2023, the Taiwan Stock Exchange announced measures to relax regulations related to the Emerging Stock Market (ESM), including removing the capital threshold for ESM listing applications, significantly lowering the financial proof threshold for individual investors to NT$2 million, and reducing the average income threshold to NT$1 million. These measures aim to increase the number of qualified investors and promote market liquidity. Furthermore, starting from 2024, ESM-listed companies will be allowed for margin trading and securities lending, provided they meet certain conditions such as being listed for at least six months, having a net asset value per share above par value, and having no abnormal trading volume or excessive concentration of equity. These initiatives collectively contribute to the development and revitalization of the capital market and economy.

c. The Company’s ideal operation size and mode

With core principle to become an investment bank, the Company is running in an ideal size and keeping its operation flexible. The management’s policy is efficient, so that each department is cooperating with functional committee, attention is focused on mid-size and SME clients, services to clients are the Company’s goals, and outstanding efficiency and performance are being shown by the Company.

(B). Disadvantage and countermeasures

a. Ups and downs in financial markets

The global economy is expected to continue facing numerous challenges, including the sustainability of consumer momentum in the United States, trends in commodity prices, the economic outlook for China, and the monetary policy direction of central banks worldwide. These factors will impact Taiwan's trade and investment performance, directly affecting the operational performance of securities firms. Risks arise for underwriting and proprietary trading departments due to market price fluctuations, while market volatility also affects the revenue of brokerage businesses.

Countermeasures: The Company has established several guidelines to monitor internal control and risk management. Flexible and careful measures are also adopted to deal with the pricing in underwriting new company on the Emerging Market, the scale of shareholdings in a firm-commitment underwriting case, and the investment strategy by the proprietary trading. In addition, the Company upholds its high standard for capital adequacy ratio, in order to manage operation risk, maintain investment, grow new business, and stabilize fee revenue from financial consulting and stock registrar activities.

b. Stiff competition in industry

The Company's source of brokerage business is narrow to the stock trading. As not supported by commercial bank and financial holding company, the Company thereby lacks the effect of cross marketing, in an industry that sees local securities houses embark on price competition. Meanwhile, the Company lags behind its peers in terms of information services standard which is capital intensive with cost amortization being a burden to operation. The way to solve the dire situation is to deepen relation with institutional investors, provide forward-looking investment consulting service, and cover the deficiency as being small-size and cost-burdened.
Countermeasure: The Company's operation is based on underwriting and asset management, extended by investment banking activities, and focused on mid-size, SME and high-quality clients. With reputation being built by excellent services, the Company tries to differentiate itself with peers and transform into a niche securities house.

2. Usage and manufacturing process in main products

(1) Usage of main products and services

Item	Usage and function
Brokerage	Providing services for trading at the Taiwan Stock Exchange and Taipei Stock Exchange, as well as services for futures trading.
Underwriting	Providing services for fund raising, share offering, listing application, financial planning, special projects and investment banking activities.
Proprietary trading	We engage in the trading of securities on the centralized exchange market, over-the-counter market, and bond market. Apart from seeking benefits for our company, we also bear the responsibility of regulating market supply and demand to stabilize stock prices.
Bond	Participate in the auctioning of central government bonds as well as primary corporate bond offerings. Engaging in bond outright and repo trading. Providing information about interest rate for the underwriting department to sell corporate bond.
Stock registrar	Providing services related to stock registrar, shareholder meeting, ex-dividend/right trade, special project and consulting.

(2). Manufacturing process: The company, as being in a securities service industry, has no manufacturing process.

3. Source of major materials: As being a securities services provider, the Company complies with regulators' rules in business and operation and is not influenced by the source of material as seen in the traditional manufacturing industry.

4. Explanations for significant changes of product mix and gross margin in recent two years: The Company, as being in a securities services industry, is not subject to the explanations.

5. Major clients and supplier lists

(1). Major clients list:

The Company is a securities services provider that operates in a wide range, with its revenue based on the brokerage fee from individual and institutional investors, the underwriting fee from listed companies, as well as the disposal profit from the underwriting and proprietary trading departments in selling stocks. Also, its client base is well diversified, and no significant revenue portion is occupied by individual clients. As such, a list of top-ten clients is not available.

(2). Major suppliers list:

The Company is a securities services provider and is not involved in material purchase. The list is not necessary to be provided by the Company.

6. Output value in recent two years: Not applicable.

7. Shipment's value in recent two years: Not applicable.

III. Status of employees over the past two years and up to the date of the annual report printed

Year			2021	2022	2023
Employee		Male	66	74	78
		Female	123	125	142
		Total	192	199	220
Average age			39.25	37.34	40.86
Average years of service			5.89	5.53	6.27
Degree	Ph. D		0.00%	0.00%	0.00%
	Master		23.44%	26.1%	23.9%
	College/University		66.14%	64.8%	67.4%
	Junior college (below)		10.42%	9.1%	8.7%

IV. Expenditure on environmental protection:

As being a securities house, the Company does not confront any environment pollution issues. Meanwhile, the Europe's RoHS regulation is not applicable to the Company.
Note (RoHS): Restriction of Hazardous Substances Directive 2002/95/EC, abbreviated RoHS) is an environmental directive (but not a law) passed by the European Union in February 2003.

V. Employee and employer relation

(I). Status of employee welfare package, advanced study, training, and retirement system; status of employee/employer agreement; and measures in protecting employee rights

1. Employee welfare and implementation status:
In addition to adhering to Labor Standards Act, the Company requires that all the employees must enroll in labor insurance and group insurance to be protected with insurance payments. Meanwhile, the Company sets up an employee welfare committee which reserves employee benefits per month. As such, the well-established benefit and promotion systems provide a stable working environment where employee can reflect what they are specialized at. The employee welfare package provides benefits as below:
*Group insurance and accident insurance.
*Free health check with medical check at office. Reports suggest no occupational disease.
*Benefit: NT$1,000 compensation for major national holidays and birthday, NT$1,500-NT$6,000 for funeral and wedding events, and NT$5,000 for staff traveling.
*Company banquet: Held at the beginning of a western new year along with lucky draw activities.
*Bonus will be paid to employee before Chinese Lunar New Year holiday based on the KPI performance examination system.
*Promotion: Held every year.

2. Advanced study and training:
To cultivate a right expertise in a right place, the Company builds a sound training that covers pre-job, on-job and professional courses. The rotation in job duties also enables employees to gain access to multi-facet learning and evolution opportunities.
◎ Details of participant number and training hours are provided at CSR report.

3. Retirement system and implementation status:
(1). Old system:
Subject to Labor Standards Act, the Company established its retirement committee and guideline. Employee, who took the job position before June 30, 2005, can opt to use the old or new national labor pension system, in which the Company will allocate 2% out of salary as the pension fund reserves. The 2% reserves will be saved under the designated account in Bank of Taiwan, and monitored by the Company's committee.
(2). New system:
For employee who took job position after July 01, 2005, and opted to use new labor pension system, the Company will comply with regulations to allocate 6% of salary into the designated account to safeguard the living after retirement.

4. Employee/employer agreement; and measures in protecting employee rights:
The Company always emphasizes the employee/employer harmony, with much attention being paid

to employee welfare and educational training. The employee stock ownership plan also reinforces employee loyalty to lead to a win-win situation. Any addition or amendment of the policy is reached by negotiation, and no disputes have occurred thus far.

On top of annual bonus, employ shall receive remuneration based on the 1.5% allocation from the Company's profit.

Implementation of employee stock ownership plan approved in FY2016: The plan will be completed before August 2022 since the start of conversion into common shares in September 2018 and is based on the three-stage subscription tranche by 30%/30%/40%.

(II). Impact arising from employee/employer disputes over the past two years and up to the date of the annual report printed must be disclosed along with the potential losses amount and countermeasures. Fact must be provided, if the losses cannot be calculated: The Company always emphasizes employee's welfare, providing excellent working environment and focusing on bilateral communication to keep the relation in a harmonic condition, so there are no major disputes in the past two years.

VI. Information Security Management.

(I) State the information security risk management structure, information security policy, specific management plan and invest resources in the information security management:

The company has formulated various information security and disaster recovery measures to strengthen information and communication security, prevent the information system and related information from being improperly used, leaked, tampered, damaged, etc., and ensure that the information system connected to the Internet and The security of its data, and maintaining the smooth operation of the computer, the security, integrity and privacy of the equipment and data, the implementation of the management of the use of computer information, the maintenance of the effective use of computer resources, and the smooth progress of the overall information business.

The company continues to strengthen management and enhance defense capabilities for important information systems. In addition to complying with regulations and information security requirements set by the competent authorities, it further achieves the protection and security of important customer information.

The company will regularly review the company's information security policy every year, and set up an information security implementation team, with the general manager as the convener, and the heads of various departments as members of the organization. And every year, the overall implementation of information security in the previous year, the top executive responsible for information security, the chairman, general manager, and audit supervisor jointly issue a statement of internal control system (including the overall implementation of information security) and submit it to the board of directors for approval. Disclose the contents of the statement to the Public Information Observatory within three months after the end of the fiscal year.

In response to DDOS attacks, the company has completed the establishment of ISP traffic cleaning services to avoid cyber hacker attacks. The mobile APP provided to customers also requires the manufacturer to confirm that it does not contain malicious code and sensitive data before the mobile application is released, and to fully define the special symbol filtering mechanism. And every year, it is commissioned by a third-party testing laboratory certified by the National Certification Foundation to conduct and complete the information security test.

In the event of a major information service abnormal event or an information security incident, the company will promptly handle the incident notification, so that the competent authority, the Securities and Futures Bureau of the Financial Supervision and Administration Commission and relevant units can effectively grasp the incident information and report the information security incident according to the planning process.

The company's data communication security and other related IT investment departments invested resources in personnel salary training, software and hardware purchase, maintenance and outsourced development. These investments amounted to NT$11,401,000 in 2023 and NT$12,199,000 in 2022.

(II) List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

VII. Important contract: None.

Chapter Six: Financial overview

I. Condensed balance sheet and comprehensive income statement for past five years

(I). Condensed balance sheet - International Financial Reporting Standards

1.Consolidated statement

NTD:1000

Year Item		Financial status				
		2019	2020	2021	2022	2023
Current assets		4,571,864	6,353,080	12,776,213	9,919,388	11,620,328
Property, plant and equipment		20,203	21,781	15,385	29,416	20,963
Intangible assets		5,044	16,025	14,960	13,668	13,967
Other assets		776,846	924,225	914,958	702,411	1,267,683
Total assets		5,373,957	7,315,111	13,721,516	10,664,883	12,922,941
Current liabilities	Before distribution	1,924,859	3,659,196	8,137,177	5,826,645	7,189,260
	After distribution	2,096,749	3,700,820	8,521,350	5,826,645	(Note 2)
Non-current liabilities		5,426	90,535	67,678	55,893	35,965
Total liabilities	Before distribution	1,930,285	3,749,731	8,204,855	5,882,538	7,225,225
	After distribution	2,102,175	3,791,355	8,589,028	5,882,538	(Note 2)
Equity attributable to owners of the parent company		3,113,941	3,230,830	5,143,099	4,528,684	5,697,716
Equity		2,448,264	2,473,525	3,001,349	3,601,619	3,961,619
Capital reserve		26,939	20,581	147,066	147,600	153,832
Retained earnings	Before distribution	635,740	715,989	1,923,868	720,945	1,450,626
	After distribution	463,850	516,591	939,425	720,945	(Note 2)
Other rights		2,998	20,735	70,816	58,520	131,639
Treasury stocks		—	—	—	—	—
Non-controlling interests		329,731	334,550	373,562	253,661	0
Total equity	Before distribution	3,443,672	3,565,380	5,516,661	4,782,345	5,697,716
	After distribution	3,271,782	3,523,756	5,132,488	4,782,345	(Note 2)

Note 1: The above data have been audited by CPA.
Note 2: The profit distribution proposal for the 2023 has been proposed by the board of directors on March 12, 2024 to distribute a cash dividend of NT$1.2 per share. The undistributed profits are expected to be resolved at the shareholder meeting scheduled for April 30, 2024.

2. Separate statement

NTD:1000

Year Item		Financial status				
		2019	2020	2021	2022	2023
Current assets		3,915,968	5,762,365	11,996,790	9,137,029	11,278,778
Property, plant and equipment		17,875	20,140	14,068	21,698	15,825
Intangible assets		5,044	15,997	14,945	13,666	13,967
Other assets		1,082,368	1,140,327	1,268,107	1,187,508	1,543,849
Total assets		5,021,255	6,938,829	13,293,910	10,359,901	12,852,419
Current liabilities	Before distribution	1,901,888	3,629,416	8,092,156	5,782,341	7,122,264
	After distribution	2,073,778	3,671,040	8,476,329	5,782,341	(註 2)
Non-current liabilities		5,426	78,583	58,655	48,876	32,439
Total liabilities	Before distribution	1,907,314	3,707,999	8,150,811	5,831,217	7,154,703
	After distribution	2,079,204	3,749,623	8,534,984	5,831,217	(註 2)
Equity attributable to owners of the parent		3,113,941	3,230,830	5,143,099	4,528,684	5,697,716

company						
Equity		2,448,264	2,473,525	3,001,349	3,601,619	3,961,619
Capital reserve		26,939	20,581	147,066	147,600	153,832
Retained earnings	Before distribution	635,740	715,989	1,923,868	720,945	1,450,626
	After distribution	463,850	516,591	939,425	720,945	(Note 2)
Other rights		2,998	20,735	70,816	58,520	131,639
Treasury stocks		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	Before distribution	3,113,941	3,230,830	5,143,099	4,528,684	5,697,716
	After distribution	2,942,051	3,189,206	4,758,926	4,528,684	(Note 2)

Note 1: The above data have been audited by CPA.
Note 2: The profit distribution proposal for the 2023 has been proposed by the board of directors on March 12, 2024 to distribute a cash dividend of NT$1.28 per share. The undistributed profits are expected to be resolved at the shareholder meeting scheduled for April 30, 2024.

(II). Condensed comprehensive statement - International Financial Reporting Standards

1. Consolidated statement NTD:1000

Year / Item	Financial status				
	2019	2020	2021	2022	2023
Operating revenues	632,281	682,705	2,310,341	230,782	1,365,859
Gross profit (loss)	—	—	—	—	—
Operating profit (loss)	265,858	295,860	1,638,603	(207,797)	719,303
operating income and expenses	11,634	10,116	5,231	8,345	18,082
Net profit (loss) before tax	277,492	305,976	1,643,834	(199,452)	737,385
Continuing business unit's current net profit (loss)	264,912	283,090	1,533,833	(274,460)	633,703
Loss of closed business units	—	—	—	—	—
Net profit (loss) for the year	264,912	283,090	1,533,833	(274,460)	633,703
Other comprehensive gains and losses for the year (net after tax)	4,039	17,709	52,540	33,970	177,197
Total comprehensive profit and loss for the current period	268,951	300,799	1,586,373	(240,490)	810,900
Net profit attributable to owners of the parent company	244,345	257,271	1,411,497	(264,658)	625,603
Net profit attributable to non-controlling interests	20,567	25,819	122,336	(9,802)	8,100
Total comprehensive profit and loss attributable to the owners of the parent company	248,384	274,980	1,464,037	(230,688)	802,800
Total comprehensive profit and loss attributable to non-controlling interests	20,567	25,819	122,336	(9,802)	8,100
Earnings per share (NT$)	0.79	0.83	4.16	(0.73)	1.61

Note 1: The above data have been audited by CPA.
Note 2: Earnings (loss) per share is calculated by dividing the net profit (loss) after tax by the weighted average number of outstanding shares, with adjustments made for any increase in shares due to bonus issuances.

2. Separate statement (NTD:1000)

Year / Item	Financial status				
	2019	2020	2021	2022	2023
Operating revenues	539,861	601,926	1,950,915	175,095	1,218,529
Gross profit (loss)	—	—	—	—	—
Operating profit (loss)	208,472	244,875	1,310,775	(235,807)	601,615
Non-operating income and expenses	46,448	30,209	199,331	26,441	83,107
Net profit (loss) before tax	254,920	275,084	1,510,106	(209,366)	684,722
Continuing business unit's current net profit (loss)	244,345	257,271	1,411,497	(264,658)	625,603

Loss of closed business units	—	—	—	—	—
Net profit (loss) for the year	244,345	257,271	1,411,497	(264,658)	625,603
Other comprehensive gains and losses for the year (net after tax)	4,039	17,709	52,540	33,970	177,197
Total comprehensive profit and loss for the current period	248,384	274,980	1,464,037	(230,688)	802,800
Net profit attributable to owners of the parent company	244,345	257,271	1,411,497	(264,658)	625,603
Net profit attributable to non-controlling interests	—	—	—	—	—
Total comprehensive profit and loss attributable to the owners of the parent company	248,384	274,980	1,464,037	(230,688)	802,800
Total comprehensive profit and loss attributable to non-controlling interests	—	—	—	—	—
Earnings per share (NT$)	0.79	0.83	4.16	(0.73)	1.61

Note 1: The above data have been audited by CPA.

(III) Name of CPA and auditing opinions in recent five years

Fiscal Year	Name of CPA firm	Name of CPA	Auditing opinion
2018	Deloitte Taiwan	Liao Wan-Yi、Chen Chiang-Shiun	Unqualified opinion
2019	Deloitte Taiwan	Liao Wan-Yi、Chen Chiang-Shiun	Unqualified opinion
2020	Deloitte Taiwan	Hsieh Jian-Xin、Chen Chiang-Shiun	Unqualified opinion
2021	Deloitte Taiwan	Hsieh Jian-Xin、Chen Chiang-Shiun	Unqualified opinion
2022	Deloitte Taiwan	Hsieh Jian-Xin、Chen Chiang-Shiun	Unqualified opinion
2023	Deloitte Taiwan	Hsieh Jian-Xin、Chen Chiang-Shiun	Unqualified opinion

II. Financial analysis in past five years

(I) Financial analysis on IFRS method

1. Consolidated financial statement

Item (Note 2) / Fiscal Year (Note 1)			Latest 5 years fiscal status				
			2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio		35.92	51.26	59.80	55.16	55.91
	Ratio of long-term funds to real estate and equipment		17,072.21	16,784.88	36,297.30	16,447.64	27,351.43
Solvency (%)	Current ratio		237.52	173.62	157.01	170.24	161.63
	Quick ratio		237.34	173.55	156.98	170.20	161.60
Profitability (%)	Return on assets (%)		5.19	4.46	14.58	(2.25)	5.37
	Return on owners' equity (%)		7.87	8.08	33.78	(5.33)	12.09
	% Of paid-in capital	Business profit	10.87	11.99	54.60	(5.77)	18.16
		profit before tax	11.35	12.40	54.77	(5.54)	18.61
	Net profit rate (%)		41.90	41.47	66.39	(118.93)	46.40
	Earnings per share (NT$)		0.79	0.83	4.16	(0.73)	1.61
Cash flow ratio (%)	Cash flow ratio (%)		1.89	(Note 6)	(Note 6)	16.83	(Note 6)
	Allowable cash flow ratio (%)		219.10	124.03	134.80	124.31	142.74
	Cash reinvestment ratio (%)		—	(Note 6)	(Note 6)	12.33	(Note 6)

Special ratio (%)	Ratio of total liabilities to net capital	56.05	105.17	148.73	123.01	126.81
	Real estate and equipment as a percentage of total assets	0.89	0.79	0.24	0.45	0.32
	Firm-commitment underwriting value to quick assets ratio	163.10	133.42	188.81	189.77	279.43
	Ratio of margin long position value to equity	6.72	11.66	20.21	16.95	20.13
	Ratio of margin short position value to equity	—	0.05	0.01	0.06	0

Explanation for the annual change by over 20%:

1. The ratio of long-term funds to property, plant, and equipment increased in 2023 compared to 2022, mainly due to the increase in equity at the end of 2023 resulting from the profitability during the period due to the stock market rise.

2. The return on assets and equity, the ratios of operating profit and pre-tax net income to paid-up capital, the net profit margin, and earnings per share increased in 2023 compared to 2022, primarily driven by the rise in the stock market during the period, leading to increased operating income, operating profit, and net profit.

3. The ratio of property, plant, and equipment to total assets decreased in 2023 compared to 2022, mainly because the increase in total assets at the end of 2023 resulted from the increase in holdings of financial assets and investments accounted for using the equity method.

4. The ratio of underwriting commitments to operating assets increased in 2023 compared to 2022, mainly due to the increase in the total amount of underwritten securities at the end of 2023 compared to 2022.

5. The ratio of margin trading total amount to net worth increased in 2023 compared to 2022, primarily because the margin trading balance at the end of 2023 decreased compared to the end of 2022.

2. Separate financial statement

Item (Note 2)		Fiscal Year (Note 1)	Latest 5 years fiscal status				
			2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio		37.98	53.44	61.31	56.29	55.67
	Ratio of long-term funds to real estate and equipment		17,451.00	16,433.42	36,975.79	21,096.69	36,209.51
Solvency (%)	Current ratio		205.90	158.77	148.25	158.02	158.36
	Quick ratio		205.72	158.70	148.22	157.98	158.32
Profitability (%)	Return on assets (%)		5.17	4.30	13.95	(2.24)	5.39
	Return on owners' equity (%)		8.13	8.11	33.71	(5.47)	12.24
	% Of paid-in capital	Business profit	8.52	9.93	43.67	(6.55)	15.19
		profit before tax	10.42	11.15	50.31	(5.81)	17.28
	Net profit rate (%)		45.26	42.74	72.35	(151.15)	51.34
	Earnings per share (NT$)		0.79	0.83	4.16	(0.73)	1.61
Cash flow ratio (%)	Cash flow ratio (%)		3.49	(Note 6)	(Note 6)	9.87	(註 6)
	Allowable cash flow ratio (%)		216.92	118.57	128.70	103.20	90.59
	Cash reinvestment ratio (%)		0.57	(Note 6)	(Note 6)	4.07	(註 6)

Special ratio (%)	Ratio of total liabilities to net capital	61.25	114.77	158.48	128.76	125.57
	Real estate and equipment as a percentage of total assets	0.86	0.77	0.20	0.36	0.24
	Firm-commitment underwriting value to quick assets ratio	214.36	168.51	224.33	231.52	297.89
	Ratio of margin long position value to equity	7.43	12.87	21.68	17.90	20.13
	Ratio of margin short position value to equity	0.01	0.05	0.01	0.06	0

Explanation for the annual change by over 20%:

Please provide a detailed explanation of the significant variances in various financial ratios based on the analysis of the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS)

Note 1: The above data are audited by CPA.

Note 2: Equations:

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities / Total assets
   (2) Ratio of long-term capital to property and equipment = (Total equity + non-current liabilities) / Net property and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets – Prepaid expenses) / Current liabilities
3. Profitability
   (1) Ratio of return on total assets = Net profit / Average total assets
   (2) Ratio of return on equity = Net profit / Total equity
   (3) Net profit ratio = Net profit / Revenue
   (4) Earnings per share = (Net profit – preferred stock dividend) / Weighted average stock shares issued (Note 3)
4. Cash flow (Note 4)
   (1) Cash flow ratio = Net cash flow from operating activity / Current liabilities
   (2) Cash flow adequacy ratio = Net cash flow from operating activity in the past five years / (capital expenditure + cash dividend) in the past five years
   (3) Cash reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Gross property and equipment + Gross Investment property + Long-term investment + Other non-current assets + Working capital)
5. Special ratio:
   (1) Ratio of liabilities to equity = Total liabilities / Total equity
   (2) Ratio of property and equipment to total assets = Total property and equipment / Total assets
   (3) Ratio of firm-commitment underwriting value to quick assets = Firm-commitment underwriting value / (Current asset – Current liabilities)
   (4) Ratio of margin long position value to total equity = Margin long position value / Total equity
   (4) Ratio of margin short position value to total equity = Margin short position value / Total equity

Note 3: The following factors are to be taken into consideration for the calculation of earnings per share:

1. It is based on the weighted average common stock shares instead of the outstanding stock shares at yearend.
2. For capitalization with rights issue or treasury stock, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.
4. If preferred stock shares are nonconvertible and cumulative, the dividend of the year (whether it is distributed or not) shall be deducted from net profit or added to the net loss.
5. If preferred stock shares are not cumulative, preferred stock dividend shall be deducted from net profit if there is any but it needs not be added to net loss if there is any.

Note 4: The following factors are to be taken into consideration for the analysis of cash flow:

1. Net cash flow from operating activity meant the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant the cash outflow of capital investment annually.
3. Cash dividend includes the amount for common stock and preferred stock.
4. Gross property and equipment meant the total property and equipment before deducting the accumulated depreciation.

Note 5: Financial statements made before the IFRS are not retroactive to be subject to recompilation but is required to be identified as being compiled on the basis of the GAAP method, according to the IFRS1, Article 22.

Note 6: The net cash flow from operating activities for the current year is negative.

III. Audit Committee's review report of 2023

Grand Fortune Securities Co. Ltd.
Audit Committee’s Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements (parent-company-only & consolidated), and proposal for allocation of earnings. The CPA firm of Deloitte has audit GFS's Financial Statements with unqualified opinions and has issued an audit report relating to the Financial Statements.

The Audit Committee is responsible for supervising the financial reporting process of the Company. The CPAs communicated the following matters to the Audit Committee when they audited and attested the Company's 2023 financial statements:

1. The scope and timing of the audit conducted by CPAs was communicated and that there were no significant audit findings during their audit.
2. The CPAs provided the Audit Committee with a statement stating that the Committee has complied with the relevant ethical requirements regarding independence, and that there were no other matters that may reasonably be thought to bear on their independence.
3. The CPAs communicated with the Audit Committee on key audit matters and determined that key audit matters should be communicated in the auditors' report.

The 2023 Financial Statements has been reviewed and determined to be correct and accurate by the Audit Committee members of Grand Fortune Securities Co., Ltd. According to relevant article 14-4 of the Securities and Exchange Act and article 219 of the Company Act, we hereby submit this report.

The year of 2024 Grand Fortune Securities Co., Ltd. General meeting of shareholders

Audit Committee Convener: Luo Nen-Qing

March 12, 2024

IV. 2023 consolidated financial statement and auditor's report

D Grand Fortune Securities Co. Ltd.
Audit Committee's Review Report

The Audit Committee has approved and it has been resolved by the Board of Directors for the 2023 business report and the profit distribution proposal. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, a report has been prepared.

The year of 2024 Grand Fortune Securities Co., Ltd. General meeting of shareholders

Audit Committee Convener: Luo Nen-Qing

March 12, 2024

IV. 2023 Annual Consolidated Financial Report and Accountant's Audit Report

I. Declaration of Consolidated Financial Statement of Affiliated Enterprises

We declare that affiliated enterprises mentioned in the Company’s 2023 consolidated financial statement (during January 1 and December 31, 2023) compiled according to Consolidated Business Reports, Consolidated Financial Statement of Affiliated Enterprises, and Criteria Governing Preparation of Affiliation Reports, are identical to those in the parent-subsidiary consolidated financial statement under the IFRS 10 rules. In addition, related information in the consolidated financial statement of affiliated enterprises is identical to the one stated in the parent-subsidiary consolidated financial statement. We hereby decide not to provide consolidated financial statement of affiliated enterprises.

Grand Fortune Securities Co., Ltd.
Owner: Huang, Bing-Jing

March 12, 2024

II. Independent Auditors' Report

To the Board of Directors and Shareholders of Grand Fortune Securities Co., Ltd.

Audit Opinion

We have audited the accompanying consolidated balance sheets of Grand Fortune Securities Co., Ltd. (the "Company") and subsidiaries (collectively "the Group") as of December 31, 2023, and 2022. From January 1 to December 31, 2023, and 2022, its related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2023, and form January 1 to December 31, 2023, and 2022, its consolidated financial performance and its consolidated cash flows for the years ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed by the FSC.

Basis for Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountant, and we 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the 2023. These matters were addressed in the context of our audit of the consolidated financial statement, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements in 2023 are stated as follows:

Key Audit Matters-Evaluation of fair value of financial assets

At the end of December 31, 2023, the Group's financial assets, belonging to level 3 amount, reached NT$722,070,000, impact to the consolidated financial statements is significant from the price quotes of the aforementioned financial assets, when inactive in an active market, or listing in an inactive market.

Fair value of the above-mentioned assets is mainly derived from the company's price appraisal models that will be based on the inputs, if observable directly or indirectly, and the inputs will be adjusted if not observable. As the selections and adjustments of inputs are highly decided by the management team's assumption and judgment, we thereby treat the evaluation as a key audit matter.

The significant accounting judgment for the fair value of financial assets, as well as the key source of estimates and assumptions of uncertainty are stated in the Note V of the consolidated financial statement, and the disclosure of fair value of financial instruments is in the Note XXXIV of the consolidated financial statement.

Audit procedures:

1. Considering how the management selected appropriate valuation methods, assessing the key assumptions adopted, and reviewing the management's approval for the fair value.

2. Selecting sample to re-evaluate and make comparison about the results being approved by the management, while also analyzing the reasonless and difference at the models being used by the management to determine the acceptable scope.

Other Matter

The Group has prepared its separate financial statements for the 2023, and 2022, on which we have issued an unqualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statement

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission. The management also keeps financial statements free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Approval number from the Securities and Futures Commission	Approval number from the Financial Supervisory Commission
Hsien Jian-Xin (6) 0920123784	Chen Chiang-Hsun No. 1060023872

March 12, 2024

Grand Fortune Securities Co., Ltd. and subsidiary

Consolidated balance sheet

December 31, 2023, and 2022

Unit: NT$1,000

Code	Asset	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
111100	Cash and cash equivalents（Note 4,6）	$ 375,585	3	$ 921,438	9
112000	Financial assets at fair value through profit or loss - current（Note 4,5,7,34,36）	2,808,083	22	1,498,312	14
113200	Financial assets at fair value through other comprehensive income – current（Note 4,5,8,9,3,35,36）	2,817,841	22	2,131,975	20
113300	Financial assets at amortized cost – current (Note 4,10,13)	46,000	-	112,500	1
114010	Bond investment with sell-back (Note 4,11)	2,107,795	16	3,057,955	29
114030	Securities financing receivables（Note 4,12）	1,146,862	9	810,537	7
114050	Refinancing Guarantee Price Receivable (Note 4)	-	-	66	-
114130	Accounts Receivable (Note 4,12,35)	507,631	4	301,200	3
114170	Other accounts receivable（Note 4,12,35）	20,135	-	7,748	-
114600	Income tax assets for the current period（Note 28）	472	-	467	-
119000	Other current assets（Note 19,36）	1,789,924	14	1,077,190	10
110000	Total current assets	11,620,328	90	9,919,388	93
	Non-current assets				
122000	Financial assets measured at fair value through profit and loss－non-current（Note 4,5,7,34）	55,978	1	182,867	2
123200	Financial assets measured at fair value through other comprehensive gains and losses—Non-current（Note 4,5,34）	147,223	1	94,927	1
124100	Investment using the equity method（Note 4,14）	669,601	5	93,528	1
125000	Real estate and equipment（Note 4,15）	20,963	-	29,416	-
125800	Right-of-use asset（Note 4,16）	64,130	1	83,881	1
127000	Intangible assets（Note 4,17）	13,967	-	13,668	-
128000	Deferred tax assets（Note 4,28）	1,920	-	2,903	-
129010	Operating margin（Note 18）	180,000	1	180,000	2
129020	Settlement fund（Note 18）	39,266	-	38,962	-
129030	Refundable deposits（Note 18）	9,187	-	9,437	-
129070	Net defined benefit assets－non-current（Note 4,25）	15,838	-	15,866	-
129990	Other non-current assets（Note 19）	84,540	1	40	-
120000	Total non-current assets	1,302,613	10	745,495	7
906001	Total assets	$ 12,922,941	100	$ 10,664,883	100

Code	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
211100	Short-term Loa (Note 20)	$ 300,000	2	$ -	-
214010	Debt with repurchased bonds（Note 4,21）	4,746,879	37	4,609,673	43
214040	Securities lending margin	217	-	2,592	-
214050	Guarantee price payable for securities lending (note 4)	240	-	2,767	-
214130	Accounts payable（Note 22）	388,149	3	236,410	2
214170	Other payable（Note 23）	321,454	3	193,879	2
214600	Current income tax liabilities（Note 28）	62,980	1	70,877	1
216000	Leasing liability current (Note 4,16）	30,033	-	30,473	-
219000	Other current liabilities（Note 24）	1,339,308	10	679,974	7
210000	Total Current liabilities	7,189,260	56	5,826,645	55
	Non-current liability				
226000	Leasing liability－Non-current（Note 4, 16）	35,965	-	55,893	-
906003	Total liability	7,225,225	56	5,882,538	55
	Equity attributable to owners of the parent company（Note 26）				
301010	Common stock	3,961,619	31	3,601,619	34
302000	Capital reserve	153,832	1	147,600	1
	Retained earning				
304010	Statutory surplus reserve	89,964	1	290,386	3
304020	Special surplus reserve	630,981	5	630,981	6
304040	Undistributed surplus	729,681	5	(200,422)	(2)
304000	Total retained earning	1,450,626	11	720,945	7
	Other rights				
305140	Financial assets measured at fair value through other comprehensive gains and losses-unrealized net benefit	131,639	1	58,520	1
300000	Total parent company equity	5,697,716	44	4,528,684	43
306000	Non-controlling interests（Note 13,26）	-	-	253,661	2
906004	Total equity	5,697,716	44	4,782,345	45
906002	Total liabilities and equity	$ 12,922,941	100	$ 10,664,883	100

The notes attached are included in the consolidated financial statements

Chairman: Huang Bing-Jing Manager: Lin Ying Ming Accounting Supervisor : Zhu Shicheng

Grand Fortune Securities Co., Ltd. and subsidiary

Consolidated statements of comprehensive income

January 1 to December 31, 2023, and 2022

Unit: NT$1,000
Earnings per share: NT$

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Income (Note 4)				
401000	Brokerage fee	$ 118,841	9	$ 78,669	34
404000	Underwriting	258,932	19	293,816	127
411000	Profit from stock trading-self trading (Note 26)	330,871	24	219,885	95
412000	Profit from stock trading-Underwriting (Note 26)	65,279	5	99,078	43
421100	Stock registrar fee	149,207	11	140,928	61
421200	Interest income (Note 26)	105,483	8	94,452	41
421300	Dividend Income	41,967	3	38,456	17
421500	The net benefit of operating securities measured at fair value through profit and loss (Note 26)	197,483	14	(805,516)	(349)
421750	Realized net benefits (losses) from investments in debt instruments measured at fair value through other comprehensive gains and losses	(3,705)	-	(2,589)	(1)
424100	Futures commission income	367	-	263	-
424800	Management fee	4,524	-	1,694	1
424900	Consultant fee (Note 33)	56,155	4	20,757	9
425300	Expected credit impairment loss (Note 9,12)	(331)	-	996	-
428000	Other Income (Note 26)	40,786	3	49,893	22
400000	Total Income	1,365,859	100	230,782	100
	Expenses and costs				
501000	Brokerage Business Expenditure	7,326	-	4,636	2
502000	Trading Expenditure	86	-	34	-
503000	Refinancing fee expenses	24	-	2	-
521200	Financial Cost (Note 26)	63,814	5	45,891	20
531000	Employee benefit (Note 4,26,29)	423,690	31	258,172	112
532000	Depreciation and amortization expenses (Note 15,16,17,26)	47,676	3	41,428	18
533000	Other expenses (Note 25)	103,940	8	88,416	38
500000	Total expenses and cost	646,556	47	438,579	190
5XXXXX	Business interest	719,303	53	(207,797)	(90)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Non-operating profit /loss				
601000	Share of losses of affiliated companies recognized using the equity method (Note 4,14)	$ 9,161	1	($ 1,962)	(1)
602000	Other benefits and losses (Note 16,27,35)	8,921	-	10,307	5
600000	Total non-operating profit and loss	18,082	1	8,345	4
902001	Net profit before tax	737,385	54	(199,452)	(86)
701000	Income tax (Note 4,28)	(103,682)	(8)	(75,008)	(33)
902005	Net profit	633,703	46	(274,460)	(119)
	Other comprehensive gains and losses				
	Items not reclassified to profit or loss				
805510	Determine the premeasurement number of the benefit plan (Note 4,25)	(226)	-	2,596	1
805540	Unrealized appraised net benefits of equity investments	111,035	8	60,607	27
805550	Share of other comprehensive profit and loss of affiliates recognized by the equity method-not reclassified to profit and loss (Note 4,14)	39,235	3	5,136	2
	Items that may be reclassified to profit and loss in the future				
805615	Through other comprehensive gains and losses, the unrealized net benefit of the debt instrument investment measured at fair value	27,153	2	(34,369)	(15)
805000	Total other comprehensive profit and loss	177,197	13	33,970	15
902006	Total comprehensive profit and loss	$ 810,900	59	($ 240,490)	(104)
	Net profit attributable to				
913100	Parent company	$ 625,603	46	($ 264,658)	(115)
913200	Non-controlling interests (Note 13,26)	8,100	-	(9,802)	(4)
913000		$ 633,703	46	($ 274,460)	(119)

(Continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	The total comprehensive profit and loss is attributable to				
914100	parent company	$ 802,800	59	($ 230,688)	(100)
914200	Non-controlling interests (Note 13,26)	8,100	-	(9,802)	(4)
914000		$ 810,900	59	($ 240,490)	(104)
	Earnings per share (Note 28)				
975000	Basic earnings per share	$ 1.61		($ 0.73)	
985000	Diluted earnings per share	$ 1.61			

The notes attached are included in the consolidated financial statements

Chairman: Huang Bing-Jing Manager: Lin Ying Ming Accounting Supervisor: Zhu Shicheng

Grand Fortune Securities Co., Ltd. and subsidiary
Consolidated statements of change in equity

January 1 to December 31, 2023, and 2022

Unit: NT$1,000
Earnings per share: NT$

Code		Equity attributable to owners of the parent company						Non-controlling interests (Note 13 & 26)	Total equity
				Retained earnings (Note26)			Other rights (Note 26)		
		Common stock (Note26)	Capital reserve (Note26)	Statutory surplus reserve	Special surplus reserve	Undistributed surplus	Financial assets measured at fair value through other comprehensive gains and losses		
A1	Beginning balance (Jan. 1, 2022)	$ 3,001,349	$ 147,066	$ 149,658	$ 348,682	$ 1,425,528	$ 70,816	$ 373,562	$ 5,516,661
	Surplus distribution (2020)								
B1	Statutory surplus reserve	-	-	140,728	-	(140,728)	-	-	-
B3	Special surplus reserve	-	-	-	282,299	(282,299)	-	-	-
B5	Cash dividend to parent company	-	-	-	-	(384,173)	-	-	(384,173)
B9	Stock dividend to parent company	600,270	-	-	-	(600,270)	-	-	-
		600,270	-	140,728	282,299	(1,407,470)	-	-	(384,173)
C7	Changes in affiliated companies recognized using the equity method	-	-	-	-	(88)	-	-	(88)
C17	Dividends overdue to shareholders	-	534	-	-	-	-	-	534
D1	Net profit (2022)	-	-	-	-	(264,658)	-	(9,802)	(274,460)
D3	Other comprehensive profit and loss after tax (2022)	-	-	-	-	2,596	31,374	-	33,970
D5	Total comprehensive profit and loss (2022)	-	-	-	-	(262,062)	31,374	(9,802)	(240,490)
O1	Cash dividend of non-controlling interests	-	-	-	-	-	-	(110,099)	(110,099)
Q1	Disposal of equity instruments at fair value through other comprehensive profit or loss	-	-	-	-	43,670	(43,670)	-	-
Z1	End balance (Dec 31, 2022)	3,601,619	147,600	290,386	630,981	(200,422)	58,520	253,661	4,782,345

B1	Surplus distribution (2022) statutory surplus reserve	-	-	(200,422)	-	200,422	-	-	-
D1	Net profit (2023)	-	-	-	-	625,603	-	8,100	633,703
D3	Other comprehensive profit and loss after tax (2023)	-	-	-	-	(226)	177,423	-	177,197
D5	Total comprehensive profit and loss (2023)	-	-	-	-	625,377	177,423	8,100	810,900
E1	Cash Capital Increase	360,000	-	-	-	-	-	-	360,000
M7	Changes in ownership interests of subsidiaries.	-	2,591	-	-	-	-	3,692	6,283
N1	Share-based payment transaction	-	3,641	-	-	-	-	-	3,641
O1	Cash dividend of non-controlling interests	-	-	-	-	-	-	(157,453)	(157,453)
T1	Subsidiary reduced capital and returned share monies	-	-	-	-	-	-	(108,000)	(108,000)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income.	-	-	-	-	104,304	(104,304)	-	-
Z1	Ending balance (Dec 31, 2023)	$ 3,961,619	$ 153,832	$ 89,964	$ 630,981	$ 729,681	$ 131,639	$ -	$ 5,697,716

The notes attached are included in the consolidated financial statements.

Chairman: Huang Bing-Jing Manager: Lin Ying Ming Accounting Supervisor ：Zhu Shicheng

Grand Fortune Securities Co., Ltd. and subsidiary Consolidated statements of cash flows

January 1 to December 31, 2023, and 2022

Unit: NT$1,000

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax	$ 737,385	($ 199,452)
A20010	income deduction		
A20100	Depreciation	42,511	36,915
A20200	Amortization fee	5,165	4,513
A20300	Expected credit impairment loss	331	(996)
A20400	Measure the net benefit of financial assets and reliability at fair value through profit and loss	(197,483)	805,516
A20900	Interest cost	63,814	45,891
A21200	Interest income (including financial income)	(119,097)	(100,358)
A21300	Stock dividend	(41,967)	(38,456)
A21900	Employee stock option compensation cost	9,924	-
A22300	Share of losses of affiliated companies recognized using the equity method	(9,161)	1,962
A23100	Disposal of investment losses	(205)	-
A23200	Profit on disposal of investments	27,668	-
A29900	Liquidation subsidiary losses	(187)	(1,919)
A29900	Bargain purchase gain	(12,868)	-
A60000	Net changes in operating assets and liabilities		
A61110	Financial assets measured at fair value through profit and loss	(1,337,823)	525,348
A61130	Bond investment with sell-back	950,160	1,833,597
A61150	Securities financing receivables	(336,722)	306,143
A61170	Refinancing Guarantee Price Receivable	66	(2)
A61250	Accounts receivable	(206,251)	138,451
A61280	Net defined benefit assets	(198)	(92)
A61290	Other account receivable	(798)	346
A61365	Financial assets measured at fair value through other comprehensive gains and losses	(600,088)	(146,490)
A61370	Other current assets	(722,902)	29,315
A61990	Other non-current assets	(94,500)	403
A62110	Debt with repurchased bonds	137,206	(1,881,410)
A62160	Securities lending margin	(2,375)	2,368
A62170	Guarantee price payable for securities lending	(2,527)	2,456
A62230	Accounts payable	151,739	(216,652)
A62270	Other payables	127,725	(181,863)
A62320	Other current liabilities	664,093	(8,447)
A33000	Cash inflow (outflow) from operations	(767,365)	957,087
A33100	Interest charged	93,967	92,986
A33200	Dividends received	41,967	38,456
A33500	Income tax paid	(110,640)	(107,972)
AAAA	Net cash flow from operating activities	(742,071)	980,557
	Cash flow from investing activities		
B00050	Decrease in financial assets measured at amortized cost	66,500	(8,000)
B01800	Increase from investment using the equity method	(30,000)	(52,000)
B02300	Net cash outflow from disposal of subsidiary	(304,933)	-
B02700	Increase from real estate and equipment (Note 30)	(3,062)	(21,638)
B03500	Gain from settlement fund	(1,747)	(150)
B03600	Losses from Settlement fund	1,443	1,040
B03700	Increased margin deposit	-	(1,278)
B03800	Reduction in deposited margin	250	-
B04500	Received Intangible assets	(5,464)	(3,221)
B07500	Interest income	13,541	5,828
B07600	Receipt of dividends from associated companies	2,930	1,482
BBBB	cash inflow from investing activities	(260,542)	(77,937)
	Cash flow from financing activities		

C00100	Increase in short-term borrowings	2,270,000	1,261,000
C00200	Decrease in short-term borrowings	(1,970,000)	(1,261,000)
C00700	Increase in commercial promissory notes payable	-	59,000
C00800	Decrease in commercial promissory notes payable	-	(59,000)
C04020	Leasing liability	(31,426)	(25,519)
C04500	Cash dividends	-	(384,173)
C04600	Cash Capital Increase	360,000	-
C05600	Interest paid	(63,814)	(45,891)
C05800	Non-controlling interests paid cash dividend	-	(110,099)
C09900	Subsidiary reduced capital and returned share monies	(108,000)	-
C09900	Unclaimed dividends past the statute of limitations	-	534
CCCC	Net cash outflow from financing activities	456,760	(565,148)
EEEE	Cash and cash equivalents reduction (net)	($ 545,853)	$ 337,472
E00100	Beginning balance of Cash and cash equivalents	921,438	583,966
E00200	End balance of cash and cash equivalents	$ 375,585	$ 921,438

The notes attached are included in the consolidated financial statements

Chairman: Huang Bing-Jing Manager: Lin Ying Ming Accounting Supervisor: Zhu Shicheng

Grand Fortune Securities Co., Ltd.

Notes to The Consolidated Financial Statements

2023 and 2022 (from January 1 to December 31)

(Unless otherwise stated, the unit of NT dollar amount is based on NT$1,000)

I. Company History

Grand Fortune Securities Co., Ltd. (or the Parent Company), along with the Company-controlled subsidiaries (or the Group), was originally set up as the name of San Yang Securities on September 5, 1989, and was named as Grand Fortune Securities Co., Ltd on August 12, 2003.

The Company, being an integrated securities house, runs businesses of (I) underwriting of marketable securities, (II) proprietary trading, (III) brokerage of marketable securities, (IV) stock registrar, and (V) other securities-related business approved by the regulators. The Company's stock was listed on January 27, 2016, at the Taipei Stock Exchange. The consolidated financial statement is stated by the functional currency.

II. Date of authorization and procedure for the consolidated financial statements

The Board of Director authorized the statement on January 29, 2024.

III. Application and interpretations of new standards and amended regulations

(I). First-time adoption of the IFRS endorsed by the Financial Supervisory Commission (FSC), IAS, IFRIC, SIC and IFRSs. The new and amended regulations have no significant impact to the Company's accounting policy.

(II). Application of IFRSs rules endorsed by the FSC in 2023

New, rectified and amended regulations and interpretations	Effective date via the announcement of the IASB (Note 1)
Amendment of IFRS 16 Lease liabilities in sale and leaseback arrangements.	January 1, 2024 (Note 2)
Amendment of IAS 1 about Liabilities are classified as current or non-current.	January 1, 2024
Amendment of IAS 1 about Non-current liabilities with contractual terms.	January 1, 2024
Amendment of IAS 7 and IFRS 7 about Supplier financing arrangement	January 1, 2024 (Note 4)

Up to the date of the report printed, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Note 1: Unless otherwise stated, the aforementioned new, rectified and amended regulations and interpretations to standards or interpretations shall be effective for annual reporting periods beginning on or after their respective effective dates.
Note 2: The seller-lessee shall retrospectively apply the amendments to IFRS 16 for sale and leaseback transactions entered into after the initial application of IFRS 16.
Note 3: When first applying this amendment, certain disclosure requirements are exempted.

(III). The new IFRS rules announced by IASB but not endorsed by FSC

New, rectified and amended regulations and interpretations	Effective date via the announcement of the IASB (Note 1)
Amendments of IFRS 10 and IAS 28 about Asset sales or contributions between investors and their associates or joint ventures	Not decided yet
Insurance contract under IFRS 17	January 1, 2023
Amendments of IFRS 17	January 1, 2023

Amendment of IFRS 17 about first be applied to IFRS 17 and IFRS 9-comparasion information	January 1, 2023
Amendment of IAS 21 about Lack of convertibility	January 1, 2025 (Note2)

Note 1: Unless otherwise stated, the aforementioned new, rectified and amended regulations and interpretations to standards or interpretations shall be effective for annual reporting periods beginning on or after their respective effective dates.
Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact on the numbers shall be recognized in retained earnings as of the initial application date. When the consolidated company expresses its currency in non-functional currency, the adjustment to the exchange differences of foreign operations under equity on the initial application date shall be affected.

Up to the date of the report printed, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IV. Summary of significant accounting policy

(I). Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and IFRSs endorsed by FSC.

(II). Basis of preparation

Except for the financial assets at fair value and the net defined benefit assets based on the book value of benefit obligation less the fair value of plan assets, the separate statement is prepared under the historical cost method.

The different levels, from level 1 to level 3, that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(III). Classification of current and non-current items in assets and liabilities

Current assets include:
1. Asset held mainly for trading purpose.
2. Assets that are expected to be realized within 12 months from the end of the financial reporting period.
3. Cash and cash equivalents (excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.)

Current liabilities include:
1. Liabilities arising mainly from trading activities.
2. Liabilities that are to be paid off within 12 months from the end of the financial reporting period (even the liabilities are refinanced or restructured after the reporting date of the balance sheet); and
3. Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the end of the financial reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities, if not classified as mentioned above, are classified as non-current assets and non-current liabilities.

(IV). Basis of consolidation

1. Basis for preparation of consolidated financial statement

The consolidated financial statement includes all the financial statements from the Parent Company and its controlling interest. The consolidated statement of comprehensive income has already incorporated the operating profit or loss of the disposed subsidiary for the current period up to the disposal date. Financial statements of subsidiaries are adjusted in conformity with the accounting policies adopted in the consolidated financial statements. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even the non-controlling interests result into a loss.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions. Book value of the parent and the non-controlling interests is adjusted to reflect a change of ownership in subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

When the Group loses control of a subsidiary, disposal gain or profit is calculated on the basis of the difference amount between (1) the sum of initial fair value and remaining fair value of the subsidiary when the Group loses its control, and (2) the combined book value of assets (including goodwill) and liabilities of the subsidiary when the Group loses its control. All amounts previously recognized in other comprehensive income in relation to the subsidiary are recognized on the same accounting method when the Group disposes of assets and liabilities.

2. Subsidiaries included in the consolidated financial statements:
Please see the Note XIII and Note XXXXI in table 1 for details of subsidiary background, shareholding ratio and business scope.

(V). Foreign currency

Transactions of foreign currency are recorded on the exchange rate of functional currency at the transaction date, when in preparations of separate financial statements.

The foreign currency is expressed by the closing exchange rate at the end of the financial reporting period, with the exchange difference recognized as profit or loss in the financial reporting year.

Non-monetary items denominated in foreign currencies at fair value are measured at the exchange rate seen at the setting of the fair value date, with the foreign exchange profit or loss recognized in the financial reporting period. The foreign exchange profit or loss of non-monetary items, due to a change at fair value through other comprehensive income, is recognized at other comprehensive income.

However, non-monetary items denominated in foreign currencies that are using the historical exchange rates are recorded at the dates of the initial transactions and are not recalculated.

(VI). Margin loans for securities long and short positions; refinancing of margin loans for securities long and short positions.

Financing to margin traders for long positions by the Group is listed as receivable margin loans which are guaranteed by their underlying securities. The collaterals, booked in memorandum entry, will be returned to margin traders after their long positions are liquidated.

In the cases that the Group seeks capital from the securities and finance company to provide financing to margin traders for long positions, the financing is listed as the payable refinancing margin loans which are guaranteed by underlying securities.

In the cases that margin traders fail to meet the minimum margin requirements and fail to pay up the deficit of margin requirements, the margin loans will be re-listed into the overdue receivable account. In the cases that the margin traders' underlying stocks are unable to be liquidated, their receivable margin loans are re-listed into the other receivable account or overdue receivable account.

The margin company engages in securities lending transactions. When necessary, it borrows securities from securities finance companies. The collateral or securities lending margin provided for this purpose is classified as securities lending margin. The stocks pledged as collateral for the securities lending margin are recorded as securities lending collateral and accounted for using memorandum entries. The proceeds received from clients for securities lending transactions, which serve as collateral for borrowing securities from securities finance companies, are recorded as accounts receivable for securities lending collateral.

(VII). Investments in associates.

Associates are all entities over which the Group has significant influence but belong to the subsidiaries or joint ventures of the parent company.
Investments in associates are accounted for using the equity method and are initially recognized at cost.

Under the equity method, investments in associated enterprises are initially recognized at cost. Subsequent to acquisition, the carrying amount is adjusted to reflect the share of profits or losses and other comprehensive income of the associated enterprise attributable to the parent company. Additionally, changes in the equity of associated enterprises in which the parent company has an interest are recognized according to the ownership percentage.

If the acquisition cost exceeds the identifiable net fair value of assets and liabilities of the associated enterprise attributable to the parent company at the acquisition date, the excess is recognized as goodwill. This goodwill is included in the carrying amount of the investment and is not amortized. If the identifiable net fair value of assets and liabilities of the associated enterprise attributable to the parent company exceeds the acquisition cost at the acquisition date, it is recognized in the current period's profit or loss.

In the case that an associate issues new shares and the Group does not acquire the new shares proportionately, which results in a change in the parent company's ownership percentage of the associate but maintains significant influence on the associate, then the "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

In the cases that the parent company evaluates its investment loss in associates, the Group will get the difference between the receivable value and book value under its tests. The impairment loss will not be amortized to other assets, including goodwill, that will affect the book value. Reversal of the investment loss is doable by the extent that the loss is recovered.

The Group's profit and loss generated by the upstream, downstream and side stream transactions with its associates is recognized in the consolidated financial statements by a degree that will not affect its equity in the associates.

(VIII). Property and equipment

Property and equipment are initially recorded at costs. Subsequent costs are based on the carrying value after the costs are deducted by the accumulated depreciation and impairment loss.

Depreciations of property and equipment are recorded on a straight-line basis during the useful lives. If each component of property and equipment is significant, it should be depreciated separately. The Group at the end of the financial reporting period will take at least one time of review over the estimated useful lives, residual value and depreciation method, and evaluate the potential impact of the depreciations.

In the cases of elimination of property and equipment, the difference between the disposal value and the carrying value of the assets is recognized in profit or loss.

(IX). Intangible assets

<u>Computer software costs</u>

Subsequent costs are based on the carrying value after the costs are deducted by the accumulated depreciation and impairment loss. Intangible assets are amortized over a straight-line basis. The Group at the end of the financial reporting period will take at least one time of review over the estimated useful lives, residual value and depreciation method, and evaluate the potential impact of the depreciations. The Group will dispose of the intangible assets before the useful lives, before which residual value is estimated at zero.

In the cases of elimination of intangible assets, the difference between the disposal value and the carrying value of the assets book value is recognized in profit or loss.

(X). Impairment of property and equipment

The Group assesses at the end of the financial reporting period the recoverable amounts of property, equipment, right-of-use assets and intangible assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying value is impaired significantly, while a reversal of impairment loss is recognized as profit if the recoverable value increases. However, the reversal should not exceed the carrying value, net of the required depreciation or amortization before the impairment is recognized.

(XI). Financial instrument

Financial assets and liabilities are recognized in the balance sheet when being recognized and effective in the transaction contracts.

At initial recognition, the Group measures the financial assets and liabilities, if not at fair value through profit or loss, at fair value plus transaction costs. The Group measures the financial assets and liabilities, if available for being classified as those at fair value through profit of less, directly at fair value:

1. Financial assets

Records of financial assets are recognized and derecognized on the transaction dates.

(1) Measurement type

Financial assets held by the Group include those at fair value through profit or loss, those financial debts at fair value through other comprehensive income, and those measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are mandatorily measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss are those not identified by the Group as equity instruments at fair value through other comprehensive income, and financial debt instruments not measured at amortized cost or fair value through other comprehensive income.

Profit or loss generated by the financial assets at fair value through profit or loss, including dividend income and interest income, is recognized in profit or loss. Method to decide the fair value of the assets is disclosed in the Note XXXIV.

B. Debt at fair value through other comprehensive income

The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:

a. The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets measured at amortized cost (including cash and cash equivalents and receivables measured at amortized cost) are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. The carrying amount is determined by the total face amount less any impairment losses recognized. Any foreign exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the financial asset's carrying amount by the effective interest rate, except in the following two situations:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by multiplying the carrying amount of the financial asset by the effective interest rate adjusted for credit losses。

b. For financial assets that were not initially credit-impaired but subsequently become credit-impaired, interest income should be calculated using the effective interest rate multiplied by the amortized cost of the financial asset from the reporting period following the credit impairment。

Credit-impaired financial assets refer to cases where the issuer or debtor has experienced significant financial difficulties, default, the debtor is likely to file for bankruptcy or other financial restructuring, or the financial difficulties have caused the market for the financial assets to become illiquid.

Cash equivalents include highly liquid commercial paper and term deposits that mature within three months from the date of acquisition, have minimal risk of value fluctuation, and are used to meet short-term cash commitments.

C. Financial assets measured at amortized costs

The financial assets are measured at amortized costs if both of the following conditions are met:

a. Held for the purpose of collecting contractual cash flows
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, subsequent costs measured at amortized costs in the financial assets, including cash and cash equivalents, and account receivables measured at amortized costs, are based on the total book value that is determined by the effective interest rate and deducted by any impairment loss. Any foreign exchange gains or loss is booked in profit or loss.

D. Equity instrument investments measured at fair value through other comprehensive profit or loss

At the time of original recognition, the merging company can make an irrevocable choice to designate the investment in equity instruments that are not held for trading and that are not recognized by the acquirer for business combination as contingent consideration to be measured at fair value through other comprehensive gains and losses.

Equity instrument investments measured at fair value through other comprehensive profit or loss are measured at fair value, and subsequent changes in fair value are reported in other comprehensive profit or loss and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends invested in equity instruments at fair value through other comprehensive profit or loss are recognized in profit or loss when the right to receive payment to the amalgamating company is established, unless the dividend clearly represents the recovery of part of the investment cost.

(2) Impairment of financial assets

Impairment of financial assets is the impairment of financial assets (including account receivables) and debt instruments through other comprehensive income, based on expected credit impairment and measured after being amortized at costs

Impairment of account receivables is recognized at the allowance for loss account and are based on the expected credit loss in the duration. In the case of an insignificant increase of credit risk, the impairment of other financial assets is recognized in the allowance for loss account and is based on the expected credit loss within a 12-month period. In the case of a sharp increase, the impairment is recognized in the allowance for loss account during the duration.

The expected credit loss is based on the weighted average default risk. The 12-month period of the expected credit loss is the default risk that is expected to be faced by financial assets after being recorded within 12 months. Expected credit loss in duration is the default risk that is expected to be faced by financial assets in the duration.

Two conditions are used to judge a happening of default risk, not considering the ownership of the collaterals.

A. Internal and external sources indicate that the debtors are not likely to pay back debt.

B. The overdue loan hits over 180 days, unless otherwise proved by appropriate evidence of the deferred date of the risk.

The impairment of financial assets come after the downward adjustment of book value through the allowance for loss account, while the impairment of debt instruments at fair value through comprehensive income is recognized in the other comprehensive income account and will not reduce the book value.

(3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset has expired; and the contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.

When the financial asset measured at amortized costs is derecognized, the difference between the resulting book value and the considerations being received is recognized in profit or loss. When the financial liabilities at fair value through other comprehensive income is derecognized, the difference is booked in profit or loss, and is between the resulting value and the consideration being received plus the sum of accumulated difference that has been already booked in other comprehensive income and is between the accumulated profit and loss.

2. Equity instrument

The equity instrument is recognized at the costs where initial costs of acquisition are deducted by the costs of direct offering.
Redemption of the equity instrument is recognized and de-recognized under the equity account, while the purchase, sale, offering or cancellation of the Group’s equity instrument is not recognized as profit or loss.

3. Financial liabilities

(1) Measurement
Financial liabilities are stated at the amortized costs using the effective interest rate method.

(2) Derecognition of financial liabilities

The difference between the book value and the considerations being paid (including all transferred non-cash assets or assumed liabilities) is recognized in profit or loss.

(XII). Revenue recognition

The Group recognizes revenue when clients agree with the contractual rights and obligation, and complete settlement of the trades according to the contracts.

Labor revenue is recognized on the providing of labor services.

(XIII). Repo trades

Repo trades include reverse repurchase agreement and re-purchase agreement in bond trading, classified as investment of reverse repurchase in bond and liabilities of repurchase in bond. The interest revenue and expense are based on the pre-set interest rates.

(XIV). Lease

The Group evaluates the leasing contract on the signing dates.

<u>The Group is a renter.</u>
Except in the case that recognition-exempted low-price leasing targets and short-term leasing targets are expensed on a straight-line basis, expense of other targets is recognized when the leasing contracts are effective.

Right-of-use assets are initially measured at costs, and sub sequentially measured by the value after being depreciated and impaired. The assets are classified in the consolidated financial statement.

Based on a straight-line method, depreciations of right-of-use assets are decided by the longer period between the durable period or the expiration date of leasing period.

Leasing liabilities are measured by the current value of leasing payment which will be discounted by the implied interest rate, if accessible, or by the interest rate of renter’s additional borrowings, if the implied interest rate is not accessible.

Subsequently, leasing liabilities are measured on the amortized costs using the effective interest rate, and interest payment is amortized during the leasing period. Remeasurement of the liabilities will be taken, if the payment is different due to a change of the benchmark against the payment or a change of the interest rate, with the remeasurement adjusted in the right-of-use assets as well. In the case that the book value of the right-of-use assets is down to zero, the remeasurement amount will be included into profit or loss. Leasing liabilities are stated in the consolidated balance sheet.

The merged company and the lessor negotiated rents directly related to the Covid-19, and adjusted rents due before June 30, 2022, resulting in a decrease in rents. These negotiations did not significantly change other lease terms. The Merging Company has chosen to adopt a practical expedient approach to all rental negotiations that meet the aforementioned conditions, without assessing whether the negotiation is a lease modification, but instead recognizes the reduction in lease payments in profit or loss when a concession event or circumstance occurs and reduces the lease accordingly. debt.

(XV). Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Retirement benefits

For defined benefit contribution plan, the contribution is recognized as expense when the pension is accrued during employee working period.

The defined benefit costs (including service costs, net interest income and remeasurement) of the defined retirement benefit plan are based on the actuarial estimates of projected unit benefit. Services costs (including service costs in the current year, services costs in the prior year and payment), net interest income of net benefit liabilities (assets), as well as revision, scale-back or payment, when being in place, are recognized as the expense of employee benefits. Remeasurements arising on defined benefits plan are, in the period in which they arise, recognized in other comprehensive income and in retained earnings, not to be reclassified into profit or loss.

Net benefit liabilities or assets are the shortfall or surplus of contribution under the defined retirement benefit plan. Net benefit assets cannot exceed the current value of the projected contribution or the projected deduction in the plan.

(XVI). Employee share-based payment agreement

Certificate of employee stock ownership plan (ESOP) to employee

The ESOP is the equity instrument based on fair value and projected amount and is recognized as expense on a straight-line basis during the distribution period. The distribution will affect the capital surplus – ESOP. Expense of the ESOP is recognized at the date when the distribution takes places.

The Group at the end of a financial reporting period adjusts the estimated distribution of new shares under the ESOP. A change of the estimates is recognized in profit or loss, to reflect the accumulated expense and the adjustment in the capital surplus – ESOP.

(XVII). Income tax

The tax expense for the period comprises current and deferred tax.

1. Current income tax

Subject to local tax regulations, the Group reports its tax payment, payable or recoverable, after calculating the profit or loss in the current year.

The tax payment arising from the tax levied against undistributed retained earnings is decided at the annual shareholder meeting. Adjustment of the payable tax amount is included into the income tax in the current year.

2. Deferred income tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax liabilities are recognized as taxable temporary differences. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed. The carrying amounts will be reduced in respect to the assets that will not be taxed. The assets, that are not regarded as the sources of deferred income tax, are under review at the end of the financial report period. The carrying amounts will be increased in respect to the assets that will be taxed.

The tax rate of deferred income tax is based on the tax laws enacted or substantively enacted at the end of the financial reporting period. The deferred assets and liabilities are measured by the estimated book value that can be reclaimed or liquidated at the end of financial reporting period.

3. Current and deferred income tax

The current and deferred income tax is recognized in profit or loss, while the current and deferred income tax, being recognized in other comprehensive income, is recognized in other comprehensive income.

V. Critical accounting judgments, estimates and key sources of assumption uncertainty

When adopting accounting policies, the management of the consolidated company must make judgments, estimates, and assumptions based on historical experience and other relevant factors for information that is not readily available from other sources. The resulting accounting estimates and assumptions might be different from the actual results.

The management will continuously review estimates and underlying assumptions.

The main sources of uncertainty in estimates and assumptions
Measurement at fair value

The Group must have appropriate measurement methods to estimate the fair value, if financial assets become inactive in an active market, or list in an inactive market.

In the cases that the Level 1 input value is not available to get the fair value, the Group will consider the investee's financial condition and operation results, as well as comparable price quotes and targets to be used as Level 1 input value. A change of fair value will be seen, if the Level 1 input led to results that are different from expected. Please see Note XXXIV for the descriptions of input and technologies for fair value.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash		
Petty cash	$ 230	$ 230
Bank check deposit	1,337	1,222
Bank demand deposit	288,543	288,452
Cash equivalents（Investment with original maturity period within three months）		
Commercial papers	85,475	610,534
Bank fixed deposits	-	21,000
	$ 375,585	$ 921,438

Range of interest rates:

	December 31, 2023	December 31, 2022
Commercial papers	0.89%～1.14%	0.75%～0.83%
Bank fixed deposits	-	1.035%

VII. Financial instruments at fair value through profit or loss

Financial assets at fair value through profit or loss – current

Brokerage of securities

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss		
Operating Securities -Proprietary	$ 1,297,637	$ 1,171,876
Operating Securities -Underwriting	1,510,446	326,436
	$ 2,808,083	$ 1,498,312
Proprietary		
Stock-TWSE	$ 408,841	$ 171,614
Stock-TPEX	97,344	193,972
Bond-TPEX	109,527	97,784
Stock-Emerging Market	545,413	503,802
Stock-Unlisted companies	7,421	12,973
	1,168,546	980,145
Proprietary evaluation adjustment- Operating securities	129,091	191,731
	$ 1,297,637	$ 1,171,876
Underwriting		
Stock-TWSE	$ 1,452,051	$ 182,218
Stock-TPEX	-	20,166
Bond-TPEX	70,934	123,336

	1,522,985	325,720
Proprietary evaluation adjustment- Equities	(12,539)	716
	$ 1,510,446	$ 326,436

As of December 31, 2023 and December 31, 2022, the cost of the aforementioned proprietary bond investments amounted to NT$99,935,000 and NT$0, respectively, with repurchase sales.
For the collaterals used to issue the commercial papers by the Group, please see Note XXXVI.

Financial assets – non-current

	December 31, 2023	December 31, 2022
Mandatory to measure at fair value through profit and loss		
Domestic investments		
Private Equity -Concentrated Market	$ 14,065	$ 5,500
Private Equity-TWSE	26,704	5,600
Stock-unlisted company	10,071	173,681
Foreign investments		
Stock-unlisted company	$ -	$ 15,000
Private equity fund	4,776	-
Evaluation adjustment	362	(16,914)
	$ 55,978	$ 182,867

VIII. Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
current assets		
Fixed income Investment	$ 2,563,869	$ 1,971,889
Equity investment	253,972	160,086
	$ 2,817,841	$ 2,131,975
non-current asets		
Equity investment	$ 147,223	$ 94,927

(I) Investment by debt instruments

	December 31, 2023	December 31, 2022
Current investment		
Domestic investment		
Government bonds	$ 268,053	$ -
Corporate bonds	2,302,724	1,905,262
Financial debentures	-	100,574
Allowance for loss	(1,153)	(1,039)
Evaluation adjustment	(5,755)	(32,908)
	$ 2,563,869	$ 1,971,889

For the credit risks and assessment of impairment from the debt instruments at fair value through other compressive income, please see Note IX.

As of the fiscal years that ended on December 31 in 2023 and 2022, the investment costs of the debt instruments at fair value through other comprehensive income reached NT$2,560,799,000 and NT$1,553,068,000 respectively, and the instruments had been sold through the re-purchase agreements.

(II), Investment by equity instruments

	December 31, 2023	December 31, 2022
Current Investment		
Domestic investment		
Stock- TWSE	$ 1,417	$ 3,589
Stock- Emerging market	40,892	64,800
Evaluation adjustment	118,566	66,629
Foreign Investment		

Depositary Receipts	4,365	-
Evaluation adjustment	88,732	25,068
	$ 253,972	$ 160,086
Non-current investment		
Domestic investment		
Private Equity-TWSE	$ 6,000	$ 6,000
Stock-Unlisted companies	115,235	17,200
Foreign Investment		
Stock-Unlisted companies	-	9,444
Evaluation adjustment	25,988	62,283
	$ 147,223	$ 94,927

For the purposes of strategic investment, the Group is of the view that the measurement for the above-mentioned equity instruments into profit or loss will be different from its original financial planning. As such, the instruments are measured at fair value through other comprehensive income.

IX. Credit risk management for investment by debt instruments

Information of financial assets using debt instruments at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Book value	$ 2,570,777	$ 2,005,836
Allowance for loss	(1,153)	(1,039)
Amortized cost	2,569,624	2,004,797
Fair value adjustment	(5,755)	(32,908)
	$ 2,563,869	$ 1,971,889

The bond department of the Group establishes its regulations for the up-ceiling and risk management in terms of bond investments that will be targeted at bonds with credit ratings at or over twA-, as well as debt instruments guaranteed by banks. Information of credit rating is offered by independent credit rating institutions and is provided to the Group for review at the end of a fiscal year. As such, a change of credit rating in the debt instruments will be informed to the risk management units in the written forms.

The Group will measure the estimated credit loss of the debt instruments in a 12-month or a duration period, by taking into considerations historical default rate, financial background of debtors and industry outlook faced by the debtor.

Mechanism of credit risk rating currently used by the Group

Credit rating	Definition	Period to recognize the estimated credit loss
Normal	Solid solvent condition shown by debtor with low credit loss risk	12-month
Abnormal	Rising credit risk since the initial recognition	Credit loss in the duration period (Not impaired)
Default	Proof of credit loss	Credit loss in the duration period (Already impaired)
Write-off	Proof of debtors' financial troubles and difficulties for the Group to reclaim investment	Immediately

The total of book value in debt instruments investment and expected ratio of credit loss

December 31, 2023

Credit rating	Expected ratio of credit loss	Total book value Measured at fair value through other comprehensive income
Normal	0%~0.2080%	$ 2,570,777

December 31, 2022

Credit rating	Expected ratio of credit loss	Total book value Measured at fair value through other comprehensive income
Normal	0.0080%~0.2080%	$ 2,005,836

The allowance of loss from credit loss by the Group's investment using debt instruments at fair value through other comprehensive income

	Status of credit rating		
	Normal	Abnormal	Default
Beginning balance (Jan. 1, 2023)	$ 1,039	$ -	$ -
Withdrawal	114	-	-
ending balance (Dec 31, 2023)	$ 1,153	$ -	$ -
Beginning balance (Jan. 1, 2022)	$ 857	$ -	$ -
Withdrawal	182	-	-
ending balance (Dec 31, 2022)	$ 1,039	$ -	$ -

X. Other financial assets – current

	December 31, 2023	December 31, 2022
Over-3-month time deposits	$ 46,000	$ 112,500

Range of Interest rates

	December 31, 2023	December 31, 2022
Over-3-month time deposits	1.24%～1.51%	0.99%～1.26%

XI. Liabilities from bonds sold under repurchase agreements

	December 31, 2023	December 31, 2022
Government bond	$ 1,455,518	$ 1,252,950
Corporate bond	652,277	1,805,005
	$ 2,107,795	$ 3,057,955

The Group's liabilities from bonds sold under repurchase agreements are the liabilities that will mature in one year. The pre-set repurchase price and interest rates are stated as below.

	December 31, 2023	December 31, 2022
Pre-set repurchase price	$ 2,110,040	$ 3,061,475
Interest rate	1.220%～1.400%	1.180%～1.310%

The above-mentioned bond investments with repurchase on December 31, 2023 and 2022 have all been sold with repurchase.

The consolidated company assessed that there was no need to recognize impairment losses on repurchase agreement bond investments as of December 31, 2023 and 2022.

XII. Receivable securities margin loans/accounts receivable/other receivables/overdue receivables

(I) Receivable securities margin loans

	December 31, 2023	December 31, 2022
Receivable securities margin loans	$ 1,148,217	$ 811,495
Less: Allowance of loss	(1,355)	(958)
	$ 1,146,862	$ 810,537

The above-mentioned receivable securities margin loans are secured by stocks that are bought by clients in margin accounts.

The consolidated company calculates the collateral maintenance ratio daily in accordance with the " Operating Rules for Securities Firms Handling Margin Purchases and Short Sales of Securities" When the collateral maintenance ratio falls below 130%.

The client is notified to deposit the margin shortfall.

(II) Information about accounts receivable, other receivables and overdue receivables

	December 31, 2023	December 31, 2022
Accounts receivable		
Settlement accounts receivable-entrusted	$ 176,420	$ 138,250
Settlement accounts receivable - non-entrusted	34,162	6,346
Transaction consideration	203,364	91,874
Related party receivables	36,120	7,523
Other	58,534	58,356
- Allowance for loss	(969)	(1,149)
	$ 507,631	$ 301,200
Other receivables		
Dividend	$ 19,283	$ 7,694
Related party receivables	61	-
Others	791	54
	$ 20,135	$ 7,748
Overdue receivables		
Overdue receivables	$ 23,707	$ 23,707
Less: Allowance for loss - collection	(23,707)	(23,707)
	$ -	$ -

To mitigate credit risk, in addition to establishing relevant internal control systems and procedures for determining credit limits and approving credit, the consolidated company conducts a thorough review of the recoverable amounts of receivables on the balance sheet date to ensure that appropriate impairment losses have been recognized for unrecoverable receivables.

The consolidated company recognizes the allowance for doubtful accounts for receivables based on expected credit losses over the expected life of the receivables. Expected credit losses are determined by considering the customer's past default history, current financial condition, industry economic conditions, and prospects, among other information. Expected credit loss rates are established based on the number of days the receivables are overdue.

The allowance for doubtful accounts for receivable securities financing and accounts receivable measured as follows:

December 31, 2023

			Others					
	Securities margin	Securities settlement payment	Non-overdue	Overdue 1 ~ 90 days	Overdue 91 ~ 120 days	Overdue 121 ~ 180 days	Overdue days in excess of 180 days	Total
Expected credit loss ratio	0.118%	0%	0%~0.6%	1.21%~15.41%	64.84%	75.77%~97.01 %	100%	
Total Book value	$1,148,217	$ 413,946	$ 70,415	$ 24,089	$ 107	$ 33	$ 10	$1,656,817
Allowance for loss (expected credit loss during the duration)	(1,355)	-	(95)	(769)	(70)	(25)	(10)	(2,324)
Amortized cost	$1,146,862	$ 413,946	$ 70,320	$ 23,320	$ 37	$ 8	$ -	$1,654,493

December 31, 2022

			Others					
	Securities margin	Securities settlement payment	Within the time limit	Overdue 1 ~ 90 days	Overdue 91 ~ 120 days	Overdue 121 ~ 180 days	Overdue more then 180 days	Total
Expected credit loss	0.118%	0%	0%~0.64%	1.23%~10.53	50.79%	65.14%~85.5	100%	

rate				%		%		
Total nominal value	$ 811,495	$ 236,470	$ 40,308	$ 25,172	$ 170	$ 177	$ 52	$1,113,844
Allowance for loss (expected credit loss during the duration)	(958)	-	(84)	(791)	(86)	(136)	(52)	(2,107)
Amortized cost	$ 810,537	$ 236,470	$ 40,224	$ 24,381	$ 84	$ 41	$ -	$1,111,737

Change of estimated allowance of loss from receivable securities margin loans and account receivables

	2023	2022
Beginning Balance	$ 2,107	$ 2,882
Provision of impairment losses for the current year	217	(775)
Ending Balance	$ 2,324	$ 2,107

Change of estimated allowance of loss from overdue receivables

	2023	2022
Beginning Balance	$ 23,707	$ 24,110
Plus (less): the impairment loss is listed for the current year		
Less: (returning benefits)	-	(403)
Ending Balance	$ 23,707	$ 23,707

Overdue receivables come from the defaults of margin trading and overdue account receivables and are fully recognized in allowance of loss.

XIII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements

Name of investor	Name of subsidiary	Business	Stake (%) December 31, 2023	Stake (%) December 31, 2022	Remarks
Grand Fortune Securities Co., Ltd	Grand Fortune Securities Investment Service Co., Ltd	Securities consulting	100%	100%	I
	Beiley Biofund Inc.	Start-up	-	50.51%	(II) and (III)
	Grand Fortune Management Corporation	Investment consulting and management	100%	100%	(III) and (IV)
	Foryou venture capital Limited Partnership	General investment	100%	-	(IV)
Grand Fortune Management Corporation	Beiley Biofund Inc.	Start-up	(III)	8.25%	(II), (III), (V) and (VI)
	Foryou venture capital Limited Partnership	General Investment	-	100%	(IV)

(II) Beiley Biofund Inc. previously known as "Grand Fortune Venture Capital Corporation " underwent a transformation into a sustainable biotech venture capital company, as resolved by its shareholders' meeting in June 2023. It officially changed its name to " Beiley Biofund Inc." on August 24, 2023.

(III) In March 2023, Grand Fortune Management Corporation conducted an organizational restructuring through a non-cash capital increase. The parent company used its 50.51% equity holding in Beiley Biofund Inc. to fully offset the capital increase payment of Grand Fortune Management Corporation, totaling NT$380,047,000. After the organizational restructuring, Grand Fortune Management Corporation directly held 58.76% equity in Beiley Biofund Inc. Additionally, Beiley Biofund Inc. conducted a cash capital increase on October 4, 2023. Since the parent company did not subscribe to Beiley Biofund Inc.'s shares in proportion to its ownership, the ownership ratio decreased from 58.76% to 24.39%, resulting in the loss of control over Beiley Biofund Inc. For further explanation regarding the loss of control over Beiley Biofund Inc., please refer to Note XXXI.

(IV) In March 2023, Grand Fortune Management Corporation conducted an organizational restructuring through a non-cash reduction of capital. Grand Fortune Management Corporation used the full equity of Foryou venture capital Limited Partnership to offset the reduced capital returned to the parent company. After the organizational restructuring, the parent company directly held 100% equity of Foryou venture capital Limited Partnership.

(V) In August 2022, Beiley Biofund Inc. distributed cash dividends, with the parent company receiving NT$156,883,000 based on its ownership percentage.

(VI)In June 2023, Beiley Biofund Inc. conducted a cash reduction of NT$261,893,000, with non-controlling interests receiving NT$108,000,000 in capital reimbursement based on their ownership percentage.

(VII) Subsidiaries not included into the consolidated financial statements: None.

(VIII) Subsidiaries with non-controlling interests that are material to the Group:

Name of subsidiary	% Of stakes and voting rights in non-controlling interest December 31, 2023
Beiley Biofund Inc.	41.24%

For information of operation locations and company registration of countries, please see Note XXXXI, Table 1

Name of subsidiary	Profit or loss distributed to non-controlling interests December 31, 2023	 2022
Beiley Biofund Inc.	$ 8,100	$ 25,819

Name of subsidiary	Non-controlling interest December 31, 2022
Beiley Biofund Inc.	$ 253,661

The following summary financial information is compiled based on the amount before the elimination of inter-company transactions

<u>Beiley Biofund Inc.</u>

	December 31, 2022
Current assets	$ 481,493
Non-current assets	182,867
Current liabilities	(49,311)
Non-current liability	-
Equity	$ 615,049
Equity attributable to:	
owners of parent	$ 361,388
Non-controlling interests in Beiley Biofund Inc.	253,661
	$ 615,049

	January1 to October 4, 2023	2022
Revenue	$ 73,031	$ 33,161
Net profit this year	$ 19,703	($ 23,741)
Other comprehensive income	-	-
Total comprehensive income	$ 19,703	($ 23,741)
Net profit attributable to:		
Owners of parent	$ 11,603	($ 13,939)
Non-controlling interests in Beiley Biofund Inc.	8,100	(9,802)

	2023	2022
	$ 19,703	($ 23,741)
Total comprehensive income attributable to:		
Owners of parent	$ 11,603	($ 13,939)
Non-controlling interests in Beiley Biofund Inc.	8,100	(9,802)
	$ 19,703	($ 23,741)
Cash Flow		
Operating activities	$ 200,663	$ 322,506
Investing activities	2,129	836
Financing activities	1,418,108	(266,982)
Cash used in (net)	$ 1,620,900	$ 56,360

XIV. Investment under the equity method

Investments in associates

	December 31, 2023	December 31, 2022
Significant associates		
Beiley Biofund Inc.	$ 517,412	$ -
Individual non-significant associates		
Foryou venture capital Limited Partnership	68,512	51,994
Foryou Private Equity Limited Partnership	83,677	41,534
	$ 669,601	$ 93,528

(I) Significant associates

			Percentage of equity ownership and voting rights	
Name	Nature of business	Region	December 31, 2023	December 31, 2022
Beiley Biofund Inc.	Start-up	Taiwan	24.39%	Note XIII(III)

1. For the information regarding the business nature, principal business locations, and the country of registration of the aforementioned associate companies, please refer to Note 41, Table 1.
2. Investments accounted for using the equity method and the company's share of profit or loss and other comprehensive income of the investees are recognized based on the audited financial statements of the associate companies for the same periods.
3. The summarized financial information below is prepared based on the financial statements of the associate company prepared in accordance with IFRS accounting standards and reflects adjustments made when applying the equity method.

Beiley Biofund Inc.

	December 31, 2023
Current assets	$ 1,947,400
Non-Current assets	177,003
Current liabilities	(1,573)
Non-Current liabilities	(1,058)
Equity	$ 2,121,772
The company's ownership percentage	24.39%
The company's equity ownership	$ 517,412
Realized gains/losses from transactions in financial assets carried at fair value through profit or loss	-
Book value of investments	$ 517,412

	October 4 to December 31,2023
Revenue	$ 66,469
Net profit (loss)	$ 68,912
Other comprehensive income	-
Total comprehensive income	$ 68,912
Dividends received from Beiley Biofund Inc.	$ -

(II) Summary information of individually non-significant associate companies

	2023	2022
The shareholdings of the consolidated company		
Net profit	($ 7,643)	($ 1,962)
Other comprehensive income	39,235	5,136
Total comprehensive income	$ 31,592	$ 3,174

1. In April 2022, Grand Fortune Management Corporation made a cash capital increase of NT$ 12,000,000 to its equity-method investee, Foryou venture capital Limited Partnership. Due to the capital increase not being made according to the contribution ratio, the ownership percentage decreased from 10.44% to 9.62%. As this transaction did not change Grand Fortune Management Corporation 's influence over Foryou venture capital Limited Partnership, the difference between the investment book value and the equity value, amounting to NT$88,000, was adjusted by reducing retained earnings.
2. In May 2022, based on the development of asset management business and the increased profit demand, the board of directors of Grand Fortune Management Corporation decided to sign a limited partnership agreement with Foryou Private Equity Limited Partnership and others. The investment amount limit was set at NT$100,000,000, with Grand Fortune Management Corporation acting as the general partner of Foryou Private Equity Limited Partnership, contributing 10% of the capital. Grand Fortune Management Corporation paid a capital contribution of NT$40,000,000 in June,2022 and completed the establishment registration of Foryou Private Equity Limited Partnership on August 9, 2022. Additionally, Grand Fortune Management Corporation increased its investment by NT$30,000,000 in June 2023.
3. Investments accounted for using the equity method and the company's share of profit or loss and other comprehensive income of the investees are recognized based on the audited financial statements of the associate companies for the same periods.
4. For the information regarding the business nature, principal business locations, and the country of registration of the aforementioned associate companies, please refer to Note 41, Table 1

XV. Property and equipment

	December 31, 2023	December 31, 2022
Self-owned		
Office equipment	$ 8,094	$ 10,716
Transportation equipment	254	431
Lease improvement	12,615	18,269
	$ 20,963	$ 29,416

	Office equipment	Transportation Equipment	Lease improvement	total
Cost				
Beginning balances (Jan. 1, 2023)	$ 20,026	$ 1,486	$ 26,671	$ 48,183
Increase	1,842	-	1,220	3,062
Disposal	(3,024)	-	(6,405)	(9,429)
Ending balances (Dec 31, 2023)	18,844	1,486	21,486	41,816
Accumulated depreciation				
Beginning balances (Jan. 1, 2023)	9,310	1,055	8,402	18,767
Depreciation	4,464	177	6,874	11,515
Disposal	(3,024)	-	(6,405)	(9,429)

Ending balances (Dec 31, 2023)	10,750	1,232	8,871	20,853
Net (Dec 31, 2023)	$ 8,094	$ 254	$ 12,615	$ 20,963
Cost				
Beginning balances (Jan. 1, 2022)	$ 17,970	$ 1,248	$ 14,199	$ 33,417
Increase	4,324	238	17,076	21,638
Disposal	(2,268)	-	(4,604)	(6,872)
Ending balances (Dec 31, 2022)	20,026	1,486	26,671	48,183
Accumulated depreciation				
Beginning balances (Jan. 1, 2022)	7,072	882	10,078	18,032
Depreciation	4,506	173	2,928	7,607
Disposal	(2,268)	-	(4,604)	(6,872)
Ending balances (Dec 31, 2022)	9,310	1,055	8,402	18,767
Net (Dec 31, 2022)	$ 10,716	$ 431	$ 18,269	$ 29,416

Depreciation of property and equipment are recognized on a straight-line basis in the durable period as follows:

Office equipment	Three to five years
Transportation Equipment	Five years
Lease improvement	Five years

As of December 31, 2023, and 2022, the above-mentioned property and equipment have no signs of impairments.

XVI. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Book amount of right-of-use asset		
Building	$ 62,931	$ 82,127
Transportation Equipment	1,199	1,754
	$ 64,130	$ 83,881

	2023	2022
Addition of right-of-use assets	$ 13,483	$ 30,785
Depreciation expense right-of-use asset		
Building	$ 29,567	$ 27,841
Transportation Equipment	1,429	1,467
	$ 30,996	$ 29,308

Except for the addition and recognition of depreciation costs mentioned above, no significant re-leasing and impairment costs occurred at the Group's right-of-use assets in 2023 and 2022.

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Book amount of leasing liability		
Current	$ 30,033	$ 30,473
Non-current	$ 35,965	$ 55,893

	December 31, 2023	December 31, 2022
Building	1.05%～1.36%	1.05%～1.38%
Transportation Equipment	1.05%～1.27%	1.05%～1.36%

(III) Major leasing activities and clauses

The Group rents buildings as the places for its offices and operation centers, with leasing contracts running from two to five years. As of the end of the contracts, the Group has no preferential rights to purchase the buildings.

Due to the Covid-19 on the market economy, the merged company and the lessor negotiated the lease of the office and business premises, and the lessor agreed to unconditionally reduce the rent for some months in 2022. In 2022, the combined company recognized the impact of the aforementioned rental reduction of NT$ 1,814,000 (accounting for other benefits and losses).

(IV) Other leasing information

	2023	2022
Short term leasing expense	$ 193	$ 338
Low value assets leasing expense	$ 146	$ 68
Total cash outflow amount for leasing	$ 32,612	$ 26,972

The Group will not recognize the right-of-use assets and leasing liabilities that are qualified to be exempted from recognitions, when the Group uses short-term leasing for transportation equipment and leases low-price assets.

XVII. Intangible assets

	December 31, 2023	December 31, 2022
Net value of computer software	$ 13,967	$ 13,668

	2023	2022
Cost		
Beginning Balance	$ 22,947	$ 22,176
Acquired separately	5,464	3,221
Derecognition	(1,000)	(2,450)
Ending Balance	27,411	22,947
Accumulated amortization		
Beginning Balance	9,279	7,216
amortized expense	5,165	4,513
Derecognition	(1,000)	(2,450)
Ending Balance	13,444	9,279
Year-end net amount:	$ 13,967	$ 13,668

The computer software is amortized by a straight-line basis in three to five years.

XVIII. Operation bond, clearing and settlement fund, and refundable deposits

	December 31, 2023	December 31, 2022
Operating margin	$ 180,000	$ 180,000
Settlement fund	$ 39,266	$ 38,962
Refundable deposits		
Leasing	$ 7,998	$ 7,998
Self-regulatory fund	660	660
Others	529	779
	$ 9,187	$ 9,437

According to the laws, the operating bond includes the Group’s cash, government bonds or financial debentures pledged in the government-designated financial institutions as statutory deposits, when the Group was established and sets up branches to engage in futures trading and fully designated investment businesses. The government bond being deposited by the Group in 2023 and 2022 was in the form of time deposits which carried annual interest rates at between 0.420%~1.580% and 0.090% ~1.435%.

Clearing and settlement fund is the statutory fund being deposited by the Group to the TWSE and TPEX when dealing in stock brokerage business.

XIX. Other assets

	December 31, 2023	December 31, 2022
Collection of cash dividend	$ 1,316,106	$ 652,462
Pledged time deposits	450,000	397,500
Collection for underwriting activities	84,540	-
Money pending settlement	18,626	23,930
Pre-paid money	2,670	2,324
Collection for tender offer	1,399	-
Others	1,123	1,014
	$ 1,874,464	$ 1,077,230
Current	$ 1,789,924	$ 1,077,190
Non-current	84,540	40
	$ 1,874,464	$ 1,077,230

(I) Interest rates of pledged time deposits in 2023 and 2022 respectively stood at 0.36%-1.60% and 0.07%-1.35%.
(II) For the Group's deposits for the purpose of banking loans, please see Note XXXVI.

XX. Short-term Loan

	December 31, 2023	December 31, 2022
Secured borrowings Bank borrowings		
Secured borrowings Bank borrowings		
	$ 300,000	$ -

The interest rates for bank borrowings are as follows:

	December 31, 2023	December 31, 2022
Secured borrowings Bank	1.65%~1.88%	-

The consolidated company provides pledged collateral for the aforementioned bank borrowings. Please refer to Note XXXVI.

XXI. Liabilities from bonds sold under repurchase agreements

	December 31, 2023	December 31, 2022
Government bond	$ 1,786,042	$ 1,250,338
Corporate bond	2,960,837	3,259,069
Financial debentures	-	100,266
	$ 4,746,879	$ 4,609,673

The Group's liabilities from bonds sold under repurchase agreements are the liabilities that will mature in one year. The pre-set repurchase price and interest rates are stated as below.

	December 31, 2023	December 31, 2022
Pre-set repurchase price	$ 4,751,737	$ 4,614,612
Interest rate	1.150%~1.400%	1.150%~1.285%

XXII. Accounts payable

	December 31, 2023	December 31, 2022
Account payable for settlement – entrusted	$ 381,218	$ 234,369
Account payable for settlement – non-entrusted	6,931	2,041
	$ 388,149	$ 236,410

XXIII. Other accounts payable

	December 31, 2023	December 31, 2022
Payable salary, bonus and remuneration	$ 295,936	$ 174,708
Business tax	4,153	1,616
Others	21,365	17,555
	$ 321,454	$ 193,879

XXIV. Other current liabilities

	December 31, 2023	December 31, 2022
Temporary collection-dividend distribution	$ 1,316,106	$ 652,462
Advance receipts for underwriting shares	18,626	23,930
Others	4,576	3,582
	$ 1,339,308	$ 679,974

XXV. Retirement benefits

(I) Defined contribution plan
According to the Labor Pension Act, the Group under the plan will allocate 6% of employees' monthly salaries as retirement pension that will be deposited in the accounts designated by the Labor Insurance Bureau.

(II) Defined benefit plan
The employee retirement payment is based on the average s6 months salaries before the date of retirement and is based on the 2% of monthly salaries reserved as retirement payment that will be first deposited by the Group's retirement supervision committee into the committee's accounts in the Bank of Taiwan. The Group before March in next fiscal year will have to cover the shortfall that is faced by the retired employees as estimated. The reserves are arranged for investment by the Labor Pension Fund, to which the Group has no rights to affect its investments.

Amount of retirement payment reserved at the consolidated financial statements

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 4,311	$ 3,861
Fair value of plan assets	(20,149)	(19,727)
Balance of contribution	(15,838)	(15,866)
Up-limit of asset	-	-
Net of defined benefit assets		
Net defined benefit assets	($ 15,838)	($ 15,866)

Net change of defined benefit assets:

	Present value of defined benefit obligation	Fair value of plan assets	Net of defined benefit assets
Beginning balances (Jan. 1, 2023)	$ 3,861	($ 19,727)	($ 15,866)
Interest expense (revenue)	48	(246)	(198)
Amounts recognized in balance sheet	48	(246)	(198)
Remeasurement			
Return on plan assets	-	(176)	(176)
Actuarial loss – Change in financial assumptions	16	-	16
Actuarial gain – Experience adjustment	386	-	386
Recognized in other comprehensive income	402	(176)	226
Ending Balances (Dec 31, 2023)	$ 4,311	($ 20,149)	($ 15,838)
Beginning balances (Jan. 1, 2022)	$ 5,519	($ 18,697)	($ 13,178)
Interest expense (revenue)	38	(130)	(92)
Amounts recognized in balance sheet	38	(130)	(92)
Remeasurement			

Return on plan assets	-	(1,450)	(1,450)
Actuarial loss from change in financial assumptions	(178)	-	(178)
Actuarial loss - experience adjustments	(968)	-	(968)
Recognized in other comprehensive income	(1,146)	(1,450)	(2,596)
Benefit	(550)	550	-
Ending balances (Dec 31, 2022)	$ 3,861	($ 19,727)	($ 15,866)

Exposure risks faced by the Group in the retirement pension system according to Labor Standards Acts:

1. Investment risk: Taiwan's Ministry of Labor will arrange investment for the reserves of retirement pension fund in stocks, bonds and time deposits. However, the Group's plan assets are set to generate the distributable pension no less than the interest revenue earned by the 2-year time deposits.

2. Interest rate risk: When interest rates carried at the government bonds and corporate bonds are lower to increase the benefit obligation value, the return rate of debt investments will accordingly rise. The scenario will help offset the impact toward the benefit liabilities.

3. Salary risk: A rise of employee salaries will increase the benefit obligation value that is based on the future salaries of employee.

The defined benefit obligation of the Group is determined by an actuary. Main assumptions at the measurement dates are stated below.

	December 31, 2023	December 31, 2022
Discount rate	1.20%	1.25%
Expected increase rate of salary	2.00%	2.00%

Under a reasonable change of major actuarial assumptions along with the unchanged condition of other assumptions, the increase or decrease of the value of benefit obligations is stated as below.

	December 31, 2023	December 31, 2022
Discount rate		
Increase 0.25%	($ 79)	($ 77)
Decrease 0.25%	$ 81	$ 79
Expected salary increase rate		
Increase 0.25%	$ 80	$ 79
Decrease 0.25%	($ 78)	($ 76)

In practice, the change in assumptions would not occur in isolation of one another as some of the assumptions may be correlated. The method of sensitivity analysis will probably not reflect the actual change of defined benefit obligation.

	December 31, 2023	December 31, 2022
Expected contribution value within 1 year	$ -	$ 115
Average maturity of defined benefit obligation	7 years	8 years

XXVI. Equity

(I) Share capital

Common shares

	December 31, 2023	December 31, 2022
Authorized shares (in 1000 shares)	500,0000	500,0000
Authorized share capital	$ 5,000,000	$ 5,000,000
Total number of issued share (in 1000 shares)	396,162	360,162
Issued share capital	$ 3,961,619	$ 3,601,619

The parent company resolved at the shareholders' meeting on June 30, 2022, to increase its authorized capital to NT$5,000,000,000, and decided to issue 60,027,000 new shares through capitalization of retained earnings. The aforementioned capitalization of retained earnings was reported effective by the Financial Supervisory Commission on July 25, 2022, and September 24, 2022, was set as the record date for the capital increase.

The parent company resolved at the board of directors meeting on December 12, 2022, to conduct a cash capital increase by issuing 36,000,000 new shares, with a par value of NT$10 per share. The aforementioned cash capital increase was reported effective by the Financial Supervisory Commission under letter No. 1110367678 on January 11, 2023. March 29, 2023, was set as the record date for the capital increase, with an issuance price of NT$10 per share. The registration changes were completed on April 12, 2023.

The issued ordinary shares have a par value of NT$10 per share, entitling each share to one voting right and the right to receive dividends.

(II) Capital reserve

	December 31, 2023	December 31, 2022
Can be used to make up for losses, distribute cash or allocate capital (1)		
Stock issue premium	$ 138,759	$ 135,118
Treasury Stock Trading	1,658	1,658
The difference between the actual equity price of the subsidiary and its book value	5,450	5,450
Expired stock options	996	996
Can only be used to make up for losses		
Changes in ownership interests in subsidiaries (2)	6,435	3,844
Shareholders have not received dividends beyond the time limit (3)	534	534
	$ 153,832	$ 147,600

(1) This type of capital surplus can be used to offset losses and, when the company is not in deficit, can be utilized to distribute cash dividends or allocate to share capital. However, when allocating to share capital, there is an annual limit based on a certain percentage of the paid-up share capital.
(2) This type of capital surplus represents the equity transaction impact recognized when there are changes in the equity of subsidiaries without the actual acquisition or disposal of subsidiary shares by the parent company.
(3) According to the interpretation provided in the letter No. 10602420200 issued by the Ministry of Economic Affairs on September 21, 2017, dividends that remain unclaimed by shareholders beyond the statute of limitations should be recognized as capital reserve.

Change of capital reserve in 2023 and 2022

	stock issue premium	Treasury Stock Trading	The difference between the actual equity price of the subsidiary and its book value	Expired stock options	Changes in ownership interests in subsidiaries	Dividends not received by shareholders beyond the time limit	Share-Based Benefit Transactions	Total
Balance as of January 1, 2023	$ 135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ 534	$ -	$ 147,600
Recognition of employee stock option compensation costs	-	-	-	-	-	-	3,641	3,641
Cash capital increase	3,641	-	-	-	-	-	(3,641)	-
Adjustments to changes in ownership interests in subsidiaries due to	-	-	-	-	2,591	-	-	2,591

cash capital increase in subsidiaries and retention of employee stock subscriptions								
Balance as of December 31, 2023	$ 138,759	$ 1,658	$ 5,450	$ 996	$ 6,435	$ 534	$ -	$ 153,832
Balance as of January 1, 2022	$ 135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ -	$ -	$ 147,066
Dividends not received by shareholders beyond the time limit	-	-	-	-	-	534	-	534
Balance as of December 31, 2022	$ 135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ 534	$ -	$ 147,600

(III) Retained earnings and dividend policy

The parent company, at the shareholders' meeting on May 31, 2019, resolved to amend the company's articles of association. In accordance with Article 240 of the Company Act, the board of directors is authorized, with the attendance of two-thirds or more of the directors and the approval of the majority of the attending directors, to distribute dividends or allocate all or part of the legal reserve surplus and capital surplus specified in Article 241 of the Company Act in the form of cash payments, and report to the shareholders' meeting.

According to the profit distribution policy stipulated in the amended articles of association of the parent company, the post-tax profits of the annual financial statements should first offset the accumulated losses from previous years. Subsequently, ten percent should be allocated to the legal reserve surplus, and twenty percent to the special reserve surplus. After setting aside or reversing the special reserve surplus according to laws or regulations of the competent authority, the remaining balance can be added to the undistributed profits at the beginning of the period to become distributable profits. Upon consideration of reserves, the board of directors shall draft a profit distribution proposal. If the distribution is to be made through the issuance of new shares, it should be resolved by the shareholders' meeting; if it is to be made in cash, the board of directors may be authorized to make a special resolution, with reporting to the shareholders' meeting. For the employee and director remuneration distribution policy of the parent company, please refer to Note XXVII (VI) Employee Benefits.

Furthermore, in accordance with the provisions of the parent company's articles of association, considering the stable development of future business and maintaining a sound long-term financial structure to maximize shareholder interests, a balanced policy between cash and stock dividends is adopted for the distribution of shareholder dividends. The distribution of profits shall be no less than ten percent of the distributable profits of the current year. However, if the distributable profits are less than one percent of the paid-up capital, it may be decided to transfer all profits to retained earnings without distribution. When distributing profits, the cash dividend shall not be less than ten percent of the total dividend amount. However, if the cash dividend per share is less than NT$1, it may be fully distributed as stock dividends.

The statutory surplus reserve shall be allocated until its balance reaches the total paid-up capital of the company. The statutory surplus reserve can be used to offset losses. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-up capital may be allocated to share capital, and the remainder may be distributed in cash.

In accordance with the regulations of the Securities Firm Management Rules, an allocation of 20% of the after-tax profits should be made to the special surplus reserve each year. However, once the accumulated amount reaches the total paid-up capital, further allocation may be exempted.

According to the directive specified in Financial Supervisory Commission Securities Letter No. 1106365484, the parent company is required to allocate funds to the special surplus reserve.

Distribution from 2021 earnings set by the parent company as follow:

	Earning distribution	Cash dividend per share (NT$)
Legal reserve	$ 140,728	
Special reserve	282,299	
Cash dividend	384,173	$ 1.28

Stock dividend	600,270	2.00

The special surplus reserve is set aside in accordance with the regulations on the management of securities firms.

According to the directive specified in Financial Supervisory Commission Securities Letter No. 1106365484, the parent company is required to allocate funds to the special surplus reserve.

The aforementioned cash dividends were distributed as resolved in the board of directors meeting on April 18, 2022. Other profit distribution items were also resolved at the shareholders' meeting on June 30, 2022.

The proposal to offset the loss of the parent company for the fiscal year 2022 was resolved at the shareholders' meeting on April 14, 2023, to use the statutory surplus reserve of NT$200,422,000 to compensate for the loss.

The proposed profit distribution for the fiscal year 2023 as drafted by the board of directors of the parent company on March 12, 2024, is as follows:

	Earning distribution	Cash dividend per share (NT$)
Statutory surplus reserve	$ 72,968	
Special surplus reserve (1)	145,936	
Special surplus reserve (2)	(42)	
Cash dividend	507,087	$ 1.28

(1) Withdrawal in accordance with the provisions of securities dealer management rules.
(2) In accordance with the provisions of the Financial Management Securities Letter No. 1080321644, the transfer shall be within the scope of the special surplus reserve set aside in response to the development of financial technology.

The above-mentioned cash dividends have been distributed by the board of directors, and the rest are yet to be resolved by the regular shareholders' meeting expected to be held on April 30, 2024.

(IV) Other equity

Unrealized profit or loss of financial assets at fair value through other comprehensive income.

	2023	2022
Beginning balance	$ 58,520	$ 70,816
Current year		
Unrealized profits and losses		
Bond	23,334	(37,140)
Equity	111,035	60,607
Change in allowance of loss by debt instrument	114	182
Share of profit of associates accounted for under equity method	39,235	5,136
Remeasurement		
Disposal in debt instrument	3,705	2,589
Other comprehensive income	177,423	31,374
Equity instruments accumulate loss transfer to keep surplus	(104,304)	(43,670)
Ending balance	$ 131,639	$ 58,520

(V) Non-controlling interests

	2023	2022
Beginning balance	$ 253,661	$ 373,562
Profit attributable to non-controlling interests		

Net profit	8,100	(9,802)
Cash dividend	-	(110,099)
Subsidiary capital reduction and return of share money	(108,000)	-
Adjustments to changes in ownership interests in subsidiaries	3,692	-
Disposal of Subsidiary - Loss of Control	(157,453)	-
year-end balance	$ -	$ 253,661

XXVII. Consolidated net profit and other comprehensive income

(I) Gain or loss from sale of securities

	2023	2022
Revenue - proprietary	$ 6,062,333	$ 5,797,605
Cost - proprietary	(5,731,462)	(5,577,720)
	$ 330,871	$ 219,885
Revenue - underwriting	$ 730,381	$ 824,207
Cost - underwriting	(665,102)	(725,129)
	$ 65,279	$ 99,078

(II) Interest income

	2023	2022
From margin loans	$ 36,893	$ 41,674
From bond investment	34,577	18,454
From bond investment with reverse repurchase agreement	34,013	34,324
	$ 105,483	$ 94,452

(III) Net gain or loss on operating securities at fair value through profit or loss

	2023	2022
Operating securities - proprietary	$ 210,738	($ 640,464)
Operating securities - underwriting	(13,255)	(165,052)
	$ 197,483	($ 805,516)

(IV) Other operating revenue

	2023	2022
Other services	$ 40,349	$ 47,806
Foreign currency exchange gains	9	1,622
Default trade	(19)	(12)
Others	447	477
	$ 40,786	$ 49,893

(V) Financial costs

	2023	2022
Interest expense on bond buybacks	$ 61,268	$ 44,549
Interest of leasing liability	1,699	295
Borrowing costs	847	1,047
	$ 63,814	$ 45,891

(VI) Employee benefit expense

	2023	2022
Salary and Wages	$ 325,385	$ 199,236
Directors' remuneration	50,723	21,244

Insurance	19,826	21,769
Share-based payment - equity-settled (Note30)	9,924	-
Retirement benefits	9,385	9,035
Other personal expenditure	8,447	6,888
	$ 423,690	$ 258,172

If the Company profitable, shall appropriate net profit by between 1.5% to 2.5% as the employee remuneration that will be decided by the board of director, and paid out either through the form of cash or stock dividend. The Company shall appropriate net profit by 1.5% to 2.5% as the remuneration to directors. The dividend payout to employee and director is required to be reported in the shareholder meetings, after the company's accumulated loss is erased by the net profit.

The parent company on January 29, 2023 held a board meeting respectively, deciding to pay out FY2023 remunerations to employees and directors at levels indicated below. (Unit: NT$1,000)

		FY2023	
		Cash	Stock
To Employees	-	$ 10,560	$ -
To Directors	-	10,560	-

FY2022, as there is a pre-tax net loss, employee compensation and director compensation are not estimated or accrued.

If there are still changes in amounts after the publication date of the annual consolidated financial statements, adjustments are made in the next year according to accounting estimate changes.

For information about the parent company's payout of remunerations to employees and directors, please visit the MOPS website.

(VII) Depreciation and amortization expense

	2023	2022
Real estate and equipment	$ 11,515	$ 7,607
Right-of-use asset	30,996	29,308
Intangible assets	5,165	4,513
	$ 47,676	$ 41,428

(VIII) Other gain and loss

	2023	2022
Financial income	$ 13,615	$ 5,906
The benefit of bargain purchase (Note 31)	12,868	-
Net gain on disposal of investments	205	-
Rent modification and gain on rent concessions	187	1,919
Loss on disposal of subsidiary (Note 31)	(27,668)	-
Others	9,714	2,482
	$ 8,921	$ 10,307

XXVIII. <u>Income tax</u>

(I) Components of income tax expenses

	2023	2022
Current income tax		
Current income tax on profits for the year	$ 102,278	$ 79,164
Adjustment from prior year	421	(3,826)
	102,699	75,338
Deferred income tax		

Deferred income tax for the year	983	(330)
Recognition of income tax on profit or loss	$ 103,682	$ 75,008

Reconciliation between income tax expenses and accounting profit:

	2023	2022
Net profit before tax	$ 737,385	($ 199,452)
Income tax calculated based on pre-tax profit and statutory tax rate	$ 147,477	($ 39,890)
Non-deductible revenue and expense in deciding income tax	11,016	167,422
Tax-free income	(90,607)	(61,845)
Unrecognized deductible temporary difference	(901)	(152)
Basic tax payable difference	36,276	13,299
Adjustment of prior-year tax expense recognized in current year	421	(3,826)
Tax expense recognized in profit or loss Recognized in profit and loss	$ 103,682	$ 75,008

(II) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Income tax assets for current year		
Tax refund receivable	$ 472	$ 467
Income tax liabilities for current year		
Income tax payable	$ 62,980	$ 70,877

(III) Deferred income tax assets and liabilities

Change of deferred income tax assets and liabilities

FY2023

Deferred tax assets	Beginning Balance	Recognized in profit and loss	Ending Balance
Temporary difference			
Expected credit impairment loss	$ 2,903	($ 983)	$ 1,920

FY2022

Deferred tax assets	Beginning Balance	Recognized in profit and loss	Ending Balance
Temporary difference			
Expected credit impairment loss	$ 2,245	$ 658	$ 2,903
Unrealized foreign currency exchange loss	328	(328)	-
	$ 2,573	$ 330	$ 2,903

(IV) Income tax assessment

The parent company and its subsidiaries including Grand Fortune Securities Investment Service Co., Ltd, Grand Fortune Venture Capital Co., Ltd and Grand Fortune Venture Capital Consultant Co., Ltd. had filed their income tax reports that have been assessed by tax authorities as of FY2020.

XXIX. Earnings per share

The earnings (loss) and weighted average number of common shares outstanding used to calculate earnings (loss) per share are as follows:

Net profit

	2023	2022
Net profit attributable to owner of the parent company	$ 625,603	($ 264,658)

Shares

Unit: 1,000 shares

	2023	2022
Weighted average number of common shares outstanding for calculating basic earnings (loss) per share.	387,581	360,162
Assumed conversion of all dilutive potential ordinary shares:		
Employee's remuneration	409	-
Weighted average number of common shares outstanding for calculating diluted earnings (loss) per share.	387,990	360,162

If the parent company chooses to distribute employee compensation in the form of either stock or cash, when calculating diluted earnings per share, it is assumed that employee compensation will be distributed in the form of stock. The weighted average number of common shares outstanding will then include the potentially dilutive effect of these stock awards when calculating diluted earnings per share. When calculating diluted earnings per share before the decision to distribute stock awards for the next fiscal year, the potential dilutive effect of such stock awards is also considered. For 2022, the parent company reported a net loss after tax, which had an anti-dilutive effect, therefore diluted earnings per share are not calculated.

XXX. Share-based payment agreement

(I) The parent company increases capital in cash and retains employee stock subscriptions

On December 12, 2022, the board of directors of the parent company resolved to conduct a cash capital increase by issuing new shares, and in accordance with Article 267 of the Company Act, 10% of the total new shares issued were reserved for subscription by employees of the consolidated companies. If any employees waive their subscription rights or if fractional shares remain after aggregation, the chairman is authorized to negotiate with specific individuals for subscription.

The relevant information regarding the employee subscription rights granted in the cash capital increase by the parent company on February 3, 2023, is as follows:

	2023	
Employee stock options	Unit (thousand)	Weighted average exercise price (NT$)
Circulated at the beginning of the year	-	$ -
Giving this year	4,233	10
Exercised this year	(4,233)	10
Circulated at the end of the year	-	

The employee subscription rights granted in the cash capital increase by the parent company are evaluated using the Black-Scholes-Merton valuation model. The input values used in the valuation model are as follows:

	February 3, 2023
Stock price on grant day (NT$)	$ 10.7
Execution price (NT$)	$ 10
Expected stock price volatility	27.59%
Expected duration	49 Days
Expected dividend rate	-
Risk-free rate	0.76%

The compensation costs recognized by the combined company in 2023 are NT$3,641,000.

(II) Subsidiary cash capital increase, retained employee stock subscription

On August 8, 2023, Beiley Biofund Inc. passed the resolution of its board of directors to increase cash capital and issue new shares, and retained 15% of the total number of new shares issued in accordance with Article 267 of the Company Law, which will be subscribed by employees of the merged company. If an employee gives up the subscription or if the shares are still less than one share after being combined, the chairman is authorized to contact a specific person to subscribe for it.

Relevant information on the cash capital increase provided by Beiley Biofund Inc. on August 8, 2023 to retain employee subscription rights is as follows:

	2023	
Employee stock options	Unit (thousand)	Weighted average exercise price (NT$)
Circulated at the beginning of the year	-	$ -
Giving this year	15,709	10

Exercised this year	(14,849)	10
Give up this year	(860)	10
Circulated at the end of the year	-	

The Black-Scholes-Merton evaluation model is adopted for the cash capital increase of Beiley Biofund Inc. and the retention of employee subscription rights. The input values used in the evaluation model are as follows:

	August 8, 2023
Stock price on grant day (NT$)	$ 10
Execution price (NT$)	$ 10
Expected stock price volatility	31.03%
Expected duration	38 Days
Expected dividend rate	-
Risk-free rate	0.94%

The compensation costs recognized by the combined company in 2023 are NT$6,283,000.

XXXI. <u>Disposal of Subsidiary - Loss of Control</u>

In August 2023, Beiley Biofund Inc. approved a cash capital increase through its board of directors' resolution, and October 4, 2023 was used as the base date for capital increase. Because the merged company did not subscribe to Beili Biotech according to its shareholding ratio, the shareholding ratio dropped from 58.76% to 24.39%, and it lost control of Beili Biotech. Please refer to Note 13 for explanation.

(I) Analysis of assets and liabilities out of control

	Beiley Biofund Inc.
Current assets	
Cash and cash equivalents	$ 4,933
Financial assets measured at fair value through profit or loss	330,118
Current income tax assets	39
Other current assets	10,168
Non-current assets	
Financial assets measured at fair value through profit or loss	22,511
Other non-current assets	10,000
Current liabilities	
Other payables	(150)
Other current liabilities	(4,759)
Net assets on disposal	$ 372,860

(II) Disposal of losses to subsidiaries

	Beiley Biofund Inc.
Consideration for participating in the cash capital increase	($ 300,000)
Net assets on disposal	(372,860)
Non-controlling interest	157,453
Fair value of remaining investment	487,739
Disposal loss	($ 27,668)

The combined company recognized an investment loss of NT$27,668,000 from disposal due to the above-mentioned loss of control transaction, and recognized a low-cost purchase benefit of NT$12,868,000 based on the fair value of the identifiable net assets of the remaining investments on the date of loss of control.

(III) Net cash outflow from disposal of subsidiaries

	Beiley Biofund Inc.

Consideration for participating in the cash capital increase	($ 300,000)
Cash and equivalent cash balances from disposals	(4,933)
	($ 304,933)

XXXII. Cash flow information

Change of liabilities by financing activities

FY2023

	Jan 1, 2023	Cash flow	Non-Cash change: New lease	Non-Cash change: Decrease	Rental concession gain	Dec 31, 2023
Short-term Loan	$ -	$ 300,000	$ -	$ -	$ -	$ 300,000
Leasing liability	86,366	(31,426)	13,483	(2,425)	-	65,998
	$ 86,366	$ 268,574	$ 13,483	($ 2,425)	$ -	$ 365,998

FY2022

	Jan 1, 2022	Cash flow	Non-cash change: New lease	Non-cash change: Decrease	Rental concession gain	Dec 31, 2022
Leasing liability	$ 92,917	($ 25,519)	$ 30,785	($ 9,898)	($ 1,919)	$ 86,366

XXXIII. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern that will provide returns for shareholders and maintain an optimal structure in equity and liabilities. The Group's overall strategy has not changed.

The parent company continues to keep its own capital at a sufficient level, in order to upgrade its business plan, operation budget, capital management and capital allocation.

(I). The goal of capital management

Subject to Regulations Governing Securities Firms, the parent company reports to regulators its capital adequacy ratio which is set by the company to be no less than 200%. When the ratio hits the alert level of 250%, the risk management committee will hold a meeting with business departments, in order to adjust portfolio positions and keep the ratio over the alert level.

(II) Policy and procedure of capital management

Through assessment of its qualified capital adequacy ratio and cash equivalents in operation risks (including market, credit and business risks), the Group evaluates its capability in facing a financial stress test and its appropriateness in risk management, in order to lay the groundworks for the portfolio and risk management policies among business departments.

(III). The capital adequacy ratios the parent company reported to the TWAE as of December 31, 2023 and December 31, 2022, are as follows:

Adequacy ratio of regulatory own capital on December 31, 2023 $= \frac{\text{Net of qualified regulatory own capital}}{\text{Cash equivalents in operation risks}} = 356\%$

Adequacy ratio of regulatory own capital on $\frac{\text{Net of qualified regulatory}}{}$ = 494%

December 31, 2022	own capital
	Cash equivalents in operation risks

XXXIV. Financial instruments

(I). Fair value information

1. Financial instruments not measured at fair value

The Merger Company believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

2. Financial instruments measured at recurring basis

(1). At fair value level

December 31, 2023

	LEVEL 1	LEVEL 2	LEVEL 3	Total
Financial assets measured at fair value through profit or loss				
Stocks listed in TWSE, TPEX and Emerging Market	$2,141,588	$ 41,353	$ 476,852	$2,659,793
Domestic Bond- TPEX	177,832	-	-	177,832
Domestic unlisted stocks	-	-	21,882	21,882
Foreign private equity funds	-	-	4,554	4,554
Total	$2,319,420	$ 41,353	$ 503,288	$2,864,061
Financial assets measured at fair value through other comprehensive gains and losses				
Equity Instrument Investment				
—Stocks listed in TWSE, TPEX and Emerging Market	$ 87,159	$ 37,600	$ 109,159	$ 233,918
—Domestic unlisted stocks	-	-	109,623	109,623
—Foreign depository receipts	57,654	-	-	57,654
Bond investment				
—Domestic government Bond	266,660	-	-	266,660
—Domestic corporate bond	798,013	1,499,196	-	2,297,209
Total	$1,209,486	$1,536,796	$ 218,782	$2,965,064

December 31, 2022

	LEVEL 1	LEVEL 2	LEVEL 3	Total
Financial assets measured at fair value through profit or loss				
Stocks listed in TWSE, TPEX and Emerging Market	$ 846,344	$ 43,250	$ 416,396	$1,305,990
Domestic Bond- TPEX	224,399	-	-	224,399
Domestic unlisted stocks	-	-	125,913	125,913
Foreign unlisted (overseas) stocks	-	-	24,877	24,877
Total	$1,070,743	$ 43,250	$ 567,186	$1,681,179
Financial assets measured at fair value through other comprehensive gains and losses				
Equity Instrument Investment				
—Stocks listed in TWSE, TPEX and Emerging Market	$ 83,670	$ 61,000	$ 76,417	$ 221,087
—Domestic unlisted stocks	-	-	19,000	19,000
—Foreign depository receipts	-	-	14,926	14,926
Bond investment				
— Domestic corporate bond	1,873,137	-	-	1,873,137
— Domestic financial bonds	98,752	-	-	98,752
Total	$2,055,559	$ 61,000	$ 110,343	$2,226,902

The transfer between fair value levels in 2023 and 2022 is mainly due to the merger of some of the new stocks held by the company, and observing the orderly trading volume among market participants to determine whether the investments are actively traded in an active market. transfer.

(2). Transactions of financial instruments measured at fair value by the Level 3

FY2023

	Financial assets measured at fair value through profit or loss – Equity instruments	Financial assets measured at fair value through other comprehensive profit or loss – Equity instruments	Total
Beginning balance	$ 567,186	$ 110,343	$ 677,529
Buy	776,759	185,120	961,879
Transfer in	8,302	-	8,302
Sanction	(689,373)	(38,728)	(728,101)
Transfer out	(142,507)	(47,484)	(189,991)
Recognized in profit/loss	60,432	-	60,432
Recognized in other comprehensive profit/loss	-	9,531	9,531
Disposal of Subsidiary - Loss of Control	(77,511)	-	(77,511)
Ending balance	$ 503,288	$ 218,782	$ 722,070

FY2022

	Financial assets measured at fair value through profit or loss – Equity instruments	Financial assets measured at fair value through other comprehensive profit or loss – Equity instruments	Total
Beginning balance	$ 634,098	$ 148,908	$ 783,006

Buy	551,030	38,000	589,030
Transfer in	1,395	-	1,395
Sanction	(637,735)	(12,195)	(649,930)
Transfer out	(55,495)	(64,800)	(120,295)
Recognized in profit/loss	73,893	-	73,893
Recognized in other comprehensive profit/loss	-	430	430
Ending balance	$ 567,186	$ 110,343	$ 677,529

(3). Level 2 Fair Value Measurement Evaluation Techniques

For corporate bond investments, the fair value is derived by referring to the theoretical price of market interest rates published by the OTC Buying Center.

Domestic listed OTC private equity stocks adopt the Black-Scholes-Merton evaluation model and are evaluated based on the transaction price, performance price, volatility, risk-free interest rate and duration of the investment target in the active market.

(4). Valuation techniques and inputs for Level 3 fair value measurements

Investments in domestic over-the-counter stocks and domestic unlisted (over-the-counter) stocks that cannot obtain orderly trading quotations among market participants in active markets are based on a method similar to that of listed over-the-counter companies to calculate the fair value of the investment target; foreign private equity funds are Calculate the fair value of the investment object using the asset method.

It can be compared to the listed company law system by referring to the transaction prices of companies engaged in the same or similar business in active markets, the value multipliers implied by these prices, and taking into account liquidity reduction to determine the target company's value. The main unobservable input is the liquidity haircut.

The asset method evaluates the total market value of individual assets and individual liabilities covered by the evaluation target, and takes into account the non-control discount and liquidity discount to reflect the overall value of the enterprise or business.

(II). Classification of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through profit and loss		
Mandatory financial assets measured at fair value through profit and loss	$ 2,864,061	$ 1,681,179
Measured by amortized cost（Note 1）	6,218,592	6,513,735
Financial assets measured at fair value through other comprehensive gains and losses	2,965,064	2,226,902
Financial liability		
Measured by amortized cost（Note 2）	6,791,582	5,545,389

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost - current, repurchased bond investments, securities financing receivables, refinancing guarantee prices receivable, accounts receivable, other receivables, Financial assets measured at amortized cost, such as pledged time deposits and collection amounts, amounts to be delivered and operating margins, delivery settlement funds and deposits under other current assets, are measured at amortized cost.

Note 2: The balance includes short-term borrowings, repurchase bond liabilities, securities lending margins, securities lending guarantee prices payable, accounts payable, other payables (excluding salaries, bonuses, remuneration and taxes payable) and temporary collections under other current liabilities. Payment - financial liabilities measured at amortized cost, such as dividends issued on behalf of the company and underwriting shares received in advance.

(III). Purpose and policy of financial risk management

The main financial instruments of the merged company include equity and debt investments, receivables, payables and lease liabilities, etc. Its main risks are market risk (including interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The main financial risks that the combined company will bear due to its operating activities are the risk of interest rate changes and the risk of changes in financial product prices.

There are no changes to the merged company's exposure to financial instrument market risks and its management and measurement of such exposures.

(1). Interest Rate Risk

The book amounts of the combined company's financial assets and financial liabilities subject to interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
－Monetary assets	$ 4,772,024	$ 5,122,692
－financial liabilities	4,796,878	4,609,673
Interest rate risk with cash flow		
－Monetary assets	288,543	309,452
－financial liabilities	250,000	-

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments at the balance sheet date. The change rate used in the consolidated company's assessment is a 20-basis point increase/decrease in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

A. Fair value interest rate risk

Some of the bond investments engaged in by the merged company are fixed-rate bond investments, so changes in market interest rates will cause changes in the fair value of the bond investments.

If the market interest rate rises/falls by 20 basis points, the comprehensive profit and loss in 2023 and 2022 will decrease/increase by NT$27,263,000 and NT$10,005,000 due to changes in the fair value of bond investments.

The merged company is exposed to fair value interest rate risk due to its holding of repurchase bond investments and repurchase bond liabilities. However, the merged company strictly controls the authorized positions to effectively control the interest rate risk of this type of business.

B. With cash flow interest rate risk

If the interest rate increases/decreases by 20 basis points, and all other variables remain unchanged, the pre-tax net profit of the combined company in 2023 will increase/decrease by NT$77,000; The pre-tax net loss in 2022 will decrease/increase by NT$619,000, mainly due to the exposure to interest rate risks of the merged company's current deposits and borrowing deposits.

(2). Other price risks

The combined company incurs price exposure due to investments in equity securities, convertible corporate bonds and private equity funds.

Sensitivity analysis

The following sensitivity analysis is based on the price exposure of financial assets measured at fair value through profit or loss on the balance sheet date. After considering the impact of changes in securities market policies, the change rate used in the combined company's 2023 and 2022 annual assessments is a price increase/decrease of 10%, which also represents management's assessment of the reasonably possible range of price changes.

If the prices of investment securities, convertible corporate bonds and private equity funds increase/decrease by 10%, the net profit before tax in 2023 will increase/decrease by NT$286,406,000 due to changes in the fair value of financial instruments that are forced to be measured at fair value through profit and loss; other comprehensive Profit and loss will increase/decrease by NT$296,506,000 due to changes in the fair value of financial assets measured at fair value through other comprehensive profit and loss.

If the prices of investment securities, convertible corporate bonds and private equity funds increase/decrease by 10%, the net loss before tax in 2022 will be reduced/increased by NT$168,118,000 due to changes in the fair value of financial instrument investments that are forced to be measured at fair value through profit or loss; Other comprehensive gains and losses will increase/decrease by NT$222,690,000 due to changes in the fair value of financial assets measured at fair value through other comprehensive gains and losses.

2. Credit risk

Credit risk refers to the risk of financial losses to the combined company due to breach of contractual obligations by the counterparty. As of the balance sheet date, the maximum credit risk exposure that the combined company may suffer due to the counterparty's failure to perform its obligations mainly comes from:
The carrying amount of financial assets recognized in the consolidated balance sheet.

The policy adopted by the merged company is to obtain sufficient guarantees to mitigate the risk of financial losses due to default and to use other publicly available financial information and mutual transaction records to rate customers. The combined company continues to monitor credit risk exposure and the credit ratings of counterparties.

3. Liquidity risk

The merged company manages and maintains sufficient cash and cash equivalents to support the company's operations and mitigate the impact of cash flow fluctuations. The management of the merged company monitors the utilization of bank financing lines and ensures compliance with the terms of the loan contract.

(1). Table of liquidity and interest rate risks.

The following table is a maturity analysis of non-derivative financial liabilities with agreed repayment periods of the combined company, and is prepared based on the undiscounted cash flow of financial liabilities.

December 31, 2023

	Interest rate (%)	Less than 1 month	1~3 months	3 mon. ~1 year	1~5 years	5 year ~
Non-derivative financial liabilities						

Interest-rate free liabilities		$ 1,744,703	$ -	$ -	$ -	$
Leasing liability	1.05%~ 1.36%	2,624	5,246	22,763	36,318	
Floating rate instruments	1.76%~ 1.88%	250,000	-	-	-	
Fixed interest rate instruments	1.150%~ 1.65%	4,761,588	40,149	-	-	
		$ 6,758,915	$ 45,395	$ 22,763	$ 36,318	$

December 31, 2022

	Interest rate (%)	Less than 1 month	1~3 months	3 mon. ~1 year	1~5 years	5 year ~
Non-derivative financial liabilities						
Interest-rate free liabilities		$ 935,716	$ -	$ -	$ -	$ -
Leasing liability	1.05%~ 1.38%	2,700	5,399	23,161	56,525	-
Fixed interest rate instruments	1.150%~ 1.285%	4,012,026	602,586	-	-	-
		$ 4,950,442	$ 607,985	$ 23,161	$ 56,525	$ -

(2) Financing amount

	December 31, 2023	December 31, 2022
Collateralized loans		
- Used amount	$ 300,000	$ -
- Unused amount	1,285,000	1,372,310
	$ 1,585,000	$ 1,372,310

XXXV. Transaction with related parties

(I) Name and relation of the related parties

Name of related party	Relation with the Group
Foryou venture capital Limited Partnership	Associate
Foryou Private Equity Limited Partnership	Associate
Beiley Biofund Inc.	The associated companies of the consolidated company since October 4, 2023

(II). Revenue

Account item	Type/Name of associate	2023	2022
Consulting fee revenue	Foryou venture capital Limited Partnership	$ 45,520	$ 16,948
Consulting fee revenue	Foryou Private Equity Limited Partnership	$ 10,635	$ 3,809
Share registry service revenue	Associate	$ 132	$ -
Other operating income	Associate	$ 21	$ -

Main revenue generated from related party is consulting fee that is separately negotiated under contract price and is paid in a period same as that from non-related parties.

(III) Non-operating income (loss)

Item	Name of related party	2023	2022
Other non-operating income	Beiley Biofund Inc	$ 120	$ -

(IV) Accounts Receivable

Related Parties Category	December 31, 2023	December 31, 2022
Accounts receivable		
Associate	$ 36,120	$ 7,523
Other receivables		
Associate	$ 61	$ -

The above receivables from related parties are of a custodial nature and are not guaranteed. No provision for bad debts was recognized as of December 31, 2023 and 2022.

(V) Financing Assets Acquiring

FY2023

Related Parties Category	Account Items	Transaction Stock	Transaction Target	Acquired Price
Associate	Financial assets at fair value through other comprehensive income - current	805,000	TFBS Bioscience	$ 45,885

FY2022

Related Parties Category	Account Items	Transaction Stock	Transaction Target	Acquired Price
Associate	Financial assets at fair value through other comprehensive income - current	400,000	Lianyou	$ 38,000

(VI) Remuneration to management

	2023	2022
Salary	$ 90,340	$ 35,333
Allowance for business execution	280	312
Share-based payment	1,511	-
	$ 92,131	$ 35,645

Remunerations granted to directors and the management team are determined by personal performances and market conditions.

XXXVI. Assets collateralized as security

To secure short-term borrowings and financing, the Group applies with the banks to issue guaranteed commercial papers by providing the following assets as collaterals as stated at the end of financial reporting period.

	December 31, 2023	December 31, 2022
Time deposits (classified in other current assets)	$ 450,000	$ 397,500
Financial assets at fair value through comprehensive income financial assets measured at fair value through profit and loss	-	6,360
	9,991	-
	$ 459,991	$ 403,860

XXXVII. Significant contingent liabilities and unrecognized contract commitments: None

XXXVIII. Significant disaster loss: None

XXXIX. Significant everts after the end of the financial reporting period: None

XXXX. Information about significant foreign currency-based assets

Below is the summary of the foreign currency-based assets not expressed in the nature of functional currency. The exchange rate is based on the significant foreign currency-based assets being swapped into the functional currency.

December 31, 2023

Unit: foreign currency / NT$1,000

Foreign currency-based assets	Foreign currency	Exchange rate	Book value
Nonmonetary Items			
US dollar	$ 2,026	30.74	$ 62,208

December 31, 2022

Unit: foreign currency / NT$1,000

Foreign currency-based assets	Foreign currency	Exchange rate	Book value
Nonmonetary Items			
US dollar	$ 1,296	30.71	$ 39,803

XXXXI. Supplementary disclosures

(I). Significant transactions information
1. Financing provided to other parties: None
2. Endorsement and guarantees provided: None
3. Acquisition of real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
4. Disposal of real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
5. Rebate of transaction fee to related parties by over NT$5 million: None
6. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None
7. Significant business relation, transaction and cash amounts in parent-subsidiary company and intercompany: Please see Table 2.

(II) information on investees
1. When directly or indirectly having significant influence or control over the investee company, the relevant information of the investee company shall be disclosed: Table 1.
2. For those with direct or indirect control over the investee company, relevant information on the major transactions of the investee company:
(1) Invested company's capital loan to others: none.
(2) The investee company endorses guarantees for others: none.
(3) The amount of real estate acquired by the investee company is NT$300 million or more than
20% of the paid-in capital: none.
(4) The amount of real estate disposed of by the investee company is NT$300 million or more
than 20% of the paid-in capital: none.
(5) The total transaction fee discount between the investee company and its related parties is more
than NT$5 million: none.
(6) The investee company's receivables from related parties' amount to NT$100 million or more
than 20% of the paid-in capital: none. (III). Information about overseas branches and representative offices: None

(IV). Information about investment in China: None

(V). Information about major shareholder: For information about names, holdings and stake by the shade holders with an over-5% stakes, please see Table 3.

XXXXII. Department information

The information is provided to the Group's policy-making team for the purpose of resource allocation and performance assessment. The departments that are required to report operation information are stated below.

Brokerage: Brokerage for marketable securities trading.
Underwriting: Underwriting for marketable securities.
Proprietary trading: Trading of marketable securities for its own account.
Others: Operating activities not belonging to brokerage, underwriting and proprietary trading.

Revenue and operating results by department

Information by the Group's departments that is required for reporting

2023					
Brokerage Dept.	Underwriting Dept.	Investment Dept.	Others	Elimination of Inter-department Transaction	Total

Revenue from non-corporate customers	$ 164,120	$ 515,572	$ 546,727	$ 157,522	$ -	$1,383,941
Inter-departmental revenue	-	-	-	72,283	(72,283)	-
Total Revenue	164,120	515,572	546,727	229,805	(72,283)	1,383,941
Expenses	(79,933)	(181,919)	(80,114)	(376,873)	72,283	(646,556)
Profit/Loss	$ 84,187	$ 333,653	$ 466,613	($ 147,068)	$ -	$ 737,385

	2022					
	Brokerage Dept.	Underwriting Dept.	Investment Dept.	Others	Elimination of Inter-department Transaction	Total
Revenue from non-corporate customers	$ 126,211	$ 427,561	($ 375,065)	$ 60,420	$ -	$ 239,127
Inter-departmental revenue	-	-	-	66,885	(66,885)	-
Total Revenue	126,211	427,561	(375,065)	127,305	(66,885)	239,127
Expenses	(67,264)	(169,555)	(59,568)	(209,077)	66,885	(438,579)
Profit/Loss	$ 58,947	$ 258,006	($ 434,633)	($ 81,772)	$ -	($ 199,452)

Note: The Group's policy-making team will not rely on the assets and liabilities in departments to make decisions, so that there is no need to disclose the assets and liabilities in departments.

Grand Fortune Securities Co., Ltd. and subsidiary
Information about names and locations
From January 1 to December 31, 2023

Table 1

Unit: NT$1,000, unless otherwise noted

Investing Company	Names of investee	Location	Set-up date	FSC's approval number	Main operation	Initial investment amount		Investment amount at end of current year			Revenue by investee at end of current year	Profit or loss by investee	Recognition of profit or loss in current year	Cash dividend in current year	Remark
						End of current year	End of last year	Shares	Stake %	Book value					
Grand Fortune Securities Co., Ltd	Beiley Biofund Inc. (Note 3,11)	Taiwan	Oct.15, 2013	FSC Ruling Jin-Kwong-Cheng No. 1020029470 (Note2)	Venture Capital	$ -	$226,504	-	-	$	$139,500	$88,615	$69,386 (Note 1)	$-	Subsidiary (Note 7,8)
	Grand Fortune Securities Investment Consulting Co., Ltd.	Taiwan	Mar. 5,2010	FSC Ruling Jin-Kwong-Cheng No. 1020029470 (Note6)	Securities consultant business	79,544	79,544	9,480,000	100	100,480 (Note 1)	22,464	1,381	1,381 (Note 1)	126	Subsidiary
	Grand Fortune Management Corporation	Taiwan	Oct. 24, 2013	FSC Ruling Jin-Kwong-Cheng No. 1020029470 (Note6)	Investment and management consulting	512,304	285,800	59,280,261	100	796,497 (Note 1)	121,596	1,076	1,076 (Note 1)	-	Subsidiary
	Fuyou Capital Co., Ltd	Taiwan	Jan 22, 2020		General Investment	200,000	-	22,029,931	100	352,995 (Note 1)	2,522	(8,436)	(7,933) (Note 1)	-	Subsidiary (Note7,9)
Grand Fortune Management Corporation	Beiley Biofund Inc. (Note 3)	Taiwan	Oct.15, 2013	FSC Ruling Jin-Kwong-Cheng No. 1080331978	Venture Capital	420,612	48,000	48,773,889	24.39	517,412	139,500	88,615	(40,979)	-	Associates accounted for using equity method (note 7,8,10)
	Foryou venture capital Limited Partnership	Taiwan	Mar. 13, 2019	(Note6)	General Investment	50,000	50,000	(Note 4)	9.62	68,512	5,450	(73,994)	(7,115)	2,930	Associates accounted for using equity method (note 5)
	Fuyou Capital Co., Ltd	Taiwan	Jan. 22, 2020	(Note6)	General Investment	-	150,000	-	-	-	2,522	(8,436)	(503) (Note 1)	-	Subsidiary (note 7,9)
	Foryou Private Equity Limited Partnership	Taiwan	Aug 9 ,2022	(Note6)	General Investment	70,000	40,000	(Note 4)	10	83,677	5,613	(5,282)	(528)	-	Associates accounted for using equity method (note 5)

Note1: The consolidation has been eliminated in the preparation of these consolidated financial statements.

Note 2: As the acquisition of You-Sheng Investment Consulting Co., Ltd. (renamed as Grand Fortune Securities Investment Consulting Co., Ltd.) by the parent company occurred in March 99, there is no original investment approval document issued by the Financial Supervisory Commission.

Note 3: Beiley Biofund Inc. was previously known as Fubon Entrepreneurial Investment Co., Ltd. It changed its name to Beiley Biofund Inc. on August 24, 2023.

Note 4: It is a limited partnership.

Note 5: Grand Fortune Management Corporation serves as the general partner (GP).

Note 6: In accordance with the Financial Supervisory Commission's letter No. 1070334245 dated October 24, 2017, Grand Fortune Management Corporation was approved to conduct a cash capital increase and to proceed with reinvestment according to its investment plan.

Note 7: According to the Financial Supervisory Commission's letter No. 1120333829 dated March 21, 2023, Grand Fortune Management Corporation was approved to adjust its organizational structure. Grand Fortune Management Corporation conducted a physical reduction of capital by using all of its shares in Foryou Capital Corporation, with the reference date for the reduction being March 28, 2023. Grand Fortune Securities Co., Ltd conducted a physical capital increase by using all of its shares in Beiley Biofund Inc. to increase capital for Grand Fortune Management Corporation, with the reference date for the increase being March 31, 2023.

Note 8: In an organizational restructuring conducted through a non-cash capital increase, Grand Fortune Securities Co., Ltd used its 50.51% equity holding in Beiley Biofund Inc. to fully offset the capital increase payment of Grand Fortune Management Corporation. After the organizational restructuring, Grand Fortune Management Corporation directly held 58.76% equity in Beiley Biofund Inc.

Note 9: In an organizational restructuring conducted through a non-cash reduction of capital, Grand Fortune Management Corporation used the full equity of Foryou Capital Corporation to offset the reduced capital returned to Grand Fortune Securities. After the organizational restructuring, Fubon Securities directly held 100% equity in Foryou Capital.

Note10: Beiley Biofund Inc. conducted a cash capital increase on October 4, 112. Due to Fubon Ventures not subscribing to Beiley Biofund Inc.'s shares in proportion to its ownership, the ownership ratio decreased from 58.76% to 24.39%, resulting in the loss of control over Beiley Biofund Inc.

Note 11: In accordance with the Financial Supervisory Commission's letter No. 1130332829 dated February 16, 113, approval was granted for the company to change its name to Beiley Biofund Inc. Subsequently, the change was completed through registration after approval at the shareholders' meeting.

Grand Fortune Securities Co., Ltd. and subsidiary
Transactions between parent company and subsidiary
From January 1 to December 31, 2023

Table 2

Unit: NT$1,000, unless otherwise noted

Number (Note 1)	Company name	Related party	Relation (Note 2)	Transaction			
				Item	Amount (Note 3)	Condition (Note 4)	% Consolidated revenue or assets
0	Grand Fortune Securities Co., Ltd	Grand Fortune Securities Investment Consulting Co., Ltd.	1	Labor cost	$ 17,940	—	1
			1	Other account receivables	59	—	-
			1	Other business revenue	60	—	-
		Grand Fortune Management Corporation	1	Other business revenue	60	—	-
			1	Other account receivables	14	—	-
		Fuyou Capital Co., Ltd	1	Financial assets at fair value through other comprehensive profit or loss - current	26,300	—	-
			1	Other account receivables	1		-
1	Grand Fortune Securities Investment Consulting Co., Ltd.	Grand Fortune Securities Co., Ltd	2	Consulting fee	17,940	—	1
			2	Other operating expenses	60	—	-
			2	Other payables	59	—	-
2	Grand Fortune Management Corporation	Grand Fortune Securities Co., Ltd	2	Labor cost	60	—	-
			2	Other payables	14	—	-
		Beiley Biofund Inc.	3	Consulting fee	54,223	—	4
			3	Financial assets at fair value through profit or loss - current	62,603		-
			3	Financial assets at fair value through profit or loss - non-current	50,840		-
3	Beiley Biofund Inc.	Grand Fortune Management Corporation	3	Labor cost	54,223	—	4
			3	Financial assets at fair value through profit or loss - current	62,603	—	-
			3	Financial assets at fair value through profit or loss - non-current	50,840	—	-

4	Fuyou Capital Co., Ltd	Grand Fortune Securities Co., Ltd	2	Financial assets at fair value through other comprehensive income - non-current	26,300	—	-
			2	Other payables	1		-

Note 1: Grand Fortune Securities Co., Ltd. and its subsidiaries are coded as follows:
1. Parent company is coded 0
2. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2: Transactions are categorized as follows:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: Inclusion in the preparations of the consolidated financial statements

Note 4: Transactions are negotiated between parent company and subsidiary

Grand Fortune Securities Co., Ltd. and subsidiary

Information for major shareholder

December 31, 2023

Table 3

Name of major shareholder	Shares	
	Holdings (shares)	Stake (%)
Huang Hsien-Hua	28,320,243	7.14%

Note 1: Provided by Taiwan Depository & Clearing Corp. at the last trading day in each quarter, the information indicates major shareholders with a combined stake of over 5% that is shown by the paperless registration (including treasury stock) of holdings in common and preferred shares. A difference might exist about the holdings amount at between the securities house' financial statements and the paperless registration being completed.

Note 2: If entrusted, the holdings of the shareholder must be disclosed separately at the trustee's account. For information about a transfer by an over-10%-stake insider, along with personal holdings and shares being entrusted, please refer to the MOPS website.

V. 2023 separate financial statement and auditor's report

1. Independent Auditors' Report

To the Board of Directors and Shareholders of Grand Fortune Securities Co., Ltd.

Opinion

We have audited the accompanying separate balance sheet of Grand Fortune Securities Co., Ltd. as of December 31, 2023, and 2022, and the related separate statements of separate comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the separate financial statements (including a summary of significant accounting policies).

In the opinion of this accountant, the aforementioned separate financial report has been prepared in accordance with the FSC's Financial Reporting Standards, as well as the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretive Bulletins approved and published by the Financial Supervisory Commission, in all material respects, and is sufficient to express the financial position of Grand Fortune Securities Co., Ltd as of December 31, 2023 and 2022, and the separate financial performance and cash flows for the year ended from January 1 to December 31, 2023 and, 2022.

Basis for Opinion

This accountant has conducted the audit work in accordance with the Rules Governing the Audit and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountant, and we 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements for the 2023. These matters were addressed in the context of our audit of the separate financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters for the audit of the 2023 separate financial statements of Grand Fortune Securities Co., Ltd.:

<u>Key Audit Matters-Evaluation of fair value of financial assets:</u>

As of December 31, 2023, Grand Fortune Securities Co., Ltd. held financial assets of NT$515,213,000 classified as Level 3 in fair value hierarchy, and its subsidiary held financial assets of NT$206,857,000 classified as Level 3 in fair value hierarchy using equity method. The fair value of these financial assets cannot be obtained from orderly transactions between market participants in an active market, or from non-active market financial assets, and the impact of their fair value estimation on the individual financial statements is significant.

Grand Fortune Securities Co., Ltd and its subsidiaries using the equity method of accounting for financial instruments primarily rely on valuation models to determine fair value. If the parameters used in the valuation model are observable inputs, either directly or indirectly, they are used as such. If the parameters are not observable, they must be adjusted. The selection and adjustment of these parameters involve significant estimation and judgement by management, which is why the auditor considers them to be a key audit matter.

The significant accounting judgements, estimates, and assumptions related to the fair value of financial instruments for Grand Fortune Securities Co., Ltd. and its subsidiaries using the equity method of accounting are explained in detail in Note V of their individual financial statements. The disclosure of the fair value of financial instruments can be found in Note XXXI of their individual financial statements.

The main audit procedures for the above key audit matter include:

1. Understanding the controls related to management's decision-making and approval of the valuation model and its assumptions, changes to the valuation model and its assumptions, and management's review of the valuation results.
2. Selecting samples for revaluation and comparing the results with management's valuation results, including reviewing the valuation method, understanding and evaluating the reasonableness of key valuation assumptions, and checking whether the differences are within an acceptable range.

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

The responsibility of management is to prepare separate financial statements that are appropriately expressed in accordance with the Securities Firms Financial Report Preparation Standards, and to maintain necessary internal controls related to the preparation of individual financial statements to ensure that they are free from material misstatement caused by fraud or error.

In preparing the separate financial statements, management's responsibility also includes evaluating the ability of Grand Fortune Securities Co., Ltd. to continue as a going concern, making disclosures related to significant matters, and continuing to use the going concern basis of accounting, unless there is an intention to liquidate Grand Fortune Securities Co., Ltd. or cease operations, or no other practical alternative exists other than liquidation or cessation of operations.

The governing body of Grand Fortune Securities Co., Ltd. (including the audit committee) has a responsibility to oversee the financial reporting process.

Auditor's responsibilities for the audit of the Separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 auditing standards 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the separate 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the separate financial statements (include related notes), including the disclosures, and whether the separate 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 Grand Fortune Securities Co., Ltd. Group to express an opinion on the separate financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

The CPAs has also provided the governance unit with a declaration that the personnel of the accounting firm to which this accountant belongs have followed the statements in the professional code of ethics for accountants relating to independence. This accountant has also communicated with the governance unit regarding any relationships or other matters that could be considered to affect the accountant's independence (including any relevant safeguards).

The CPAs has determined the key audit matters of the audit of the separate financial statements of Grand Fortune Securities Co., Ltd for the 2023 after communicating with the governance unit. The accountant will disclose these matters in the audit report, unless specific matters are prohibited from being publicly disclosed by laws and regulations, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report due to the reasonable expectation that the negative impact of such communication will outweigh the public interest gained.

Approval number from the Securities and Futures Commission	Approval number from the Financial Supervisory Commission
Tai-Tsai-Cheng (6) 0920123784	Jin-Kwong-Cheng No. 1060023872

Deloitte Taiwan
Hsieh Jian-Xin　　Chen Chiang-Shiun

March 12, 2024

Grand Fortune Securities Co., Ltd.
Separate balance sheet
December 31, 2023, and 2022

Unit: NT$1,000

Code	Assets	December. 31, 2022 Amount	%	Dec. 31, 2021 Amount	%
	Current asset				
111100	Cash & cash equivalents (notes 4 & 6)	$ 278,807	2	$ 644,004	6
112000	Financial assets measured at fair value through profit or loss- Current (notes 4,5,7,31)	2,763,713	22	1,150,206	11
113200	Financial assets measured at fair value through other comprehensive profit or loss- Current (notes 4,5,8,9,31,32,33)	2,703,524	21	2,093,624	20
114010	Bond investment with sell-back (note 4,10)	2,107,795	16	3,057,955	30
114030	Receivable amount for Margin Loans (notes 4,11)	1,146,862	9	810,537	8
114050	Refinancing Guarantee Price Receivable (note 4)	-	-	66	-
114130	Account receivable (notes 4,11,32)	470,561	4	293,540	3
114170	Other receivables (notes 4,11,32)	20,128	-	9,945	-
119000	Other current assets (notes 12,33)	1,787,388	14	1,077,152	10
110000	Total current assets	11,278,778	88	9,137,029	88
	Non-current assets				
124100	Investments Accounted for Using Equity Method (notes 4,13)	1,249,972	10	876,155	9
125000	Property, plant and equipment (notes 4,14)	15,825	-	21,698	-
125800	Right-of-use assets (notes 4,15)	57,666	1	74,185	1
127000	Intangible Assets (notes 4,16)	13,967	-	13,666	-
128000	Deferred tax assets (notes 4,26)	1,920	-	2,903	-
129010	Security of business (notes 17)	170,000	1	170,000	2
129020	Clearing and settlement fund (notes 17)	39,266	-	38,962	-
129030	Refundable deposits (notes 17)	9,187	-	9,437	-
129070	Net defined benefit asset – non-current (notes 4,23)	15,838	-	15,866	-
120000	Total non-current assets	1,573,641	12	1,222,872	12
906001	Total assets	$ 12,852,419	100	$ 10,359,901	100
Code	**Liabilities and equity**				
	Current liabilities				
211100	Short-Term Loan (Note 18)	$ 300,000	3	$ -	-
214010	Bonds Sold Under Repurchase Agreement (notes 4,19)	4,746,879	37	$ 4,609,673	45
214040	Securities lending margin	217	-	2,592	-
214050	Guaranteed price deposits received from securities borrowers (note 4)	240	-	2,767	-
214130	Accounts payable (notes 20)	388,149	3	236,410	2
214170	Other payable (notes 20,32)	297,954	2	173,745	2
214600	Current tax liabilities (notes 26)	23,433	-	50,629	-
216000	Lease liabilities-current (notes 4,15)	26,543	-	27,020	-

219000	Other current liabilities (notes 22)	1,338,849	11	679,505	7
210000	Total Current liabilities	7,122,264	56	5,782,341	56
	Non-current liabilities				
226000	Lease liabilities- non-current (notes 4,15)	32,439	-	48,876	-
906003	Total liabilities	7,154,703	56	5,831,217	56
	Equity (notes24)				
301010	Capital - Common Stock	3,961,619	31	3,601,619	35
302010	Additional Paid-In Capital	153,832	1	147,600	1
	Retained Earnings				
304010	Legal Reserve Retained Earnings	89,964	1	290,386	3
304020	Appropriated Retained Earnings	630,981	5	630,981	6
304040	Unappropriated Retained Earnings	729,681	5	(200,422)	(2)
304000	Total Retained Earnings	1,450,626	11	720,945	7
	Other Equity				
305140	Unrealized net profit on financial assets measured at fair value through other comprehensive profit or loss	131,639	1	58,520	1
906004	Total equity	5,697,716	44	4,528,684	44
906002	Total liabilities and equity	$ 12,852,419	100	$ 10,359,901	100

The notes attached are included in the separate financial statements

Chairman: Huang Bing-Jing　　Manager: Lin Ying Ming　　Accounting Supervisor ：Zhu Shicheng

Grand Fortune Securities Co., Ltd.
Separate statements of comprehensive income
January 1 to December 31, 2022, and 2021

Unit: NT$1,000
Earnings per share: NT$

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Income (Notes 4)				
401000	Brokerage handling fee revenue	$ 118,841	10	$ 78,669	45
404000	Underwriting business revenue	258,932	21	293,816	168
411000	Net profit from sale of securities - proprietary (Notes 24)	292,127	24	22,014	13
412000	Net profit from sale of securities -underwriting (Notes 24)	65,279	5	99,078	57
421100	Independent registrar revenue	149,207	12	140,928	80
421200	Interest revenue. (Notes 24)	105,483	9	94,452	54
421300	Dividend revenue	35,943	3	31,744	18
421500	Net Gains or Losses on Operating Securities at Fair Value through Profit or Loss) (notes 24)	151,128	12	(635,850)	(363)
421750	Realized gains (loss) from investments in Debt measured at fair value through other comprehensive profit or loss (Notes 23)	(3,705)	-	(2,589)	(2)
424100	Futures Commission revenue	367	-	263	-
425300	Impairment loss determined in accordance with IFRS 9 (notes 9,11)	(331)	-	996	1
428000	Other operating income (notes 24,31)	45,258	4	51,574	29
400000	Total income	1,218,529	100	175,095	100
	Expenditure & expense				
501000	Brokerage handling fee expenditures	7,326	1	4,636	2
502000	Dealer handling fee expenditures	86	-	34	-
503000	Refinancing fee expenses	24	-	2	-
521200	Financial cost (notes 24)	$ 63,721	5	$ 45,730	26
531000	Employee benefits (notes 4,24,31)	389,661	32	225,655	129
532000	Depreciation and amortization expenses (notes14,15,16,24)	41,749	4	36,370	21
533000	Other operating expenses (notes 31)	114,347	9	98,475	56
500000	Total expenditure & expense	616,914	51	410,902	234
5XXXXX	Operating profit	601,615	49	(235,807)	(134)
	Non-operating profit and loss				

Code		2023 Amount	2023 %	2022 Amount	2022 %
601000	Share of Profit of Associates & Joint Ventures Accounted for Using Equity Method (notes 4)	63,910	5	18,428	10
602000	Other Gains & Losses (notes 15,24)	19,197	2	8,013	5
600000	Non-operating profit and loss	83,107	7	26,441	15
902001	Net income before tax	684,722	56	(209,366)	(119)
701000	Income tax expense (notes 4,25)	(59,119)	(5)	(55,292)	(32)
902005	Net income			(264,658)	(151)
	Other Comprehensive Income	625,603	51		
805500	Components of other comprehensive income that will not be reclassified to profit or loss				
805510	Remeasurements of the defined benefit plan (notes 4,22)	(226)	-	2,596	1
805540	Equity instrument investment at fair value through other comprehensive profit or loss	37,542	3	23,790	14
805560	Other comprehensive income of Associates Accounted for Using Equity Method - that will not be reclassified to profit or loss	$ 112,728	10	$ 41,953	24
805600	Components of other comprehensive income that will be reclassified to profit or loss				
805615	Unrealized gains (loss) from investments in Debt measured at fair value through other comprehensive profit or loss	27,153	2	(34,369)	(20)
805000	Total other comprehensive profit or loss	177,197	15	33,970	19
902006	Total comprehensive profit or loss	$ 802,800	66	(230,688)	(132)
	Earnings per share (notes26)				
975000	Basic earnings per share	$ 1.61		($ 0.73)	
985000	Diluted earnings per share	$ 1.61			

The notes attached are included in the separate financial statements

Chairman: Huang Bing-Jing　　Manager: Lin Ying Ming　　Accounting Supervisor ：Zhu Shicheng

Grand Fortune Securities Co., Ltd.
Separate statements of change in equity
January 1 to December 31, 2023, and 2022

Unit: NT$1,000
Earnings per share: NT$

Code		Common stock (Note 24)	Pre-receipt of equity (Note 24)	Retained earnings(notes24)			Other Right (notes 24)	
				Legal reserve Legal reserve	Appropriated Retained Earnings	Unappropriated Retained Earnings (Pending loss)	Unrealized gains (losses) from investments in financial assets measured at fair value through other comprehensive profit or loss	Total Equity
A1	Balance (Jan. 1, 2022)	$ 3,001,349	$ 147,066	$ 149,658	$ 348,682	$ 1,425,528	$ 70,816	$ 5,143,099
	Surplus distribution (2021)							
B1	Statutory surplus reserve	-	-	140,728	-	(140,728)	-	-
B3	Special surplus reserve	-	-	-	282,299	(282,299)	-	-
B5	Cash dividend	-	-	-	-	(384,173)	-	(384,173)
B9	Stock dividend	600,270	-	-	-	(600,270)	-	-
		600,270	-	140,728	282,299	(1,407,470)	-	(384,173)
C7	Changes from subsidiary accounted for using equity method	-	-	-	-	(88)	-	(88)
C17	Dividends not received by shareholders over time	-	534	-	-	-	-	534
D1	Net Loss 2022	-	-	-	-	(264,658)	-	(264,658)
D3	Other comprehensive income (2022)	-	-	-	-	2,596	31,374	33,970
D5	Total comprehensive profit and loss (2022)	-	-	-	-	(262,062)	31,374	(230,688)
Q1	Disposal of equity instruments at fair value through other comprehensive profit or loss	-	-	-	-	43,670	(43,670)	-
Z1	Balance (December. 31, 2022)	3,601,619	147,600	290,386	630,981	(200,422)	58,520	4,528,684
	Surplus distribution (2023)							
B1	Statutory surplus reserve	-	-	(200,422)	-	200,422	-	-
D1	Net income (2023)	-	-	-	-	625,603	-	625,603

D3	Other Comprehensive Income after tax (2023)	-	-	-	-	(226)	177,423	177,197
D5	Total Comprehensive Income (2023)	-	-	-	-	625,377	177,423	802,800
E1	Cash Capital Increase	360,000	-	-	-	-	-	360,000
M7	Changes in ownership interests in subsidiaries	-	2,591	-	-	-	-	2,591
N1	Share-based payment transaction	-	3,641	-	-	-	-	3,641
Q1	Disposal of equity instruments at fair value through other comprehensive profit or loss	-	-	-	-	104,304	(104,304)	-
Z1	Balance (December. 31, 2023)	$ 3,961,619	$ 153,832	$ 89,964	$ 630,981	$ 729,681	$ 131,639	$ 5,697,716

The notes attached are included in the separate financial statements

Chairman: Huang Bing-Jing Manager: Lin Ying Ming Accounting Supervisor ：Zhu Shicheng

Grand Fortune Securities Co., Ltd. and subsidiary

Separate statements of cash flows

January 1 to December 31, 2023, and 2022

Unit: NT$1,000

Code		2023	2022
	Cash flows from operating activities		
A10000	This FY pre-tax net income	$ 684,722	($ 209,366)
A20010	Revenue & expense items		
A20100	Depreciation expense	36,586	31,870
A20200	Amortized expense	5,163	4,500
A20300	Impairment loss determined in accordance with IFRS 9	331	(996)
A20400	Net benefit measured at fair value	(151,128)	635,850
A20900	Interest expense	63,721	45,730
A21200	Interest income (Including financial income)	(116,216)	(98,410)
A21300	Dividend income	(35,943)	(31,744)
A21900	Remuneration cost for Employee stock options	8,927	-
A22400	Share of Profit of Associates Accounted for Using Equity Method	(63,910)	(18,428)
A23100	Profit from disposal of investments	(205)	-
A29900	Liquidation for subsidiary's loss	(187)	(1,560)
	Net Change in operating asset & liability		
A61110	Financial assets measured at fair value through profit or loss	(1,462,174)	359,087
A61130	Sale of bonds held for resale	950,160	1,833,597
A61150	Receivable Amount for Margin Loans	(336,722)	306,143
A61170	Refinancing Guarantee Price Receivable	66	(2)
A61250	Accounts receivable	(176,841)	140,431
A61280	Net defined benefit assets	(198)	(92)
A61290	Other receivables	1,473	(1,907)
A61365	Financial assets measured at fair value through other comprehensive profit or loss	(545,319)	(208,440)
A61370	Other current assets	(710,236)	29,299
A61990	Other non-current assets	-	403
A62110	Debt with repurchased bonds	137,206	(1,881,410)
A62160	Securities lending margin	(2,375)	2,368
A62170	Guarantee price payable for securities lending	(2,527)	2,456
A62230	Accounts payable	151,739	(216,652)
A62270	Other payable	$ 124,209	(172,259)
A62320	Other current liabilities	659,344	($ 8,443)
A33000	Operating Cash Flow	(780,334)	542,025
A33100	Interest charged	93,967	92,986
A33200	Dividends received	35,943	31,744
A33500	Income tax paid	(85,332)	(96,206)
AAAA	Operating activities Cash Flow	(735,756)	570,549
	Cash flow from investing activities		
B01800	Acquisition of investments accounted for using the equity method	(200,000)	
B02700	Acquire Property, plant and equipment	(2,949)	(14,058)
B03500	Increase in delivery and settlement funds	(1,747)	(150)
B03600	Decrease in settlement funds	1,443	1,040
B03700	Increased margin deposit	-	(1,741)
B03800	Decrease in deposits as collateral	250	-
B04500	Obtain intangible assets	(5,464)	(3,221)
B07500	Interest charged	10,593	3,923
B07600	Receive dividends from subsidiaries	126	138,523

BBBB	Net cash inflow from investing activities	(197,748)	124,316
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	2,270,000	1,261,000
C00200	Decrease in short-term borrowings	(1,970,000)	(1,261,000)
C00700	Increase in commercial promissory notes payable	-	50,000
C00800	Decrease in commercial promissory notes payable	-	(50,000)
C04020	Principal repayment for lease liabilities	(27,972)	(22,714)
C04500	Cash dividends	-	(384,173)
C04600	cash capital increase	360,000	-
C05600	Interest paid	(63,721)	(45,730)
C09900	Overdue dividends not received	-	534
CCCC	Net cash outflow from financing activities	568,307	(452,083)
EEEE	Net increase (decrease) in cash and cash equivalents	(365,197)	242,782
E00100	Cash and cash equivalents Balance at the beginning of the year	644,004	401,222
E00200	Cash and cash equivalents Balance at the end of the year	$ 278,807	$ 644,004

The notes attached are included in the separate financial statements

Chairman: Huang Bing-Jing　　Manager: Lin Ying Ming　　Accounting Supervisor ：Zhu Shicheng

1. Grand Fortune Securities Co., Ltd.
Notes to the separate financial statements

2023 and 2022 (from January 1 to December 31)
(Unless otherwise stated, the unit of NT dollar amount is based on NT$1,000)

I. Company history

Grand Fortune Securities Co., Ltd. (or the Company) was originally set up as the name of San Yang Securities on September 5, 1989, and was named as Grand Fortune Securities Co., Ltd on August 12, 2003.

The Company, being an integrated securities house, runs businesses of (I) underwriting of marketable securities, (II) proprietary trading, (III) brokerage of marketable securities, (IV) stock registrar, and (V) other securities-related business approved by the regulators. The Company's stock was listed on January 27, 2016, at the Taipei Stock Exchange. The separate financial statement is stated by the functional currency, NT dollar.

II. Date of authorization and procedure for the separate financial statements
The Board of Director authorized the statement on January 29, 2024.

III. Application and interpretations of new standards and amended regulations

(I). First-time adoption of the IFRS endorsed by the Financial Supervisory Commission (FSC), IAS, IFRIC, SIC and IFRSs. The new and amended regulations have no significant impact to the Company's accounting policy.

Except for the following explanations, the application of the revised IFRSs approved and issued by the FSC will not result in a material change in the Company's accounting policies:

(II). Application of IFRSs rules endorsed by the FSC in 2024.

New, rectified and amended regulations and interpretations	Effective date via the announcement of the IASB
Amendment of IFRS 16 about Lease liabilities in sale and leaseback transactions	January 1, 2024 (Note 2)
Amendment of IAS 1 about reclassification current or non-current of liabilities	January 1, 2024
Amendment of IAS 1 about r non-current liabilities with contractual terms	January 1, 2024
Amendments of IFRS 7 and IAS 7 about Supplier financing arrangement	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above newly issued/amended/revised standards or interpretations are effective for each annual reporting period beginning after that date.
Note 2: Sellers who are also lessees shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.
Note 3: Exemption from certain disclosure requirements upon initial application of this amendment.
Up to the date of the report printed, the above standards and interpretations have no significant impact to the financial condition and financial performance based on the Company's assessment.

(III). The new IFRS rules announced by IASB but not endorsed by FSC

New, rectified and amended regulations and interpretations	Effective date via the announcement of the IASB (Note 1)
Amendments of IFRS 10 and IAS 28 about sale or injection of assets between investors and their affiliated companies or joint ventures	Not decided yet
Insurance contract under IFRS 17	January 1, 2023
Amendment of IFRS 17	January 1, 2023
Amendment of IFRS 17-first applied IFRS 17 and IFRS 9-comparasion information	January 1, 2023

New, rectified and amended regulations and interpretations	Effective date via the announcement of the IASB (Note 1)
Amendment of IAS 21 about Lack of liquidity	January 1, 2025 (Note 2)

Note1: Unless otherwise stated, the above newly issued/amended/revised standards or interpretations are effective for each annual reporting period beginning after that date.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact on the figures will be recognized in retained earnings as of the initial application date. When the company expresses its currency in non-functional currency, the impact will adjust the exchange differences of foreign operations under equity on the initial application date.

Up to the date of the report printed, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IV. Summary of significant accounting policy

(I). Compliance statement

These separate financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms".

(II). Basis of preparation

Except for the financial assets at fair value and the net defined benefit assets based on the book value of benefit obligation less the fair value of plan assets, the separate statement is prepared under the historical cost method.

The different levels, from level 1 to level 3, that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

In preparations of the separate financial statements, the Company's investment in subsidiaries is accounted for using equity method. Profit, equity and other comprehensive income in the separate financial statements should be the same as profit, equity and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements. The difference of accounting treatment between the separate and consolidated financial statements will be adjusted in the "investment accounted for using equity method"," share of profit or loss from Investment accounted for using equity method", and "share of other comprehensive income from investment accounted for using equity method."

(III). Classification of current and non-current items in assets and liabilities

Current assets include:
1. Asset held mainly for trading purpose.
2. Assets that are expected to be realized within 12 months from the end of the financial reporting period.
3. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.

Current liabilities include:
1. Liabilities arising mainly from trading activities.
2. Liabilities that are to be paid off within 12 months from the end of the financial reporting period (even the liabilities are refinanced or restructured after the reporting date of the balance sheet); and

3. Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the end of the financial reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities, if not classified as mentioned above, are classified as non-current assets and non-current liabilities.

(IV). Margin loans for securities long and short positions; refinancing of margin loans for securities long and short positions.

Financing to margin traders for long positions by the Company is listed as receivable margin loans which are guaranteed by their underlying securities. The collaterals, booked in memorandum entry, will be returned to margin traders after their long positions are liquidated.

In the cases that the Company seeks capital from the securities and finance company to provide financing to margin traders for long positions, the financing is listed as the payable refinancing margin loans which are guaranteed by underlying securities.

In the cases that margin traders fail to meet the minimum margin requirements and fail to pay up the deficit of margin requirements, the margin loans will be re-listed into the overdue receivable account. In the cases that the margin traders' underlying stocks are unable to be liquidated, their receivable margin loans are re-listed into the other receivable account or overdue receivable account.

The company engages in securities margin lending and short selling business. If there is a need to borrow securities from a securities finance company for short selling, the margin or the difference in the transfer of securities for lending is recorded as securities margin lending. Stocks held as collateral to offset the margin for short selling are recorded as securities margin collateral, and handled through memorandum entries. The short selling proceeds received from clients are recorded as collateral proceeds for securities lending to the securities finance company. These are accounted for as accounts receivable for securities margin collateral proceeds.

(V). Investment accounted for using equity method

The company uses the equity method to account for investments in subsidiaries.
A subsidiary refers to an entity that our company has control over.
Under the equity method, the investment is initially recorded at cost, and subsequent changes in carrying amount are based on our company's share of the subsidiary's earnings and other comprehensive income, as well as any profit distributions. In addition, changes in other equity of the subsidiary that our company is entitled to are recognized based on our company's ownership percentage.

When changes in ownership interests of a subsidiary do not result in a loss of control by our company, they are treated as equity transactions. Any difference between the carrying amount of the investment and the consideration paid or received is directly recognized in equity.

Any unrealized gains or losses resulting from upstream transactions between our company and the subsidiary are eliminated in the separate financial statements. Any gains or losses resulting from downstream or lateral transactions between our company and the subsidiary are only recognized in the separate financial statements to the extent that they are not related to our company's equity in the subsidiary.

(VI). Property and equipment

Property and equipment are initially recorded at costs. Subsequent costs are based on the carrying value after the costs are deducted by the accumulated depreciation and impairment loss.

Depreciation of property and equipment are recorded on a straight-line basis during the useful lives. If each component of property and equipment is significant, it should be depreciated separately. The Company at the end of the financial reporting period will take at least one time of review over the estimated useful lives, residual value and depreciation method, and evaluate the potential impact of the depreciation.

In the cases of elimination of property and equipment, the difference between the disposal value and the carrying value of the assets is recognized in profit or loss.

(VII). Intangible assets

Computer software costs

Computer software is initially recorded at costs. Subsequent costs are based on the carrying value after the costs are deducted by the accumulated depreciation and impairment loss. Intangible assets are amortized over a straight-line basis. The Company at the end of the financial reporting period will take at least one time of review over the estimated useful lives, residual value and depreciation method, and evaluate the potential impact of the depreciation. The Company will dispose of the intangible assets before the useful lives, before which residual value is estimated at zero.

In the cases of elimination of intangible assets, the difference between the disposal value and the carrying value of the assets' book value is recognized in profit or loss.

(VIII). Impairment of property and equipment

On each balance sheet date, the Company evaluates whether there is any indication of impairment for property, plant and equipment, right-of-use assets, and intangible assets. If any impairment indicator exists, the Company estimates the recoverable amount of the asset. If the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets is significantly impaired in relation to their related recoverable amounts, a loss is recognized for the impairment. If the related recoverable amount of the property, plant and equipment, right-of-use assets, and intangible assets subsequently increases, the impairment loss is reversed and recognized as income. However, the carrying amount of the property, plant and equipment, right-of-use assets, and intangible assets after the reversal of the impairment loss cannot exceed the carrying amount of the asset before recognizing the impairment loss, less any depreciation or amortization that would have been recognized had no impairment loss been recognized.

(IX). Financial instrument

Financial assets and liabilities are recognized in the separate balance sheet when being recognized and effective in the transaction contracts.

At initial recognition, the Company measures the financial assets and liabilities, if not at fair value through profit or loss, at fair value plus transaction costs. The Company measures the financial assets and liabilities, if available for being classified as those at fair value through profit of less, directly at fair value:

1. Financial assets
Records of financial assets are recognized and derecognized on the transaction dates.

(1) Measurement type
Financial assets held by the Company include those at fair value through profit or loss, those financial debt instruments at fair value through other comprehensive income, and those measured at amortized cost.

A. Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets that are mandatory measured at fair value through profit or loss. Financial assets that are mandatory measured at fair value through profit or loss are those not identified by the Company as equity instruments at fair value through other comprehensive income, and financial debt instruments not measured at amortized cost or fair value through other comprehensive income.

Profit or loss generated by the financial assets at fair value through profit or loss, including dividend income and interest income, is recognized in profit or loss. Method to decide the fair value of the assets is disclosed in the Note XXXI.

B. Debt instruments at fair value through other comprehensive income

The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:

a. The objective of the Company's business model is achieved by both collecting contractual cash flows and selling financial assets; and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at fair value through other comprehensive income are measured at fair value. The changes of book value, including interest income based on the effective interest rate, foreign exchange gain or loss, or a reversal of profit, are recognized in profit or loss. Changes in other instruments are recognized in other comprehensive income. Disposal of the instruments will be booked in profit or loss.

Interest income is calculated as the effective interest rate multiplied by the total carrying amount of financial assets, except in the following two situations:

a. For purchased or originated credit-impaired financial assets, interest income is calculated as the effective interest rate adjusted for credit risk multiplied by the amortized cost of the financial assets.
b. For financial assets that were not initially credit-impaired but subsequently become credit-impaired, interest income should be calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period following the credit impairment.

Credit-impaired financial assets refer to financial assets where the issuer or debtor has experienced significant financial difficulties, default, is likely to file for bankruptcy or other financial restructuring, or where the active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include highly liquid commercial paper that matures within three months from the acquisition date, can be readily converted into known amounts of cash, and carries minimal risk of value fluctuations. They are used to meet short-term cash commitments.

C. Investments in debt instruments measured at fair value through other comprehensive income (OCI).

The financial assets are measured at amortized costs if both of the following conditions are met:

a. Held for the purpose of collecting contractual cash flows
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instrument investments measured at fair value through other comprehensive income are initially recognized and subsequently measured at fair value. Changes in the carrying amount attributable to interest income calculated using the effective interest method, foreign exchange gains or losses, impairment losses or reversals, are recognized in profit or loss. All other changes are recognized in other comprehensive income. Upon disposal of the investment, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

D. Fair value through other comprehensive income equity investments
At the time of original recognition, the Company may make an irrevocable choice to designate the investment in equity instruments that are not held for trading and that are not recognized by the acquirer for business combination as contingent consideration to be measured at fair value through other comprehensive gains and losses.
Equity instrument investments measured at fair value through other comprehensive profit or loss are measured at fair value, and subsequent changes in fair value are reported in other comprehensive profit or loss and accumulated in other equity. When the investment is

disposed of, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.
Dividends invested in equity instruments at fair value through other comprehensive profit or loss are recognized in profit or loss when the Company's right to receive payment is established unless the dividend clearly represents the recovery of part of the investment cost.

(2) Impairment of financial assets

Impairment of financial assets is the impairment of financial assets (including account receivables) and debt instruments through other comprehensive income, based on expected credit impairment and measured after being amortized at costs

Impairment of account receivables is recognized at the allowance for loss account and is based on the expected credit loss in the duration. In the case of an insignificant increase of credit risk, the impairment of other financial assets is recognized in the allowance for loss account and is based on the expected credit loss within a 12-month period. In the case of a sharp increase, the impairment is recognized in the allowance for loss account during the duration.

The expected credit loss is based on the weighted average default risk. The 12-month period of the expected credit loss is the default risk that is expected to be faced by financial assets after being recorded within 12 months. Expected credit loss in duration is the default risk that is expected to be faced by financial assets in the duration.

For internal credit risk management, the company decides the following circumstances represent that the financial assets have defaulted without considering the collateral held.

A. Internal and external sources indicate that the debtors are not likely to pay back debt.

B. The overdue loan hits over 180 days, unless otherwise proved by appropriate evidence of the deferred date of the risk.

The impairment of financial assets come after the downward adjustment of book value through the allowance for loss account, while the impairment of debt instruments at fair value through comprehensive income is recognized in the other comprehensive income account and will not reduce the book value.

(3) Delisting of financial assets

The Company delists a financial asset when the contractual rights to receive cash flows from the financial asset has expired; and the contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially almost all risks and rewards of ownership of the financial asset.

When the financial asset measured at amortized costs is delisted, the difference between the resulting book value and the considerations being received is recognized in profit or loss. When the financial liabilities at fair value through other comprehensive income is delisted, the difference is booked in profit or loss, and is between the resulting value and the consideration being received plus the sum of accumulated difference that has been already booked in other comprehensive income and is between the accumulated profit and loss.

2. Equity instrument

The equity instrument is recognized at the costs where initial costs of acquisition are deducted by the costs of direct offering. Redemption of the equity instrument is recognized and delisted under the equity account, while the purchase, sale, offering or cancellation of the Company’s equity instrument is not recognized as profit or loss.

3. Financial liabilities

(1), Measurement

Financial liabilities are stated at the amortized costs using the effective interest rate method.

(2). Relisting of financial liabilities
The difference between the book value and the considerations being paid (including all transferred non-cash assets or assumed liabilities) is recognized in profit or loss.

(X). Revenue recognition

The Company recognizes revenue when clients agree with the contractual rights and obligation, and complete settlement of the trades according to the contracts.

Labor revenue is recognized on the providing of labor services.

(XI). Repo trades

Repo trades include reverse repurchase agreement and re-purchase agreement in bond trading, classified as investment of reverse repurchase in bond and liabilities of repurchase in bond. The interest revenue and expense are based on the pre-set interest rates.

(XII). Lease

The Company evaluates the leasing contracts on the signing dates.

<u>The Company is a renter.</u>
Except in the case that recognition-exempted low-price leasing targets and short-term leasing targets are expense on a straight-line basis, expense of other targets is recognized when the leasing contracts are effective.

Right-of-use assets are initially measured at costs, and sub sequentially measured by the value after being depreciated and impaired. The assets are classified in the separate financial statement.

Based on a straight-line method, depreciation of right-of-use assets are decided by the longer period between the durable period or the expiration date of leasing period.

Leasing liabilities are measured by the current value of leasing payment which will be discounted by the implied interest rate, if accessible, or by the interest rate of renter's additional borrowings, if the implied interest rate is not accessible.

Subsequently, leasing liabilities are measured on the amortized costs using the effective interest rate, and interest payment is amortized during the leasing period. Re-measure of the liabilities will be taken, if the payment is different due to a change of the benchmark against the payment or a change of the interest rate, with the remeasurements adjusted in the right-of-use assets as well. In the case that the book value of the right-of-use assets is down to zero, the remeasurements amount will be included into profit or loss. Leasing liabilities are stated in the separate balance sheet.

The company negotiated rents directly related to the Covid-19 with the lessor, and adjusted rents due before June 30, 2022, resulting in a decrease in rents. These negotiations did not significantly change other lease terms. The Company chooses to adopt a practical expedient approach to handle all rental negotiations that meet the conditions and does not assess whether the negotiation is a lease modification, but instead recognizes the reduction in lease payments in profit or loss when a concession event or circumstance occurs and reduces the lease accordingly debt.

(XIII). Employee benefits
1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Retirement benefits

For defined benefit contribution plan, the contribution is recognized as expense when the pension is accrued during employee working period.

The defined benefit costs (including service costs, net interest income and remeasurements) of the defined retirement benefit plan are based on the actuarial estimates of projected unit benefit. Services costs (including service costs in the current year, services costs in the prior year and payment), net interest income of net benefit liabilities (assets), as well as revision, scale-back or payment, when being in place, are recognized as the expense of employee benefits. Remeasurements arising on defined benefits plan are, in the period in which they arise, recognized in other comprehensive income and in retained earnings, not to be reclassified into profit or loss.

Net benefit liabilities or assets are the shortfall or surplus of contribution under the defined retirement benefit plan. Net benefit assets cannot exceed the current value of the projected contribution or the projected deduction in the plan.

(XIV). Employee share-based payment agreement

1. Certificate of employee stock ownership plan (ESOP) to employee

The ESOP is the equity instrument based on fair value and projected amount and is recognized as expense on a straight-line basis during the distribution period. The distribution will affect the capital surplus – ESOP. Expense of the ESOP is recognized at the date when the distribution takes places.

The Company at the end of a financial reporting period adjusts the estimated distribution of new shares under the ESOP. A change of the estimates is recognized in profit or loss, to reflect the accumulated expense and the adjustment in the capital surplus – ESOP.

2. Share-based payment agreement to employee in subsidiaries

The ESOP granted to employees in subsidiaries is regarded as the Company's investment in subsidiaries and is measured at fair value on the grant dates. The distribution will affect the capital surplus – ESOP and is recognized as an increase of the book value of the Company's investment in subsidiaries during the grant period.

(XV). Income tax

The tax expense for the period comprises current and deferred tax.

1. Current income tax

Subject to local tax regulations, the Company reports its tax payment, payable or recoverable, after calculating the profit or loss in the current year.

The tax payment arising from the tax levied against undistributed retained earnings is decided at the annual shareholder meeting. Adjustment of the payable tax amount is included into the income tax in the current year.

2. Deferred income tax

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements.
Deferred income tax liabilities are recognized as taxable temporary differences. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.
At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed. The carrying amounts will be reduced in respect to the assets that will not be taxed. The assets that are not regarded as the sources of deferred income tax are under review at the end of the financial report period. The carrying amounts will be increased in respect to the assets that will be taxed.

Temporary differences of tax payment related to subsidiaries is recognized in deferred income tax, except in a time that the Company can identify the timing of a reversal of the temporary difference which is also regarded as not being available for a reversal in the foreseeable future. The deductible temporary difference from such investment and equity is recognized in deferred income tax assets, subject to the condition that the difference can be realized through sufficient profit and be reversed within expectation in the foreseeable future.

At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed. The carrying amounts will be reduced in respect to the assets that will not be taxed. The assets, that are not regarded as the sources of deferred income tax, are under review at the end of the financial report period. The carrying amounts will be increased in respect to the assets that will be taxed.

The tax rate of deferred income tax is based on the tax laws enacted or substantively enacted at the end of the financial reporting period. The deferred assets and liabilities are measured by the estimated book value that can be reclaimed or liquidated at the end of financial reporting period.

3. Current and deferred income tax

The current and deferred income tax is recognized in profit or loss, while the current and deferred income tax, being recognized in other comprehensive income, is recognized in other comprehensive income.

V. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these financial statements requires management to make critical judgments, estimates and assumptions by applying the historical experiences and other relevant factors. The resulting accounting estimates and assumptions might be different from the actual results.

The management team will continue to review estimates and underlying assumptions.
Primary Sources of Uncertainty in Estimation and Assumptions
Measurement at fair value

The Company must have appropriate measurement methods to estimate the fair value, if financial assets become inactive in an active market, or list in an inactive market.

In the cases that the Level 1 input value is not available to get the fair value, the Company will consider the investee's financial condition and operation results, as well as comparable price quotes and targets to be used as Level 1 input value. A change of fair value will be seen, if the Level 1 input led to results that are different from excepted.
Please see Note XXXI for the descriptions of input and technologies for fair value.

VI. Cash and cash equivalents

	December. 31, 2023	December 31, 2022
Cash		
Petty cash	$ 190	$ 190
Bank check deposit	1,004	889
Bank demand deposit	227,640	243,060
Cash equivalents (Investment with Original expiry date in 3 months)		
Commercial Paper	49,973	399,865
	$ 278,807	$ 644,004

Range of interest rates:

	December. 31, 2023	December 31, 2022
Commercial Promissory paper	1.14%	0.75%～0.83%

VII. Financial instruments at fair value through profit or loss

Financial assets at fair value through profit or loss – current

Brokerage of securities

	December. 31, 2023	December 31, 2022
Mandatory to measure at fair value through profit and loss		
Operating securities net - proprietary	$ 1,253,267	$ 823,770
Operating securities net - underwriting	1,510,446	326,436
	$ 2,763,713	$ 1,150,206

Proprietary		
Stock- TWSE	$ 408,841	$ 162,944
Stock-TPEX	97,344	192,230
Bond- TPEX	109,527	97,784
Stock- Emerging market	507,740	405,383
Stock- Unlisted company (domestic)	7,421	7,418
	1,130,873	865,759
Operating Securities - proprietary Adjustments	122,394	(41,989)
	$ 1,253,267	$ 823,770
Underwriting		
Stock- TWSE	$ 1,452,051	$ 182,218
Stock-TPEX	-	20,166
Bond- TPEX	70,934	123,336
	1,522,985	325,720
Operating Securities - underwriting Adjustments	(12,539)	716
	$ 1,510,446	$ 326,436

As of the year ended December 31, 2023 and 2022, the cost of the proprietary bond investments was NT$99,935,000 and NT$0, respectively, with attached repurchase agreements for sale.

VIII. Financial assets at fair value through other comprehensive income

(1) Investment by debt instruments

	December. 31, 2023	December 31, 2022
Current		
Debt Instrument Investment	$ 2,563,869	$ 1,971,889
Equity instrument investment	139,655	121,735
	$ 2,703,524	$ 2,093,624

	December. 31, 2023	December 31, 2022
Current		
Domestic investment		
Government bond	$ 268,053	$ -
Corporate bond	2,302,724	1,905,262
Financial debt	-	100,574
Allowance for loss	(1,153)	(1,039)
Evaluation adjustment	(5,755)	(32,908)
	$ 2,563,869	$ 1,971,889

(I). For the credit risks and assessment of impairment from the debt instruments at fair value through other comprehensive income, please see Note IX.

As of the fiscal years that ended on December 31 in 2023 and 2022, the investment costs of the debt instruments at fair value through other comprehensive income reached NT$2,560,779 and NT$1,553,068,000 respectively, and the instruments had been sold through the re-purchase agreements.

Some of the government bonds of the company have been provided to the central bank as bid bonds for bond trading. Please refer to Note XXXIII.

(2) Debt Instrument Investment

	December. 31, 2023	December 31, 2022

Current		
Domestic investment		
Stock- Emerging market	$ 50,844	$ 64,800
Stock-Over-The-Counter market	70,400	47,629
Evaluation adjustment	18,411	9,306
	$ 139,655	$ 121,735

The company invests in the above equity instruments for strategic purposes. The management of the company believes that if the fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the investment plan, so it chooses to designate these investments to be measured at fair value through other comprehensive gains and losses.

IX. Credit risk management for investment by debt instruments

Information of financial assets using debt instruments at fair value through other comprehensive income

	December. 31, 2023	December 31, 2022
Total book amount	$ 2,570,777	$ 2,005,836
Allowance for loss	(1,153)	(1,039)
Amortized cost	2,569,624	2,004,797
Fair value adjustment	(5,755)	(32,908)
	$ 2,563,869	$ 1,971,889

The bond department of the Company establishes its regulations for the up-ceiling and risk management in terms of bond investments that will be targeted at bonds with credit ratings at or over twA-, as well as debt instruments guaranteed by banks. Information of credit rating is offered by independent credit rating institutions and is provided to the Company for review at the end of a fiscal year. As such, a change of credit rating in the debt instruments will be informed to the risk management units in the written forms.

The Company will measure the estimated credit loss of the debt instruments in a 12-month or a duration period, by taking into considerations historical default rate, financial background of debtors and industry outlook faced by the debtor.

Mechanism of credit risk rating currently used by the Company

Credit rating	Definition	Period to recognize the estimated credit loss
Normal	Solid solvent condition shown by debtor with low credit loss risk	12-month
Abnormal	Rising credit risk since the initial recognition	Credit loss in the duration period (Not impaired)
Default	Proof of credit loss	Credit loss in the duration period (Already impaired)
Write-off	Proof of debtors; financial troubles and difficulties for the Company to reclaim investment	Immediately

The total of book value in debt instruments investment and expected ratio of credit loss

December 31, 2023

Credit rating	Credit rating	Total book value
Normal	0%~0.2080%	$ 2,570777

December 31, 2022

Credit rating	Expected credit loss rate	Total book amount
Normal	0%~0.2080%	$ 2,005,836

The allowance of loss from credit loss by the Company's investment using debt instruments at fair value through other comprehensive income

Credit rating		
Normal (12-month expected credit loss)	Abnormal (Expected credit low during the duration without	Default (Expected credit loss during the duration and credit

		credit impairment)	impairment)
Balance (Jan. 1, 2023)	$ 1,039	$ -	$ -
Recognized	114	-	-
Balance (Dec. 31, 2023)	$ 1,153	$ -	$ -
Balance (Jan. 1, 2022)	$ 857	$ -	$ -
Recognized	182	-	-
Balance (Dec. 31, 2022)	$ 1,039	$ -	$ -

X. **Bond investment with sell-back**

	December. 31, 2023	December 31, 2022
government bonds	$ 1,455,518	$ 1,252,950
corporate debt	652,277	1,805,005
	$ 2,107,795	$ 3,057,955

The company's bond investments with put-back are all due within 1 year, and the relevant information about the agreed sell-back price and interest rate is as follows:

	December. 31, 2023	December 31, 2022
Agreed sell-back price	$ 2,110,040	$ 3,061,475
rate	1.220%~1.400%	1.180%~1.310%

The above-mentioned bond investments with repurchase on December 31, 2023 and 2022, have all been sold with repurchase.
The company assessed that as of December 31, 2023 and 2022, there is no need to set aside the allowance for losses on the bond investment with put-back.

XI. Receivable securities margin loans/accounts receivable/other receivables/overdue receivables

(I) Receivable securities margin loans

	December. 31, 2023	December 31, 2022
Receivable securities margin loans	$ 1,148,217	$ 811,495
Less: Allowance for loss	(1,355)	(958)
	$ 1,146,862	$ 810,537

The above-mentioned receivable securities margin loans are secured by stocks that are bought by clients in margin accounts. The Company everyday reviews clients' maintenance ratios in margin accounts and will inform them to keep the ratios at over 130%.

(II) Information about accounts receivable, other receivables and overdue receivables

	December. 31, 2023	December 31, 2022
Accounts receivable		
Settlement accounts receivable-entrusted	$ 176,420	$ 138,250
Settlement accounts receivable- non-entrusted	34,162	6,346
	203,364	91,874
Delivery price	147	-
Others	57,437	58,219
less: Allowance for loss	(969)	(1,149)
	$ 470,561	$ 293,540
Another receivable		
Interest	$ 19,264	$ 7,608
Related person payments	74	2,283
Others	790	54
	$ 20,128	$ 9,945
Overdue Receivables		
Overdue Receivables	$ 23,707	$ 23,707
less: Allowance for loss	(23,707)	(23,707)
	$ -	$ -

To mitigate credit risk, our company has established internal control systems and procedures for credit limit determination and approval. In addition, we review the recoverable amount of each account receivable on the balance sheet date to ensure appropriate impairment losses have been recognized for uncollectible accounts.

The company recognizes allowance for doubtful accounts based on expected credit losses over the expected lifetime of accounts receivable. Expected credit losses take into account past default history, current financial condition, industry and economic trends and outlook, and are determined based on the number of days past due of the accounts receivable.

Estimated allowance of loss from receivable securities margin loans and account receivables as below:

December 31, 2023

			Others					
	Securities financing	Securities settlement payment	Not overdue	Overdue 1～90 days	Overdue 91～120 days	Overdue 121～180 days	Overdue >180 days	Total
Expected credit loss rate	0.118%	0%	0%~0.6%	1.21%~15.41%	64.84%	75.77%~97.01%	100%	
Total book amount	$ 1,148,217	$ 413,946	$ 33,345	$ 24,089	$ 107	$ 33	$ 10	$ 1,619,747
Allowance for loss (expected credit losses during the duration)	(1,355)	-	(95)	(769)	(70)	(25)	(10)	(2,324)
Amortized cost	$ 1,146,862	$ 413,946	$ 33,250	$ 23,320	$ 37	$ 8	$ -	$ 1,617,423

December 31, 2022

	Securities financing	Securities settlement payment	Others: Not overdue	Others: Overdue 1～90 days	Others: Overdue 91~120 days	Others: Overdue 121~180 days	Others: Overdue >180 days	Total
Expected credit loss rate	0.118%	0%	0%~0.64%	1.23%~10.53%	50.79%	65.14%~85.5%	100%	
Total book amount	$ 811,495	$ 236,470	$ 32,648	$ 25,172	$170	$177	$52	$ 1,106,184
Allowance (expected credit loss in duration)	(958)	-	(84)	(791)	(86)	(136)	(52)	(2,107)
Amortized cost	$ 810,537	$ 236,470	$ 32,564	$ 24,381	$ 84	$ 41	$ -	$ 1,104,077

Change of estimated allowance of loss from receivable securities margin loans and account receivables

	2023	2022
Beginning Balance	$ 2,107	$ 2,882
plus：current FY Impairment loss	217	(775)
Ending Balance	$ 2,324	$ 2,107

Change of estimated allowance of loss from overdue receivables

	2023	2022
Beginning Balance	$ 23,707	$ 24,110
Plus(minus)：Current FY impairment gain and reversal of impairment loss	-	(403)
Ending balance	$ 23,707	$ 23,707

Overdue receivables come from the defaults of margin trading and overdue account receivables and are fully recognized in allowance of loss.

XII. Other financial assets – current

	December. 31, 2023	December 31, 2022
Collection of cash dividend	$ 1,316,106	$ 652,462
Pledged time deposit	447,500	397,500
Collection of underwriting shares	18,626	23,930
Pending payment	2,653	2,308
Prepayments	1,399	-
Others	1,104	952
	$ 1,787,388	$ 1,077,152

(I) Interest rates of pledged time deposits in 2023 and 2022 respectively stood at 0.36%～1.60% and 0.07%～1.35%.

(II) For the Company's deposits for the purpose of banking loans, please see Note XXXIII.

XIII. Investment accounted for using equity method

Investment in subsidiary – not listed on the TWSE and TPEX

	December. 31, 2023	December 31, 2022
Beiley Biofund Inc.	$ -	$ 310,661
Grand Fortune Securities Investment Consulting Co., Ltd.	100,480	99,064
Grand Fortune Management Corporation	796,497	466,430
Foryou Capital Corporation	352,995	-
	$ 1,249,972	$ 876,155

% Of stakes and voting rights

	December. 31, 2023	December 31, 2022
Beiley Biofund Inc.	-	50.51%
Grand Fortune Securities Investment Consulting Co., Ltd.	100%	100%
Grand Fortune Management Corporation	100%	100%
Foryou Capital Corporation	100%	-

(I). Beiley Biofund Inc. previously known as "Grand Fortune Venture Capital Corporation " underwent a transformation into a sustainable biotech venture capital company, as resolved by its shareholders' meeting in June 2023. It officially changed its name to " Beiley Biofund Inc." on August 24, 2023.

(II). In March 2023, Grand Fortune Management Corporation conducted an organizational restructuring through a non-cash capital increase. The parent company used its 50.51% equity holding in Beiley Biofund Inc. to fully offset the capital increase payment of Grand Fortune Management Corporation, totaling NT$380,047,000. After the organizational restructuring, Grand Fortune Management Corporation directly held 58.76% equity in Beiley Biofund Inc. Additionally, Beiley Biofund Inc. conducted a cash capital increase on October 4, 2023. Since the parent company did not subscribe to Beiley Biofund Inc.'s shares in proportion to its ownership, the ownership ratio decreased from 58.76% to 24.39%, resulting in the loss of control over Beiley Biofund Inc. For further explanation regarding the loss of control over Beiley Biofund Inc., please refer to Note XXXI.

(III). In March 2023, Grand Fortune Management Corporation conducted an organizational restructuring through a non-cash reduction of capital. Grand Fortune Management Corporation used the full equity of Foryou venture capital Limited Partnership to offset the reduced capital NT$292,993,000 returned to the parent company. After the organizational restructuring, the parent company directly held 100% equity of Foryou venture capital Limited Partnership.

(IV) In August 2022, Beiley Biofund Inc. distributed cash dividends, with the parent company receiving NT$134,863,000 based on its ownership percentage.

(V) Grand Fortune Securities Investment Consulting Co., Ltd. distributed cash dividends of NT$126,000 in 2023 and NT3,660,000 in March 2022. These amounts are subtracted from the carrying value of investments accounted for using the equity method in the company's financial statements.

(VI) The profit or loss and other comprehensive income attributable to subsidiaries accounted for using the equity method for the 2023 and 2022 are recognized based on the financial statements audited by the respective subsidiaries' accountants during the same periods

XIV. Property and equipment

	December. 31, 2023	December 31, 2022
Self-occupied		
office equipment	$ 7,754	$ 10,318
Lease improvement	8,071	11,380
	$ 15,825	$ 21,698

	Office equipment	Lease improvement	Total
Cost			
Balance (Jan. 1, 2023)	$ 19,194	$ 18,160	$ 37,354
Increase	1,729	1,220	2,949
Disposal	(2,868)	(6,405)	(9,273)
Balance (Dec. 31, 2023)	18,055	12,975	31,030
Accumulated depreciation			
Balance (Jan. 1, 2023)	8,876	6,780	15,656
Depreciation expense	4,293	4,529	8,822
Disposal	(2,868)	(6,405)	(9,273)
Balance (Dec. 31, 2023)	10,301	4,904	15,205
Net (Dec. 31, 2023)	$ 7,754	$ 8,071	$ 15,825
Cost			
Balance (Jan. 1, 2022)	$ 17,476	$ 11,207	$ 28,683

Increase	3,986	10,072	14,058
Disposal	(2,268)	(3,119)	(5,387)
Balance (Dec. 31, 2022)	19,194	18,160	37,354
Accumulated depreciation			
Balance (Jan. 1, 2022)	6,772	7,843	14,615
Depreciation expense	4,372	2,056	6,428
Disposal	(2,268)	(3,119)	(5,387)
Balance (Dec. 31, 2022)	8,876	6,780	15,656
Net (Dec. 31, 2022)	$ 10,318	$ 11,380	$ 21,698

Depreciation of property and equipment are recorded on a straight-line basis in the durable period as below.

Office equipment	3~5 years
Lease improvement	5 years

As of December 31, 2023, and 2022, the above-mentioned property and equipment have no signs of impairments.

XV. Lease agreement

(I) Right-of-use assets

	December. 31, 2023	December 31, 2022
Right-to-use asset book amount		
Buildings	$ 56,467	$ 72,431
Transportation equipment	1,199	1,754
	$ 57,666	$ 74,185

	2023	2022
Addition of right-to-use asset	$ 13,483	$ 19,204
Depreciation expense of right-to-use asset		
Buildings	$ 26,335	$ 23,975
Transportation equipment	1,429	1,467
	$ 27,764	$ 25,442

Except for the additions of assets and recognition of depreciation costs mentioned above, no significant re-leasing and impairment costs occurred at the Company's right-of-use assets in 2023 and 2022.

(II) Lease liabilities

	December. 31, 2023	December 31, 2022
Lease liabilities book amount		
Current	$ 26,543	$ 27,020
Non-Current	$ 32,439	$ 48,876

Discount rate range of lease liabilities as follows

	December. 31, 2023	December 31, 2022
Buildings	1.05%~1.36%	1.05%~1.38%
Transportation equipment	1.05%~1.27%	1.05%~1.36%

(III) Major leasing activities and clauses

The Company rents buildings as the places for its offices and operation centers, with leasing contracts running from two to five years. As of the end of the contracts, the Company has no preferential rights to purchase the buildings.

(IV) Another lease information

	2023	2022
Short-term lease expense	$ 193	$ 338
Leases expense of low-value assets	$ 114	$ 55
Total cash outflow for leasing	$ 29,033	$ 24,002

The Company will not recognize the right-of-use assets and leasing liabilities that are qualified to be exempted from recognitions when the Company uses short-term leasing for transportation equipment and leases low-price assets.

XVI. Intangible assets

	December. 31, 2023	December 31, 2022
Computer software net amount	$ 13,967	$ 13,666

	2023	2022
Cost		
Beginning balance	$ 22,860	$ 22,089
Acquired separately	5,464	3,221
Deducted	(1,000)	(2,450)
Ending balance	27,324	22,860
Accumulated amortization		
Beginning balance	9,194	7,144
Amortization fee	5,163	4,500
Deducted	(1,000)	(2,450)
Balance at end of the year	13,357	9,194
Ending net amount	$ 13,967	$ 13,666

The computer software is amortized on a straight-line basis in three to five years.

XVII. Operating margin, clearing and settlement fund, and refundable deposits

	December. 31, 2023	December 31, 2022
Operating margin	$ 170,000	$ 170,000
Clearing and settlement fund	$ 39,266	$ 38,962
Refundable deposits		
Leasing	$ 7,998	$ 7,998
Self-regulatory fund	660	660
Others	529	779
	$ 9,187	$ 9,437

According to the laws, the operating margin includes the Company's cash, government bonds or financial debentures pledged in the government-designated financial institutions as statutory deposits, when the company was established and sets up branches to engage in futures trading and fully designated investment businesses. The government bond being deposited by the Company in 2023 and 2022 was in the form of time deposits which carried annual interest rates at between 0.420%~ 1.580% and 0.090%~ 1.435%.

Clearing and settlement fund is the statutory fund being deposited by the Company to the Taiwan Stock Exchange and Taipei Stock Exchange when dealing in stock brokerage business.

XVIII. Short-term Loan

	December. 31, 2023	December 31, 2022
Secured loan		
Bank loan	$ 300,000	$ -

The interest rate on bank loans is as follows:

	December. 31, 2023	December 31, 2022
Secure Loan	1.65%~1.88%	-

The company has provided pledged collateral for the above-mentioned bank loans. Please refer to Note XXXIII.

XIX. Liabilities from bonds sold under repurchase agreements

	December. 31, 2023	December 31, 2022
Government bond	$ 1,786,042	$ 1,250,338
Corporate bond	2,960,837	3,259,069
Financial bond	-	100,266
	$ 4,746,879	$ 4,609,673

The Company's liabilities from bonds sold under repurchase agreements are the liabilities that will mature in one year. The pre-set repurchase price and interest rates are stated as follow:

	December. 31, 2023	December 31, 2022
Agreed buyback price	$ 4,751,737	$ 4,614,612
Interest rate	1.150%~1.400%	1.150%~1.285%

XX. Accounts payable

	December. 31, 2023	December 31, 2022
Accounts payable for settlement - entrusted	$ 381,218	$ 234,369
Accounts payable for settlement - non-entrusted	6,931	2,041
	$ 388,149	$ 236,410

XXI. Other accounts payable

	December. 31, 2023	December 31, 2022
Payable salary, bonus and remuneration	$ 273,262	$ 155,419
Sales tax	3,890	1,505
Others	20,802	16,821
	$ 297,954	$ 173,745

XXII. Other current liabilities

	December. 31, 2023	December 31, 2022
Temporary collection- distribution of dividends	$ 1,316,106	$ 652,462
Advance receipts for underwriting shares	18,626	23,930
Others	4,117	3,113
	$ 1,338,849	$ 679,505

XXIII. Retirement benefits

(I) Defined contribution plan

According to the Labor Pension Act, the Company under the plan will allocate 6% of employees' monthly salaries as retirement pension that will be deposited in the accounts designated by the Labor Insurance Bureau.

(II) Defined benefit plan

The employee retirement payment is based on the average six-month salaries before the date of retirement and is based on the 2% of monthly salaries reserved as retirement payment that will be first deposited by the Company's retirement supervision committee into the committee's accounts in the Bank of Taiwan. The Company before March in next fiscal year will have to cover the shortfall that is faced by the retired employees as estimated. The reserves are arranged for investment by the Labor Pension Fund, to which the Company has no rights to affect its investments.

Amount of retirement payment reserved at the separate financial statements

	December. 31, 2023	December 31, 2022
Defined benefit obligation	$ 4,311	$ 3,861
Fair value of plan assets	(20,149)	(19,727)
Balance after contribution	(15,838)	(15,866)
Up-limit of asset	-	-
Defined benefit assets (net)	($ 15,838)	($ 15,866)

Net change of defined benefit assets

	Present value of defined benefit obligation	Plan assets at fair value	Defined benefit asset - net
Balance (January 1, 2023)	$ 3,861	($ 19,727)	($ 15,866)
Interest expense (income)	48	(246)	(198)
Amounts recognized in income statement	48	(246)	(198)
Remeasurements			
Return on plan assets	-	(176)	(176)
Actuarial loss – assumptions changed	16	-	16
Actuarial gain –experience adjustments	386	-	386
Amounts recognized in other comprehensive income	402	(176)	226
Balance (December. 31, 2023)	$ 4,311	($ 20,149)	($ 15,838)
Balance (January 1, 2022)	$ 5,519	($ 18,697)	($ 13,178)
Interest expense (income)	38	(130)	(92)
Amounts recognized in income statement	38	(130)	(92)
Remeasurements			
Return on plan assets	-	(1,450)	(1,450)
Actuarial loss – assumptions changed	(178)	-	(178)
Actuarial gain –experience adjustments	(968)	-	(968)
Amounts recognized in other comprehensive income	(1,146)	(1,450)	(2,596)
Welfare	(550)	550	-
Balance (December. 31, 2022)	$ 3,861	($ 19,727)	($ 15,866)

Exposure risks faced by the Company in the retirement pension system according to Labor Standards Laws:

1. Investment risk: Ministry of Labor will arrange investment for the reserves of retirement pension fund in stocks, bonds and time deposits. However, the Company’s plan assets are set to generate the distributable pension no less than the interest revenue earned by the 2-year time deposits.

2. Interest rate risk: When interest rates carried at the government bonds and corporate bonds are lower to increase the benefit obligation value, the return rate of debt investments will accordingly rise. The scenario will help offset the impact toward the benefit liabilities.

3. Salary risk: A rise of employee salaries will increase the benefit obligation value that is based on the future salaries of employee.

The defined benefit obligation of the Company is determined by an actuary. Main assumptions at the measurement dates are stated as follow:

	December. 31, 2023	December 31, 2022
Discount Rate	1.20%	1.25%
Expected salary increase rate	2.00%	2.00%

Under a reasonable change of major actuarial assumptions along with the unchanged condition of other assumptions, the increase or decrease of the value of benefit obligations is stated as follow:

	December. 31, 2023	December 31, 2022
Discount Rate		
Increase 0.25%	($ 79)	($ 77)
Decrease 0.25%	$ 81	$ 79
Expected salary increase rate		
Increase 0.25%	$ 80	$ 79
Decrease 0.25%	($ 78)	($ 76)

In practice, the change in assumptions would not occur in isolation of one another as some of the assumptions may be correlated. The method of sensitivity analysis will probably not reflect the actual change of defined benefit obligation.

	December. 31, 2023	December 31, 2022
Expected amount to be withdrawn within 1 year	$ -	$ 115
Determine the average maturity period of benefit obligations	7 years	8 years

XXIV. Equity

(I) Equity

Common stock

	December. 31, 2023	December 31, 2022
Authorized shares (in 1000 shares)	500,000	410,000
Authorized capital stock	$ 5,000,000	$ 4,100,000
Total number of issued shares (in 1000 shares)		
Number of shares issued and fully received (in 1000 shares)	360,162	300,135
Issued shares (in 1000 shares)	$ 3,601,619	$ 3,001,349

On June 30 ,2022, our company resolved at the shareholders' meeting to increase the registered capital to NT$5,000,000 and to issue 60,027,000 new shares through capitalization of retained earnings. The above-mentioned retained earnings capitalization plan was approved by the Financial Supervisory Commission on July 25 ,2022 and September 24 ,2022 was set as the record date for the capital increase.

The company resolved to conduct a cash capital increase on December 12, 2022, issuing 360,000,000 new shares with a par value of NT$10 per share. The aforementioned cash capital increase was approved by the FSC on January 11, 2023, under letter No. 1110367678, and took effect. March 29, 2023, was set as the record date for the capital increase, with an issuance price of NT$10 per share. The registration change was completed on April 12, 2023.

.

Based on the face value of NT$10 per share shares, each share is entitled with a vote and dividend.

(II) Capital reserve

	December. 31, 2023	December 31, 2022
To cover deficits, pay cash dividends or allocate capital (1)		
Stock issue premium	$ 138,759	$ 135,118
Treasury stock trading	1,658	1,658
Difference between consideration & carrying number of subsidiaries acquired or disposed	5,450	5,450
Expired Stock Warrants	996	996
To cover deficits only		
Changes in ownership interests in subsidiaries (2)	6,435	3,844
Share-based payment transaction (3)	534	534
	$ 153,832	$ 147,600

(1). The capital reserve can be used to cover accumulated loss or to issue new stocks or cash to employees, and recapitalization of the reserve annually is limited to a certain ratio over the paid-in capital.
(2). Recognition of changes in ownership in subsidiaries means the changes occurring in subsidiaries when the Company has not actually acquired or disposed of the ownership in the subsidiaries.
(3). According to the letter of interpretation No. 10602420200 issued by the Ministry of Economic Affairs on September 21, 2017, dividends that remain unclaimed by shareholders beyond the statute of limitations should be recognized as capital surplus.

Change of capital reserve in 2023 and 2022

	Issuance of shares premium	Treasury stock trading	Difference between acquired & carrying number of subsidiaries	Expired Stock Warrants	Changes in ownership interests in subsidiaries	Dividends overdue for collection by shareholders	Share-based payment transaction	Total
Balance (January. 1, 2023)	$135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ 534	$ -	$147,600
Recognized cost of employee stock options remuneration	-	-	-	-	-	-	3,444	3,444
Cost of associates employee stock options remuneration accounted for using equity method	-	-	-	-	-	-	197	197
Cash Capital Increase	$ 3,641	$ -	$ -	$ -	$ -	$ -	($ 3,641)	$ -
Adjustment for changes in equity interests due to cash capital increase with employee subscription by subsidiaries.	-	-	-	-	2,591	-	-	2,591
Balance (December 31, 2023)	$138,759	$ 1,658	$ 5,450	$ 996	$ 6,435	$ 534	$ -	$153,832
Balance (Jan. 1, 2022)	$135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ -	$ -	$147,066
Dividends overdue for collection by shareholders.	-	-	-	-	-	534	-	534
Balance (Dec. 31, 2021)	$135,118	$ 1,658	$ 5,450	$ 996	$ 3,844	$ 534	$ -	$147,600

(III) Retained earnings and dividend policy

According to the Company's amendment of the Articles of Incorporation at the shareholder meeting on May 31, 2019, and the Company Act, Article 240, the Company may authorize the board of directors, approved by most of the directors at a meeting attended by two-thirds or more of the total number of the directors, to distribute dividend and bonus. The board of directors, according to the Company Act, Article 241, may propose to distribute cash dividend, out of all or a portion of its legal reserves and capital reserve, with the proposal reported to the shareholder meeting.

According to the amendment of the Articles of Incorporation by the Company in respect of dividend policy, the net profit earned in a fiscal year shall be reserved to cover accumulated loss in prior years, and then appropriated by 10% for legal reserves and 20% for special reserves. After setting aside or reversing special reserves, the remaining profit shall be added by the undistributed profit in the beginning of the fiscal year and be available for being paid out, through the earnings distribution proposal initiated by the board of director. A payout in the form of stock dividend is needed to be approved by the shareholder meeting. In respect of a payout in the form of cash dividend, the board of director will make a resolution that will be reported to the shareholder meeting.

According to the amendment of the Articles of Incorporation by the Company in respect of dividend policy, the net profit earned in a fiscal year shall be reserved to cover accumulated loss in prior years, and then appropriated by 10% for legal reserves and 20% for special reserves. After setting aside or reversing special reserves, the remaining profit shall be added by the undistributed profit in the beginning of the fiscal year and be available for being paid out, through the earnings distribution proposal initiated by the board of director. A payout of bonus to shareholders is needed to be approved by the shareholder meeting. For the parent company's policy regarding the remuneration to employee and director, please see Note XXV (6) for employee benefit expense.

The Company's dividend policy, based on the stable growth of future business, the healthy conditions of long-term financial structure and the maximization of shareholder interest, is carried out on a balanced manner to include cash and stock dividend. The dividend shall not be less than 10% of distributable profit in the current year, but the distributable profit, if less than 1% of share capital, will not be paid out and will be accumulated into retained earnings. In distribution, the cash dividend shall not be less than 10% of total dividend, while the cash dividend, if less than NT$1 per share, shall be paid out in the form of stock dividend.

The total of legal reserve is set aside at a level no more than the paid-in capital and can be used to erase the accumulated loss. If without a company loss, the company may capitalize or pay out dividend out of the excess when legal reserve exceeds the 25% portion of the paid-in capital.

In accordance with the regulations, 20% of annual net profit must be set aside as special reserve. Special reserve will not be set aside if the amount reaches the paid-in capital.

The company is required to allocate special surplus reserve in accordance with the FSC Letter No. 1100365484.

Distribution from 2021 earnings set by the Company at shareholder meetings as follow:

	Surplus distribution	Dividend per share (TWD)
statutory surplus reserve	$ 140,728	
special surplus reserve	282,299	
Cash dividend	384,173	$ 1.28
Stock dividend	600,270	2.00

The special surplus reserve is accrued in accordance with the regulations of securities firms management rules. 。

The cash dividends mentioned above were approved for distribution by the Board of Directors on April 18, 2022. Other surplus distribution items were also resolved at the Shareholders' Meeting on June 30, 2022 。

In 2022, the company incurred a loss, which was resolved to be offset by statutory surplus reserves totaling NT$200,422,000 at the Shareholders' Meeting on April 14, 2023 。

The proposed profit distribution for 2023, as discussed at the Board of Directors meeting on March 12, 2024, is as follows：

	Surplus distribution	Dividend per share (TWD)
statutory surplus reserve	$ 72,968	
special surplus reserve (1)	145,936	
special surplus reserve (2)	(42)	

Cash dividend	507,087	$	1.28

(1) Accrued according to the regulations of securities firm's management rules
(2) Reversed within the scope of special surplus reserve as stipulated in the FSC Letter No. 1080321644 to respond to the development of financial technology.

The cash dividends mentioned above have been approved for distribution by the Board of Directors, while the remainder is expected to be resolved at the Shareholders' Meeting scheduled for April 30, 2024. ◦

(IV) Other equity

Unrealized profit or loss of financial assets at fair value through other comprehensive income

	2023	2022
Beginning balance	$ 58,520	$ 70,816
Current year accrued		
Unrealized gains and losses		
Debt Instrument	23,334	(37,140)
Equity Instrument	37,542	23,790
Adjustment of allowance for debt losses	114	182
Share of profit of associates accounted for using equity Method	112,728	41,953
Reclassification adjustment		
Disposal of debt	3,705	2,589
Other comprehensive gains and losses	177,423	31,374
Accumulated gains and losses from disposal of equity instruments are transferred to retained earnings	(104,304)	(43,670)
Ending balance	$ 131,639	$ 58,520

XXV. Net profit and other comprehensive income

(I) Gain or loss from sale of securities

	2023	2022
Revenue – proprietary	$ 5,779,347	$ 5,418,539
Cost – proprietary	(5,487,220)	(5,396,525)
	$ 292,127	$ 22,014

	2023	2022
Revenue – underwriting	$ 730,381	$ 824,207
Cost – underwriting	(665,102)	(725,129)
	$ 65,279	$ 99,078

(II) Interest income

	2023	2022
Financing interest income	$ 36,893	$ 41,674
Bond investment interest income	34,577	18,454
Interest income of RS bond	34,013	34,324
	$ 105,483	$ 94,452

(III) Net gain or loss on operating securities at fair value through profit or loss

	2023	2022
Operating Securities- proprietary	$ 164,383	($ 470,798)
Operating Securities- underwriting	(13,255)	(165,052)
	$ 151,128	($ 635,850)

(IV) Other operating revenue

	2023	2022
Other service	$ 44,821	$ 49,487
Net foreign currency exchange	9	1,622
Errors of account	(19)	(12)
Others	447	477
	$ 45,258	$ 51,574

(V) Financial costs

	2023	2022
Interest expense on debt with RP bonds	$ 61,268	$ 44,549
Interest for lease liabilities	1,699	286
Borrowing cost	754	895
	$ 63,721	$ 45,730

(VI) Employee benefit expense

	2023	2022
Salary expenses	$ 299,614	$ 174,778
Insurance fee	46,910	16,575
Directors' remuneration	17,917	19,721
Retirement benefits-confirm the allocation plan	8,927	-
Share-based payment-equity delivery	8,518	8,264
Other employment costs	7,775	6,317
	$ 389,661	$ 225,655

The Company, if profitable in a fiscal year, shall appropriate net profit by between 1.5% to 2.5% as the employee remuneration that will be decided by the board of director, and paid out either through the form of cash or stock dividend. The Company shall appropriate net profit by between 1.5% to 2.5% as the remuneration to directors. The dividend payout to employee and director is required to be reported in the shareholder meetings, after the company's accumulated loss is erased by the net profit.

The Company on January 29, 2024, held a board meeting respectively, deciding to pay out FY2023 remunerations to employees and directors at levels indicated as follow: (Unit: NT$1,000)

	2023	
	Cash	Stock
Employee remuneration	$ 10,560	$ -
Director's remuneration	10,560	-

A pre-tax net loss was incurred; therefore, employee compensation and director remuneration were not estimated for FY2022.
If there are any changes in the amounts after the individual financial statements for the year have been issued, adjustments will be made according to accounting estimates and accounted for in the following year.
For information about the Company's payout of remunerations to employees and directors, please visit the MOPS website.

(VII) Depreciation and amortization expense

	2023	2022
Property and equipment	$ 8,822	$ 6,428
Right-to-use assets	27,764	25,442
Intangible assets	5,163	4,500
	$ 41,749	$ 36,370

(VIII) Other benefits and losses

	2023	2022
Financial income	$ 10,733	$ 3,958
Profit of non-operating financial	205	-

Investments measured at fair value		
Net profit from disposal of investments	187	1,560
Liquidation for subsidiary's losses	8,072	2,495
Others	$ 19,197	$ 8,013

XXVI. **Income tax**

(I) Components of income tax expenses

	2023	2022
Current income tax		
Current year	$ 57,721	$ 56,106
Adjustment for previous year	415	(484)
	58,136	55,622
Deferred income tax		
Current year	983	(330)
Income tax expense recognized in profit and loss	$ 59,119	$ 55,292

Reconciliation between income tax expenses and accounting profit:

	2023	2022
Net profit before tax	$ 684,722	($ 209,366)
Income tax calculated at the statutory tax rate on net profit before tax	$ 136,944	($ 41,873)
Irreducible revenue & expense when determine taxable income	(42,935)	151,206
Tax-free income	(71,581)	(53,557)
Basic tax payable difference	36,276	-
Adjustments of current income tax of previous year in the current period	415	(484)
Income tax expense recognized in the profit and loss	$ 59,119	$ 55,292

(II) Current income tax assets and liabilities

	December. 31, 2023	December 31, 2022
Current income tax and liabilities		
Income tax payable	$ 23,433	$ 50,629

(III) Deferred income tax assets and liabilities

The changes of deferred income tax assets and liabilities are as follows：

FY2023

Deferred income tax assets	Beginning balance	Recognized in the income statement	Ending balance
Temporary differences			
Expected credit impairment loss	$ 2,903	($ 983)	$ 1,920

FY2022

Deferred income tax assets	Beginning balance	Recognized in the income statement	Ending balance
temporary differences			
Expected credit impairment loss	$ 2,245	$ 658	$ 2,903
Unrealized exchange loss	328	(328)	-
	$ 2,573	$ 330	$ 2,903

(IV) Income tax assessment

The Company had filed their income tax reports that have been assessed by tax authorities as of FY2021.

XXVII. Earnings per share (Loss)

When calculating earnings per share, due to retrospective adjustment, changes in basic and diluted earnings per share as follows:

Net profit

	2023	2022
Net profit used to calculate basic and diluted EPS	$ 625,603	($ 264,658)

Shares Unit: 1000 shares

	2023	2022
Weighted average number of ordinary shares used for Basic earnings per share	387,581	360,162
The impact of dilutive potential ordinary shares：		
Employee compensation	409	-
Weighted average number of common stocks used to calculate the diluted EPS	387,990	360,162

If the company has the option to distribute employee compensation in the form of stock or cash, diluted earnings per share are calculated by assuming that the employee compensation will be distributed in the form of stock and factoring in the potential dilutive effect of the outstanding potential ordinary shares on the weighted average number of outstanding shares to calculate diluted earnings per share.

When calculating diluted earnings per share before the decision on the number of shares to be distributed as employee compensation for the following fiscal year, the potential dilutive effect of such outstanding potential ordinary shares is also considered. FY2022, the company reported a net loss after tax that has an anti-dilutive effect, and therefore, diluted earnings per share were not calculated.

XXVIII. Share-based payment agreement

(1) Information about the Company's employee stock ownership plan (ESOP)

On December 12, 2022, the company passed the resolution of the board of directors to issue new shares through cash capital increase, and in accordance with the provisions of Article 267 of the Company Law, 10% of the total issued new shares were reserved for subscription by the employees of the company and its affiliated companies. If the employees give up the subscription or there is still less than one share of abnormal shares after patching up, authorize the chairman to contact a specific person to subscribe for them.

The relevant information about the cash capital increase on February 3, 2023, to retain the employee subscription rights is as follows:

	2023	
ESOP	Unit (1,000)	Weighted average exercise price (NT$)
Outstanding number at the start of year	-	$ -
Exercisable number at the end of year	4,233	10
The provision for the current year	(4,233)	10
Outstanding number at the end of year	-	

The parent company launched its ESOP that was based on the Black-Scholes-Merton price-assessment model, with input for valuation stated as below.

	February 3 2023
Company share price on grant date (NT$)	$ 10.7
Exercise price	$ 10
Expected share price volatility	27.59%
Expected duration	49days
Expected dividend yield rate	-
Risk-free interest rate	0.76%

(2) Beiley Biofund Inc.'s cash capital increase to retain employee stock options

On August 8, 2023, the company passed the resolution of the board of directors to issue new shares through cash capital increase, and in accordance with the provisions of Article 267 of the Company Law, 15% of the total issued new shares were reserved for subscription by the employees of the company and its affiliated companies. If the employees give up the subscription or there is still less than one share of abnormal shares after patching up, authorize the chairman to contact a specific person to subscribe for them.

The relevant information about the Beiley Biofund Inc.'s cash capital increase on August 8, 2023, to retain the employee subscription rights is as follows:

	2023	
employee stock options	Thousands (NT$)	Weighted average strike price (NT)
Circulating at the beginning of the year	-	$-
This year	13,708	10
Exercise this year	(12,91)	10
This year's waiver expires	(797)	10
Circulating at the end of the year	-	

Beiley Biofund Inc. reserves the right to subscribe for employees due to the cash capital increase. It adopts the Black Scholes-Merton evaluation model. The input values used in the evaluation model are as follows：

	August 8, 2023
Giving day stock price (NT$)	NT$ 10
Execution price (NT$)	NT$ 10
Expected share price volatility	31.03%

expected duration	38days
expected dividend rate	-
risk free rate	0.94%

Remuneration costs recognized by the Company and its subsidiaries in 2023 were NT$5,483,000 respectively.

XXIX. Cash flow information

Change of liabilities by financing activities

FY2023

	January 1, 2023	Cash flow	Non-cash change			December 31, 2023
			New lease	Decrease	Rental concession income	
Short-term Loan	$ -	$ 300,000	$ -	$ -	$ -	$ 300,000
Leasing liability	75,896	(27,972)	13,483	(2,425)	-	58,982
	$ 75,896	$ 272,028	$ 13,483	($ 2,425)	$ -	$ 358,982

FY2022

	January 1, 2023	Cash flow	Non-cash change			December 31, 2023
			New lease	Decrease	Rental concession income	
Leasing liability	$ 80,966	($ 22,714)	$ 19,204	$ -	($ 1,560)	$ 75,896

XXX. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern that will provide returns for shareholders and maintain an optimal structure in equity and liabilities. The Company's overall strategy has not changed.

The Company continues to keep its own capital at a sufficient level, in order to upgrade its business plan, operation budget, capital management and capital allocation.

(I). The goal of capital management

Subject to Regulations Governing Securities Firms, the Company reports to regulators its capital adequacy ratio which is set by the Company to be no less than 200%. When the ratio hits the alert level of 250%, the risk management committee will hold a meeting with business departments, to adjust portfolio positions and keep the ratio over the alert level.

(II) Policy and procedure of capital management

Through assessment of its qualified capital adequacy ratio and cash equivalents in operation risks (including market, credit and business risks), the Company evaluates its capability in facing a financial stress test and its appropriateness in risk management, to lay the groundworks for the portfolio and risk management policies among business departments.

(III). Capital adequacy ratio in December. 31 2023 and 2022 (Filed with the Taiwan Stock Exchange)

Adequacy ratio of regulatory own capital on December 31, 2023

$$\frac{\text{Net qualified regulatory own capital}}{\text{Cash equivalents in operation risks}} = 356\%$$

Adequacy ratio of regulatory own capital on

$$\frac{\text{Net qualified regulatory}}{} = 494\%$$

December 31, 2022	own capital
	Cash equivalents in operation risks

XXXI. **Financial instruments**

(I). Fair value information

1. Financial instruments not measured at fair value
   The Company is of the view that the book value of financial assets and liabilities not measured at fair value is closer to fair value.

2. Financial instruments measured at recurring basis

   (1). At fair value level

December. 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Stock-TWSE, TPEX, emerging market	$2,141,588	$ -	$ 432,482	$2,574,070
Bond－TPEX	177,832	-	-	177,832
Stock-unlisted company	-	-	11,811	11,811
Total	$2,319,420	$ -	$ 444,293	$2,763,713
Financial assets measured at fair value through other comprehensive profit or loss				
Equity instrument investment －domestic emerging market	$ 68,735	$ -	$ 70,920	$ 139,655
Debt investment				
—domestic corporate bonds	266,660	-	-	266,660
—domestic financial debt	798,013	1,499,196	-	2,297,209
Total	$1,133,408	$1,499,196	$ 70,920	$2,703,524

December. 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Stock-TWSE, TPEX, emerging market	$ 602,077	$ -	$ 316,249	$ 918,326
Bond－TPEX	224,399	-	-	224,399
Stock-unlisted company	-	-	7,481	7,481
Total	$ 826,476	$ -	$ 323,730	$1,150,206
Financial assets measured at fair value through other comprehensive profit or loss				
Equity instrument investment －domestic emerging market	$ 75,141	$ -	$ 46,594	$ 121,735
Debt investment				
—domestic corporate bonds	1,873,137	-	-	1,873,137
—domestic financial debt	98,752	-	-	98,752
Total	$2,047,030	$ -	$ 46,594	$2,093,624

During the 2023 and 2022 fiscal years, the transfer of fair value between levels was mainly due to the company's holdings of certain stocks traded on the emerging stock market. The determination of whether such investments belong to the active market with active trading was based on the observation of orderly trading volumes among market participants.

(2). Transactions of financial instruments measured at fair value by the Level 3

2023

	Financial assets measured at fair value through profit or loss- equity instrument	through other synthesis Profit or loss at fair value financial assets - equity instruments	Total
Beginning balance	$ 323,730	$ 46,594	$ 370,324
Buy	771,983	69,885	841,868
Disposal	8,302	-	8,302
Transfer in	(607,928)	(38,728)	(646,656)
Transfer out	(117,629)	(13,558)	(131,187)
Recognized in profit and loss	65,835	-	65,835
Recognized in other comprehensive profit and loss	-	6,727	6,727
Ending balance	$ 444,293	$ 70,920	$ 515,213

2022

	Financial assets measured at fair value through profit or loss- equity instrument	through other synthesis Profit or loss at fair value financial assets - equity instruments	Total
Beginning balance	$ 210,251	$ 88,915	$ 299,166
Buy	551,030	38,000	589,030
Disposal	1,395	-	1,395
Transfer in	(446,391)	(12,195)	(458,586)
Transfer out	(55,495)	(64,800)	(120,295)
Recognized in profit and loss	62,940	-	62,940
Recognized in other comprehensive profit and loss	-	(3,326)	(3,326)
Ending balance	$ 323,730	$ 46,594	$ 370,324

(3). The methods that are used to measure the Level 2 fair value

The methods are in relation to the market's value of financial assets that are equipped with standard clauses and terms.

(4). The methods and input for valuation in the Level 3

The fair value for the Emerging Market-listed and not-listed stocks, being inactive in an active market condition, are based on the references of quoted prices from comparable listed peers.

The comparable peers are those engaged in the same or similar businesses and are traded in an active market. The method will take into considerations the peers' implied value and liquidity discount to generate the fair value.

(II). Classification of financial instruments

	December. 31, 2023	December. 31, 2021
Financial assets		
Measured at fair value through profit or loss		
Mandatory financial assets measured at fair value through profit or loss	$ 2,763,713	$ 1,150,206
Amortized cost financial assets (notes 1)	6,026,237	6,108,338
Financial assets measured at fair value through other comprehensive profit or loss	2,703,524	2,093,624
Financial liabilities		
Measured by Amortized cost (notes2)	6,791,019	5,544,655

Note 1: The balance means the financial assets being amortized at costs, including cash and cash equivalents, receivable securities margin loans, account receivables, other receivables, other financial assets-current, collateralized time deposits under the other current assets, collection of payment, money pending settlement, deposits for business guarantee, and refundable deposits.

Note 2: The balance means the financial liabilities being amortized at costs, including bond repurchase liabilities, deposits for securities short sale, payable money for securities collateralized in short sale, account payable, other payable items (not including salary, bonus, remuneration and tax payment), as well as those items under current liabilities account, including temporary collections for stock dividend, tender offer and receipt of advanced fee in underwriting.

(III). Purpose and policy of financial risk management

The Company's major financial instruments include equity/debt investments, account receivable, account payable, lease liabilities, with major risk exposures related to market risk (including currency exchange rate, interest rate and price movement), credit and liquidity.

1. Market risk

The Company's financial risks that arise from operating activities include the movements of currency exchange rate, interest rate and price of financial products.

The Company's management and measurement in reaction to risk exposures are unchanged.

(1). Exchange rate risk

The carrying amounts of financial assets and financial liabilities subject to interest rate risk on the balance sheet date are as follows:

	December. 31, 2023	December. 31, 2022
Fair value interest rate risk:		
－Financial assets	$ 4,772,024	$ 5,122,692
－Financial liabilities	4,796,878	4,609,673
Cash flow interest rate risk		
－Financial assets	227,640	243,060
－Financial liabilities	250,000	-

<u>Sensitivity analysis</u>

The analysis is based on the non-derivative instruments exposed under the interest rate at the end of the financial reporting period. The Company analyzes the sensitivity ratio based on every increase or decrease in interest rate by 20 basis points, suggesting its assessment for the reasonable range of interest rate.

A. Interest rate risk at fair value

The fair value of the Company's bond investment is under the impact of market's interest rate change, as interest rates carried in some of the investments are fixed.

In the cases that the market's interest rate increases or decreases by 20 basis points, the change of fair value through other comprehensive income in bond investment will decrease or increase by NT$27,263,000 in 2023 and NT$10,005,000 in 2022 respectively.

The Company has no interest rate risk at fair value of the liabilities through bond reverse repurchase and repurchase deals which are pre-set in transaction prices.

B. Interest rate risk at cash flow

In the case that the market's interest rate increases or decreases by 20 basis points, while other conditions remain unchanged, the Company's pre-tax profit will increase or decrease by NT$45,000 in 2023 and NT$486,000 in 2022. The changes are based on the Company's risk exposures faced by demand deposits and foreign exchange-based deposits.

(2). Other risks in price movement

The risk refers to the risk of the Company's equity instruments, and convertible bonds exposed under price movements.

<u>Sensitivity analysis</u>

The analysis is based on the price risk exposure impacting financial assets at fair value through profit or loss at the end of financial reporting period. After considering the change of government policy in the securities market, the Company in 2023 and 2022 came up with its assessment by using the sensitivity ratio at a reasonable level of a 10% increase or decrease.

If the price of investment securities and convertible corporate bonds increases/decreases by 10%, the net profit before tax in 2023 will increase/decrease by NT$275,371,000 due to changes in the fair value of investments in financial instruments measured at fair value through profit or loss; Other comprehensive profit or loss will increase/decrease by NT$270,352,000 respectively due to changes in fair value of financial assets measured at fair value through other comprehensive gain or loss.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties on the contract obligations. At the end of the financial reporting period, the main factor for the Company to face the credit risk is related to the book value of financial assets in the separate balance sheet.

To reduce the risk of the financial loss, the Company adopts a policy by taking the full number of collaterals and reviewing the clients' ratings through accessible financial information and bilateral transaction records. The Company continues to monitor the credit risk as well as credit ratings of counterparties.

3. Liquidity risk

To sustain operation and reduce the impact from the volatility of cash flow, the Company maintains a sufficient level of cash and cash equivalents, monitors the usage of banking financing loans, and ensures the compliance of loan contracts.

(1). Table of liquidity and interest rate risks.

The table refers to the maturity analysis for the non-derivative financial liabilities, that are pre-determined in repayment dates, and are compiled based on non-discounted cash flow.

December 31, 2023

	Interest rate range(%)	Less than 1 month	1 to 3months	3months to 1 year	1-5yrs	>5 yrs
Non-derivative financial liabilities						
No interest-bearing liabilities		$ 1,744,140	$ -	$ -	$ -	$ -
Lease liabilities	1.05%~ 1.36%	2,328	4,655	20,103	32,771	-
Floating rate instruments	1.76%~ 1.88%	250,000	-	-	-	-
Fixed income investment	1.150%~ 1.65%	4,761,588	40,149	-	-	-
		$ 6,758,056	$ 44,804	$ 20,103	$ 32,771	$ -

December 31, 2022

	Interest rate range(%)	Less than 1 month	1 to 3months	3months to 1 year	1-5yrs	>5 yrs
Non-derivative financial liabilities						
No interest-bearing liabilities		$ 934,982	$ -	$ -	$ -	$ -
Lease liabilities	1.05%~ 1.38%	2,404	4,808	20,501	49,432	-
Fixed income investment	1.150%~ 1.285%	4,012,026	602,586	-	-	-
		$ 4,949,412	$ 607,394	$ 20,501	$ 49,432	$ -

(2) Margin loans

	December 31, 2023	December 31, 2022
Guaranteed amount		
—Used amount	$ 300,000	$ -
—Unused amount	1,280,000	1,367,000
	$ 1,580,000	$ 1,367,000

XXXII. Transaction with related party

(I). Name and relation of the related parties

Name of related party	Relationship with the company
Subsidiary	
Grand Fortune Securities Investment Service Co., Ltd	Subsidiary
Grand Fortune Management Corporation	Subsidiary
Foryou Capital Corporation	Subsidiary
Other parties	
Foryou venture capital Limited Partnership	Affiliates of Subsidiaries
Beiley Biofund Inc.	As of October 4, 2023, the entities that were previously subsidiaries of the company are now considered affiliated companies as they have transitioned to become subsidiaries of another entity.

(II). Revenue

Account item	Type of relationship	2023	2022
Share registrar fee income	Affiliates of Subsidiaries	$ 132	$ -
Other Operating Revenue	Subsidiary	$ 120	$ 120
Other Operating Revenue	Affiliates of Subsidiaries	$ 21	$ -

Main revenue generated from related parties is consulting fee and services fee for information technology.

(III). Expense and outlay

Account item	Type of relationship	2023	2022
Labor cost	Subsidiary	$ 17,940	$ 17,940

Main expense and outlay with related parties are the fee paid for investment consulting services that are separately negotiated under contract price and is paid in a period same as those with non-related parties.

(IV). Receivables from related parties

Category of related parties	December. 31, 2023	December. 31, 2022
Accounts receivable		
Affiliates of Subsidiaries	$ 147	$ -
Other receivables		
Subsidiary	$ 74	$ 2,283

Receivables from related parties are not secured with deposits. As of December 31, 2023, and 2022, The receivables from related parties were not recognized with allowance of loss.

(V). Acquire financial assets

FY2023

Category of related parties	account item	Number of shares traded	transaction subject	Price
Subsidiary	Financial assets at fair value through profit or loss - current	100,000	PPt.	$ 2,300
Subsidiary	Financial assets at fair value through other comprehensive profit or loss - current	400,000	HUA YANG	24,000
Affiliates of Subsidiaries	Financial assets at fair value through other comprehensive profit or loss - current	805,000	TFBS Bioscience	45,885
				$ 72,185

FY2022

Category of related parties	account item	Number of shares traded	transaction subject	Price
Subsidiary	Financial assets at fair value through profit or loss - current	400,000	Lanyou Metals.	$ 38,000

(VI). Remuneration to major executives

	2023	2022
Salary	$ 82,126	$ 30,664
Execution service fee	280	312
Share-based payment	1,374	-
	$ 83,780	$ 30,976

Remunerations to director and major executives are based on the personal performance and the market's conditions.

XXXIII. <u>Assets collateralized as security</u>

To secure short-term borrowings and financing, the Company applies with the banks to issue guaranteed commercial papers by providing the following assets as collaterals as stated at the end of financial reporting period.

	December 31, 2023	December 31, 2022
Time deposits (classified in other current assets)	$ 447,500	$ 397,500
Financial assets at fair value through comprehensive income financial assets measured at fair value through profit and loss	9,991	-
	$ 457,491	$ 397,500

XXXIV. <u>Significant contingent liabilities and unrecognized contract commitments:</u> None

XXXV. <u>Significant disaster loss:</u> None

XXXVI. <u>Significant events after the end of the financial reporting period</u>: None

XXXVII. <u>Information about significant foreign currency-based assets: None</u>

XXXVIII. <u>Supplementary disclosures</u>

(I). Significant transactions information and information on investees

1. Financing provided to other parties: None
2. Endorsement and guarantees provided: None
3. Acquisition of real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
4. Disposal of real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
5. Rebate of transaction fee to related parties by over NT$5 million: None
6. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

(II) Information on reinvestment business

1. When directly or indirectly having significant influence or control over the investee company, the relevant information of the investee company shall be disclosed: Table 1.
2. For those with direct or indirect control over the investee company, relevant information on the major transactions of the investee company:

(1) Invested company's capital loan to others: none.
(2) The investee company endorses guarantees for others: none.
(3) The amount of real estate acquired by the investee company is NT$300 million or more than 20% of the paid-in capital: none.
(4) The amount of real estate disposed of by the investee company is NT$300 million or more than 20% of the paid-in capital: none.
(5) The total transaction fee discount between the investee company and its related parties is more than NT$5 million: none.
(6) The investee company's receivables from related parties' amount to NT$100 million or more than 20% of the paid-in capital: none.

(III). Information about overseas branches and representative offices: None
(IV). Information about investment in China: None
(V). Information about major shareholder: For information about names, holdings and stakes by the shareholders with an over-5% stake, please see Table 2.

Grand Fortune Securities Co., Ltd.
Information about names and locations of investees
From January 1 to December 31, 2022

Table I

Unit: NT$1,000, unless otherwise noted

Investing Company	Names of investee	Location	Set-up date	FSC's approval number	Main operation	Initial investment amount		Investment amount at end of current year			Revenue by investee at end of current year	Profit or loss by investee	Recognition of profit or loss in current year	Cash dividend in current year	Remark
						End of current year	End of last year	Shares	Stake %	Book value					
Grand Fortune Securities Co., Ltd	Beiley Biofund Inc. (Note 2,10)	Taiwan	Oct.15, 2013	FSC Ruling Jin-Kwong-Cheng No. 1040052787	Venture Capital Business	$ -	$ 226,504	-	-	$ -	$ 139,500	$ 88,615	$ 69,386	$ -	Subsidiary (Note 6,7)
	Grand Fortune Securities Investment Consulting Co., Ltd.	Taiwan	Mar. 5, 2010	(Note 1)	Securities Investment Consulting Business	79,544	79,544	9,480,000	100	100,480	22,464	1,381	1,381	126	Subsidiary
	Grand Fortune Management Corporation	Taiwan	Oct. 24, 2013	FSC Ruling Jin-Kwong-Cheng No. 1050022473	General Investment	512,304	285,800	59,280,261	100	796,497	121,596	1,076	1,076	-	Subsidiary
	Foryou Capital Corporation	Taiwan	2020.01.22			200,000	-	22,029,931	100	352,995	2,522	(8,436)	(7,933)	-	Subsidiary (Note 6,8)
Grand Fortune Venture Capital Consultant Co., Ltd	Beiley Biofund Inc. (Note 2)	Taiwan	Oct.15, 2013	FSC Ruling Jin-Kwong-Cheng No. 1080331978	Venture Capital Business	420,612	48,000	48,773,889	24.39	517,412	139,500	88,615	(40,979)	-	Associates accounted for using equity method (Note6,7,9)
	Foryou venture capital Limited Partnership	Taiwan	Mar. 13, 2019	(Note 4)	General Investment	50,000	50,000	(Note 3)	9.62	68,512	5,450	(73,994)	(7,115)	2,930	Associates accounted for using equity method (Note 4)
	Foryou Capital Corporation	Taiwan	Jan. 22, 2020	(Note 4)	General Investment	-	150,000	-	-	-	2,522	(8,436)	(503)	-	Subsidiary (Note6,8)
	Foryou Private Equity Limited Partnership	Taiwan	Aug. 9 2022	(Note 4)	General Investment	70,000	40,000	(Note 3)	10	83,677	5,613	(5,282)	(528)	-	Associates accounted for using equity method (note4)

Note 1: In March 2010, the parent company acquired Yousheng Investment Consulting (later renamed as Grand Fortune Management Corporation), therefore there is no approval reference number from the Financial Supervisory Commission for the original investment.

Note 2:

Note 3: A Limited partnership
Note 4: 1. General Partner (GP)
Note 5: FSC No. 1070320901 was repealed, Dec 9,2022 FSC No 1110385374 continued, the reinvestment establishment did not meet the standard, so it does not need to be approved by the Financial Supervisory Commission
Note 6: In accordance with the Financial Supervisory Commission's letter No. 1070334245 dated October 24, 2017, Grand Fortune Management Corporation was approved to conduct a cash capital increase and to proceed with reinvestment according to its investment plan.
Note 7: In an organizational restructuring conducted through a non-cash capital increase, Grand Fortune Securities Co., Ltd used its 50.51% equity holding in Beiley Biofund Inc. to fully offset the capital increase payment of Grand Fortune Management Corporation. After the organizational restructuring, Grand Fortune Management Corporation directly held 58.76% equity in Beiley Biofund Inc.
Note 8: In an organizational restructuring conducted through a non-cash reduction of capital, Grand Fortune Management Corporation used the full equity of Foryou Capital Corporation to offset the reduced capital returned to Grand Fortune Securities. After the organizational restructuring, Fubon Securities directly held 100% equity in Foryou Capital.
Note 9: Beiley Biofund Inc. conducted a cash capital increase on October 4, 112. Due to Fubon Ventures not subscribing to Beiley Biofund Inc.'s shares in proportion to its ownership, the ownership ratio decreased from 58.76% to 24.39%, resulting in the loss of control over Beiley Biofund Inc.
Note 10: In accordance with the Financial Supervisory Commission's letter No. 1130332829 dated February 16, 113, approval was granted for the company to change its name to Beiley Biofund Inc. Subsequently, the change was completed through registration after approval at the shareholders' meeting.

Grand Fortune Securities Co., Ltd.
Information for major shareholder

December 31, 2023

Table 2

Name of major shareholder	Shares	
	Holdings (shares)	Stake (%)
Huang Hsien-Hua	28,320,243	7.14%

Note 1: Provided by Taiwan Depository & Clearing Corp. at the last trading day in each quarter, the information indicates major shareholders with a combined stake of over 5% that is shown by the paperless registration (including treasury stock) of holdings in common and preferred shares. A difference might exist about the holdings amount at between the securities house' financial statements and the paperless registration being completed.

Note 2: If entrusted, the holdings of the shareholder must be disclosed separately at the trustee's account. For information about a transfer by an over-10%-stake insider, along with personal holdings and shares being entrusted, please refer to the MOPS website.

Grand Fortune Securities Co., Ltd.
Separate financial statements, other disclosures and auditor's report

To Grand Fortune Securities Co., Ltd.

We have audited the 2023 separate financial statements of Grand Fortune Securities Co., Ltd. We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Taiwan, as well as issued the audit report on March 12, 2024. In our purpose, we provided opinions for the separate financial statements as a whole. The accompanying disclosures of other matters in 2023 separate financial reports are provided in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms. We have reviewed the related information in accordance with the Article 32-2, Regulations Governing the Preparation of Financial Reports by Securities Firms as endorsed by the Financial Supervisory Commission of Taiwan.

In our opinions, financial data and content of information in other matters, disclosed at the 2023 separate financial statements of Grand Fortune Securities Co., Ltd. in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms, are in conformity with the separate financial statements, and there is no need for significant modification.

Deliotte Taiwan
Accountant: Hisen Jian-xin

Accountant: Chen Chiang-Shiun

March 12, 2024

Grand Fortune Securities Co., Ltd.

Other disclosures in individual financial reports and Auditor’s report

FY 2023

Grand Fortune Securities Co., Ltd.
Other disclosures in 2023 separate financial reports

I. Business

I. Key business events
Key business events that were important to the Company’s business in past five years.

(I). Acquisition or merger with other companies: None

(II). Split-off: None

(III). Investment and associates

1. Grand Fortune Management Corporation

In October 2013, our company invested NT$ 1,000,000 to establish Grand Fortune Management Corporation. In 2016 and 2018, there were capital increases of NT$9,000,000 and NT$ 275,800,000 respectively. Additionally, in 2018 and 2021, profit increases led to capital increases of NT$4,200,000 and NT$28,629,000 respectively. In March 2023, the company underwent organizational restructuring through non-cash increases and decreases in capital. It issued 31,014,877 new shares to acquire a 50.51% stake in Beiley Biofund Inc., and reduced capital by 23,734,519 shares, offsetting the reduction in capital with the full equity of Foryou Capital Corporation, returned to the parent company. Furthermore, in June 2023, the company completed a profit increase of NT$51,370,000, followed by a cash capital increase of NT$150,000,000 in August 2023. As of December 31, 2023, the paid-in capital amounted to NT$592,803,000, with a total of 59,280,000 shares issued. Our company holds a 100% equity stake in the subsidiary, which primarily engages in investment consulting and management advisory services.

2. Beiley Biofund Inc.

In October 2013, our company invested NT$100,000,000 to establish Beiley Biofund Inc. In February 2016, the company conducted a cash capital increase of NT$200,000,000 with our company increasing its investment proportionately, maintaining a 100% stake. Subsequently, in June 2016, another cash capital increase of NT$360,000,000 was carried out. However, our company did not increase its investment proportionately, resulting in a decrease in ownership from 100% to 50.51% after the capital increase.

Additionally, Fubon Entrepreneurial Investment Management Consulting Co., Ltd. acquired 6,000 million shares of common stock of Beiley Biofund Inc. from an unrelated party for 60,000 million NT dollars in October 2019, holding an 8.25% stake. In November 2021, the company conducted a cash reduction of NT$145,496,000. In June 2023, another cash reduction of NT$261,893,000 was carried out. Subsequently, in August 2023, a cash capital increase of NT$1,680,000,000 was conducted, with October 4, 2023, as the reference date for the capital increase. Due to Fortune Venture Investment Management. not increasing its investment proportionately, the ownership decreased from 58.76% to 24.39%, resulting in a loss of control over Bielife Biotech Company.

3. Grand Fortune Securities Investment Consulting Co., Ltd.

The Company in March 2010 spent NT$20,000,000 to set up the investment consulting entity, and further injected NT$30,000,000 in 2012 and NT$30,000,000 in 2017 into the entity which in 2018 launched recapitalization of retained earnings to increase share capital by NT$14,800,000. As of December 31, 2022, the entity was capitalized at NT$94,800,000, representing 9,480,000 shares.

4. Foryou Capital Corporation

In January 2020, our company invested NT$100,000,000 through Fubon Grand Fortune Management Corporation to establish Foryou Capital Corporation. In April 2021, there was a cash capital increase of NT$50,000,000. Additionally, in August 2023, profit increases led to a capital increase of NT$ 20,299,000, followed by another cash capital increase of NT$50,000,000 in the same month. As of

December 31, 2023, the paid-in capital amounted to NT$220,299,000, with a total of 22,030,000 shares issued. Our company effectively holds a 100% equity stake in the subsidiary, which primarily engages in developing private equity fund asset management services.

(IV). Restructuring: None

(V). Purchase of significant assets: None

(VI). Disposal of significant assets: None

(VII). Change of operation mode or business nature: None

II. Information about the remuneration of directors, supervisors, general managers, deputy general managers and consultants

(I) Remuneration of directors (including independent directors)

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Directors' remuneration</th><th colspan="2" rowspan="2">Percentage of the Summary of A/B/C/D from net profit after tax from</th><th colspan="8">Part-time employee</th><th colspan="2" rowspan="2">Percentage of the Summary of A/B/C/D/E/F/G from net profit after tax from</th><th rowspan="4">Whether to receive remuneration from non-subsidiary investment business</th></tr>
<tr><th colspan="2">remuneration (A)</th><th colspan="2">Retirement pension (B)</th><th colspan="2">Directors' remuneration (C)</th><th colspan="2">Business execution costs (D)</th><th colspan="2">Salaries, bonuses and Special expenses etc. (E)</th><th colspan="2">Retirement pension (F)</th><th colspan="4">Employee compensation (G)</th></tr>
<tr><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements</th><th rowspan="2">This company</th><th rowspan="2">All Subsidiaries consolidated in Financial Statements 司</th><th colspan="2">The Company</th><th colspan="2">All companies in consolidated statement</th><th rowspan="2">The Company</th><th rowspan="2">All companies in consolidated statement</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Chairman</td><td>Huang Bing-Jing</td><td rowspan="10">34,440</td><td rowspan="10">36,869</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">10,560</td><td rowspan="10">10,560</td><td rowspan="10">154</td><td rowspan="10">154</td><td rowspan="10">45,154
7.22%</td><td rowspan="10">47,583
7.61%</td><td rowspan="10">-</td><td rowspan="10">2,000</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">-</td><td rowspan="10">45,154
7.22%</td><td rowspan="10">49,583
7.93%</td><td rowspan="10">None</td></tr>
<tr><td>Director</td><td>Huang Hsien-Hua</td></tr>
<tr><td>Director</td><td>Jeng Geng-yi</td></tr>
<tr><td>Director</td><td>Cai Ci Er Assets</td></tr>
<tr><td>Representative</td><td>Lin Huo-Deng</td></tr>
<tr><td>Director</td><td>DaYa Capital</td></tr>
<tr><td>Representative</td><td>Li Qing-rong</td></tr>
<tr><td>Director</td><td>Huang Chi-Chiang</td></tr>
<tr><td>Director</td><td>Shin Shen Construction</td></tr>
<tr><td>Representative</td><td>Su Jun-Hong</td></tr>
<tr><td>Independent director</td><td>Lo Neng-ching</td><td rowspan="4">1,630</td><td rowspan="4">1,630</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">126</td><td rowspan="4">126</td><td rowspan="4">1,756
0.28%</td><td rowspan="4">1,756
0.28%</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">1,756
0.28%</td><td rowspan="4">1,756
0.28%</td><td rowspan="4">None</td></tr>
<tr><td>Independent director</td><td>Hsu Mei-Li (Note 1)</td></tr>
<tr><td>Independent director</td><td>Wu Zhong-Chun (Note 1)</td></tr>
<tr><td>Independent director</td><td>Lai Ming-fu (Note 2)</td></tr>
</table>

1. Please state the policy, system, standards and structure of the remuneration payment for independent directors and state the relevance to the amount of remuneration based on the responsibilities, risks, and time invested: The remuneration of directors of the company is based on the remuneration method for directors and functional members. The remuneration is based on the degree of participation in the company's operations, business execution is based on the number of meetings, and the director's remuneration is set out in accordance with the company's articles of association None of the directors paid, and the remuneration payments were positively correlated with operating performance and future risks.
2. Except as disclosed in the above table, the recent remuneration received by the directors of FY for providing services (such as serving as consultants to non-employees, etc.) for all companies in the consolidated statement: None.

Remuneration bracket

Range of remuneration	Name of president and vice presidents: Total Four Remuneration（A+B+C+D）: The Company	Total Four Remuneration（A+B+C+D）: Include all companies	Total Seven Remuneration（A+B+C+D+E+F+G）: The Company	Total Seven Remuneration（A+B+C+D+E+F+G）: Include all companies
Below NT$1,000,000	Li Qing-rong、Su Jun-Hong、Lai Ming-fu、Lo Neng-ching、Hsu Mei-Li、Wu Zhong-Chun	Li Qing-rong、Su Jun-Hong、Lai Ming-fu、Lo Neng-ching、Hsu Mei-Li、Wu Zhong-Chun	Li Qing-rong、Su Jun-Hong、Lai Ming-fu、Lo Neng-ching、Hsu Mei-Li、Wu Zhong-Chun	Li Qing-rong、Su Jun-Hong、Lai Ming-fu、Lo Neng-ching、Hsu Mei-Li、Wu Zhong-Chun
NT$1,000,000(included) ~ NT$2,000,000(not included)	-	-	-	-
NT$2,000,000(included) ~ NT$3,500,000(not included)	Lin Huo-Deng、Huang Chi-Chiang	Lin Huo-Deng、Huang Chi-Chiang	Lin Huo-Deng、Huang Chi-Chiang	Lin Huo-Deng、Huang Chi-Chiang
NT$3,500,000(included) ~ NT$5,000,000(not included)	-	-	-	-
NT$5,000,000(included) ~ NT$10,000,000(not included)	-	-	-	-
NT$10,000,000(included) ~ NT$15,000,000 (not included)	Huang Bing-Jing、Huang Hsien-Hua、Jeng Geng-yi	Huang Bing-Jing、Huang Hsien-Hua、Jeng Geng-yi	Huang Bing-Jing、Huang Hsien-Hua、Jeng Geng-yi	Huang Bing-Jing、Huang Hsien-Hua、Jeng Geng-yi
NT$15,000,000(included) ~ NT$30,000,000(not included)	-	-	-	-
NT$30,000,000(included) ~ NT$50,000,000(not included)	-	-	-	-
NT$50,000,000(included) ~ NT$100,000,000(not included)	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total of persons	11	11	11	11

Note 1: Newly appointed in April 2023.
Note 2: Stepped down after the term ended in April 2023.
Note 3: The chairman or director's driver is also the company's official driver, and there is no designated full-time driver.

(II). Remuneration to supervisors Unit: NT$1.000

Title	Name	Base compensation (A) (Note 2)		Supervisor's remuneration (B)		Bonus and allowance (C)		Remuneration to employee (D)				Ratio of total remuneration (A+B+C+D) over net profit		Compensation from the Company's invested-in units other than its subsidiary
								The Company		Companies in Consolidated financial statements				
		The Company	Companies in Consolidated financial statements	The Company	Companies in Consolidated financial statements	The Company	Companies in Consolidated financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies in the financial statements (Note 5)	
Supervisor	Note													None

Note: The Company at the extraordinary shareholder meeting in December 2014 decided that all of the independent directors replaced supervisor positions to form an audit committee.

(III). Remuneration to president and vice president Unit: NT$1.000

Title	Name	Base compensation (A)		Severance and pension pay (B)		Bonus and allowance (C)		Remuneration to employee (D)				Ratio of total remuneration (A+B+C+D) over net profit		Receipt of remuneration from reinvestment business outside the subsidiary or parent company
		The Company	Companies in Consolidated financial statements	The Company	Companies in Consolidated financial statements	The Company	Companies in Consolidated financial statements	The Company		Companies in Consolidated financial statements		The Company	Companies in Consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Lin Ying-ming	11,936	11,936	-	-	19,654	19,654	5,280	-	5,280	-	36,870 5.89%	36,870 5.89%	None
Vice president	Chen Song-zheng													
Vice president	Shen Xin-xian													
Vice president	Huang Jun-Rong													
Vice president	Shi Wei-zhou													
Vice president	Hong Liang													
Vice president	Zheng Chi-Wen													

Remuneration bracket

Range of remuneration	Name	
	The company	Include all companies
Below NT$1,000,000	Zheng Chi-Wen	Zheng Chi-Wen
NT$1,000,000(included) ~ NT$2,000,000(not included)	-	-
NT$2,000,000(included) ~ NT$3,500,000(not included)	Hong Liang、Huang Jun-Rong	Hong Liang、Huang Jun-Rong
NT$3,500,000(included) ~ NT$5,000,000(not included)	Shi Wei-zhou	Shi Wei-zhou
NT$5,000,000(included) ~ NT$10,000,000(not included)	Lin Ying Ming、Shen Xin-xian、Chen Song-zheng	Lin Ying Ming、Shen Xin-xian、Chen Song-zheng
NT$10,000,000(included) ~ NT$15,000,000 (not included)	-	-

NT$15,000,000(included) ~ NT$30,000,000(not included)	-	-
NT$30,000,000(included) ~ NT$50,000,000(not included)	-	-
NT$50,000,000(included) ~ NT$100,000,000(not included)	-	-
Over NT$100,000,000	-	-
Total of persons	7	7

Note1: Newly appointed in October 2023.

(IV) Information about the retired chairman and general manager have returned to serve as securities advisor

Title	Name	Position before retirement		Period for being a consultant	Purpose of assuming the position	Job responsibilities	Remuneration	% of compensation over net profit
		Institution/ Title	Date of retirement					
(Note)								

Note: The Company has no retired chairman or president acting as consultations for securities houses.

III. Number of non-executive employee, the annual average benefit to employee and the yearly change

	2023	2022	Change
Number	227	215	12
Annual average benefit to employee (NT$1,000)	$ 1,347	$ 904	$ 443

IV. Employee and employer relation

(I). Current major employee and employer agreement and implementation status

1. Status of employee welfare

In 1997, the Company has an employee welfare committee which will set aside welfare fund out of the Company's revenue at a ratio of 0.1% per month. Through the election by employee, the committee's members on a regular basis will hold a meeting to review its policy to employee, including the gifts awarded in main festivals, birthdays, parties, stipends and medical care subsidies. In addition to national health insurance and labor insurance, the Company also provides group insurance to employee.

2. Advanced study and training system

The Company runs a well-established educational and trading system that is offered to its new employee and managers.

3. Retirement system

The Company's retirement supervision committee will monitor the allocation of the Company's pension fund that will be deposited into the designated account in the Bank of Taiwan. For employee who took job positions after July 1, 2005, and opted to use new labor pension system, the committee will comply with regulations to allocate 6% of salary into the account to safeguard employee's living after retirement.

4. Other agreement: None

(II). Loss caused by labor disputes in recent years: None

V. Employee and employer relation

(1) Statement of Internal Control System:

Grand Fortune Securities Co., Ltd.
Declaration of internal control system

Date: March 12, 2024

The internal control system in 2023 conformed to the following declarations made in accordance with the self-inspection conducted:

1. We understand it is the responsibility of the Company's management to have internal control system established, enforced, and maintained. The Company has the internal control system established to provide a reasonable assurance for the realization of operating effect and efficiency (including profits, performance, and assets safety), the reliability of financial report, and the obedience of relevant regulations.

2. Internal control system is designed with limitations; therefore, no matter how perfectly it is designed, an effective internal control system is to ensure realization of the aforementioned three objectives. Due to the change of environment and condition, the effectiveness of an internal control system could change at any time. Our internal control system is designed with self-monitoring mechanism; therefore, we are able to have corrective actions initiated upon identifying any nonconformity.

3. We have based on the internal control criteria of "Governing Rules for handling internal control system by public offering companies" (referred to as "the Governing Rules" hereinafter) to determine the effectiveness of internal control design and enforcement. The internal control criteria of the "Governing Rules" are the management control process and with the internal control divided into five elements: 1. Environment control, 2. Risk analysis, 3. Control process, 4. Information and communication, and 5. Supervision. Each element is subdivided into several items. Please refer to the "Governing Rules" for the details of the said items.

4. We have based on the aforementioned internal control criteria to inspect the effectiveness of internal control design and enforcement.

5. We believe that our audits provide a reasonable basis for our opinion. On December 31, 2022, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the internal control system (including the supervision and management over the subsidiaries) including the fulfillment of business performance and efficiency, the reliability of financial statements and the obedience of governing regulations, and the design and enforcement of internal control system is free of material misstatement and is able to ensure the realization of the aforementioned objectives.

6. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Securities Transaction Regulation No.20, No. 32, No. 171, and NO. 174.

7. We hereby declared that the Declaration of Internal Control was approved by the Board of Directors on March 12, 2024, unanimously by the eight directors at the meeting.

Grand Fortune Securities Co., Ltd.
Chairman: Huang Bing-Jing
CEO: Lin Ying Ming
Chief Auditor: Huang Wan-Jan
Chief supervisor responsible for information: Tang Zin Chiang

Grand Fortune Securities Co., Ltd.

Internal control system must be strengthened matters and improvement plan
(Date: December 31, 2023)

Must be strengthened matters	Improvement measure	Expected to complete
On January 19, 2023 received a letter with reference number 11103611601 from FSC (1) The internal personnel conflict of interest transaction check did not control for patterns of buying or selling the same securities in the same direction within a short period of time.	Add a confirmation item for 5-minute conflict of interest on the documents to ensure proper implementation and control.	Improved
(2) Failure to update or cancel exclusive account controls when an internal person's spouse obtains or loses internal person status.	The company has completed the establishment of an internal personnel change verification system, established a management verification mechanism, and implemented effective control measures.	Improved
(3) Accepting orders from third parties via telephone on behalf of elderly clients without proper authorization.	It is strictly prohibited for entrusted trading business personnel to accept orders from unauthorized individuals on behalf of others. This policy has been diligently enforced. Any violations discovered will result in disciplinary actions.	Improved
(4) During the period when entrusted trading representatives work from home, accepting telephone orders without recording client conversations has been carried out, but control measures have been implemented. Accepting non-specific natural person clients' non-limit orders by phone and determining the order price during execution.	It has been reiterated that entrusted trading personnel must proactively confirm the details of orders and ensure the operation of the recording and backup functions. This control measure has been effectively implemented.	Improved
(5) Failure to prudently assess the relationship between clients and implement comprehensive control measures for related party credit limits.	The company has revised its "Risk Management Procedures for Brokerage Department" and implemented a mechanism for combined control of related account and trust investment quotas to reduce credit risk. This measure has been effectively implemented and monitored.	Improved
On December 19, 2023 received a letter with reference number 11203859741 from FSC (1) Failure to implement confirmation measures for elderly clients who suddenly engage in frequent trading, frequent stock transfers, or	The company has revised its "Operating Procedures for Providing Financial Services to Elderly Clients" and has diligently implemented these revised procedures.	Improved

trading after no activity for over a year via electronic order placement, which is inconsistent with the "Operational Procedures for Providing Financial Services to Elderly Clients."		
(2) Failure to implement the requirement that risk management personnel shall not concurrently hold other positions as prescribed by regulations.	The change in the position of the risk management supervisor was approved by the board of directors on August 4, 2023, and has been effectively implemented.	Improved
(3) Failure to implement the required procedures for reporting suspected money laundering or terrorist financing transactions as prescribed by regulations.	The company has revised the "Suspicious Money Laundering or Terrorist Financing Transaction Reporting Procedures" and the "Suspicious Money Laundering and Terrorist Financing Transaction Monitoring Procedures," and has implemented effective controls.	Improved
(4) Failure to conduct customer risk review and risk assessment procedures as required by regulations.	The foreign legal entity information has been updated and revised in accordance with regulations.	Improved

Note: Please list in detail the penalty imposed by the competent authority (inclusive) or more than NT$240,000 or more; please also list the findings of the competent authority, stock exchange, stock exchange trading center, and futures exchange. Improvement of information security deficiencies

VI. Information security management

(1) State the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.: The company has formulated various information security and disaster recovery measures to strengthen information and communication security, prevent the information system and related information from being improperly used, leaked, tampered, damaged, etc., and ensure that the information system connected to the Internet and The security of its data, and maintaining the smooth operation of the computer, the security, integrity and privacy of the equipment and data, the implementation of the management of the use of computer information, the maintenance of the effective use of computer resources, and the smooth progress of the overall information business. The company continues to strengthen management and enhance defense capabilities for important information systems. In addition to complying with regulations and information security requirements set by the competent authorities, it further achieves the protection and security of important customer information.

The company will regularly review the company's information security policy every year, and set up an information security implementation team, with the general manager as the convener, and the heads of various departments as members of the organization. And every year, the overall implementation of information security in the previous year, the top executive responsible for information security, the chairman, general manager, and audit supervisor jointly issue a statement of internal control system (including the overall implementation of information security) and submit it to the board of directors for approval. Disclose the contents of the statement to the Public Information Observatory within three months after the end of the fiscal year. In response to DDOS attacks, our company has completed the establishment of ISP traffic cleaning services, which can avoid being attacked by network hackers.

The mobile APP provided to customers also requires the manufacturer to confirm that it does not contain malicious code and sensitive data before the mobile application is released, and fully define the special symbol screening mechanism, and appoint a third party certified by the National Certification Foundation every year. The three-party testing laboratory conducts and completes the information security testing. In the event of a major information service abnormal event or an information security incident, the company will promptly handle the incident notification, so that the competent authority, the Securities and Futures Bureau of the Financial Supervision and Administration Commission and relevant units can effectively grasp the incident information and report the information security incident according to the planning process. The company's information security and other related IT investments are personnel salary training, software and hardware purchase, maintenance and outsourced development, etc., and invested NT$11,401,000 and NT$12,199,000 in 2023 and 2022 respectively.

(2) List the losses, possible impacts and countermeasures suffered by major information security incidents in the most recent year. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

Part B. Financial conditions

I. Condensed balance sheet and comprehensive income statement

(I). Balance sheet

Unit: NT$1,000

Items		Latest 5 years financial status (Note 1)				
		2023	2022	2021	2020	2019
Current assets		11,278,778	9,137,029	11,996,790	5,762,365	3,915,968
Property, plant and equipment		15,825	21,698	14,068	20,140	17,875
Other non-current assets		1,557,816	1,201,174	1,283,052	1,156,324	1,087,412
Current liabilities	Before distribution	7,122,264	5,782,341	8,092,156	3,629,416	1,901,888
	After distribution	(Note2)	5,782,341	8,476,329	3,671,040	2,073,778
Non-current liabilities		32,439	48,876	58,655	78,583	5,426
Capital		3,961,619	3,601,619	3,001,349	2,466,765	2,445,785
Retain earning	Before distribution	1,450,626	720,945	1,923,868	715,989	635,740
	After distribution	(Note2)	720,945	939,425	516,591	463,850
Total assets		12,852,419	10,359,901	13,293,910	6,938,829	5,021,255
Total liabilities	Before distribution	7,154,703	5,831,217	8,150,811	3,707,999	1,907,314
	After distribution	(Note2)	5,831,317	8,534,984	3,749,623	2,079,204
Total equity	Before distribution	5,697,716	4,528,684	5,143,099	3,230,830	3,113,941
	After distribution	(Note2)	4,528,684	4,758,926	3,189,206	2,942,051

Note 1: The data in the above table had been audited by CPA.
Note 2: A proposal for making up for the losses for the 2023 of our company has been presented.

(II). Comprehensive income statement

Earnings per share: NT$ Unit: NT$1,000

	Latest 5 years income statement comparison (Note 1)				
	2023	2022	2021	2021	2020
Income	1,218,529	175,095	1,950,915	601,926	539,861
Operating expenditure	616,914	410,902	640,140	357,051	331,389
Share of profits and losses of subsidiaries recognized using the equity method	63,910	18,428	194,463	21,909	38,166
Other profit or loss	19,197	8,013	4,868	8,300	8,282
Net income before tax	684,722	(209,366)	1,510,106	275,084	254,920
Net income	625,603	(264,658)	1,411,497	257,271	244,345
Earning per shares (Note 2)	1.61	(0.73)	4.16	0.83	0.79

Note 1: The data in the above table had been audited by CPA.

Note 2: Earnings per share is calculated by dividing the net profit after tax by the weighted average number of shares outstanding. The increase in the number of shares due to free allotment is calculated retrospectively.

(III) Name of CPA and auditing opinions in recent five years

Fiscal Year	Name of CPA firm	Name of CPA	Auditing opinion
2019	Deloitte Taiwan	Liao Wan-Yi Chen Chiang-Shiun	Unqualified opinion
2020	Deloitte Taiwan	Liao Wan-Yi Chen Chiang-Shiun	Unqualified opinion
2021	Deloitte Taiwan	Hsien Jian-Xin Chen Chiang-Shiun	Unqualified opinion
2022	Deloitte Taiwan	Hsien Jian-Xin、 Chen Chiang-Shiun	Unqualified opinion
2023	Deloitte Taiwan	Hsien Jian-Xin、 Chen Chiang-Shiun	Unqualified opinion

II. Financial analysis

Item (Note 2)			Latest 5 years financial analysis (Note 1)				
			2023	2022	2021	2020	2019
Financial ratio (%)	Debt to assets ratio		55.67	56.29	61.31	53.44	37.98
	Ratio of long-term funds to real estate and equipment		36,209.51	21,096.69	36,975.79	16,433.42	17,451.00
Solvency (%)	Current ratio		158.36	158.02	148.25	158.77	205.90
	quick ratio		158.32	157.98	148.22	158.70	205.72
Profitability	Return on assets(%)		5.39	(2.24)	13.95	4.30	5.17
	Return on equity(%)		12.24	(5.47)	33.71	8.11	8.13
	Business interest	Operating benefit	15.19	(6.55)	43.67	9.93	8.52
	Percentage of paid-in capital (%)	Pre-tax benefit	17.28	(5.81)	50.31	11.15	10.42
	Net profit (loss) rate (%)		51.34	(151.15)	72.35	42.74	45.26
	Earnings (losses) per share (NT$)		1.61	(0.73)	4.16	0.83	0.79
Cash flow (%)	Cash flow ratio		(Note3)	9.87	(Note3)	(Note3)	3.49
	Cash adequacy ratio		90.59	103.20	128.70	118.57	216.92
	Cash reinvestment ratio		(Note3)	4.07	(Note3)	(Note3)	0.57
Ratios of other special items (%)	Ratio of total liabilities to net capital		125.57	128.76	158.48	114.77	61.25
	Real estate and equipment as a percentage of total assets		0.24	0.36	0.22	0.77	0.86
	Firm-commitment underwriting value to quick asset		297.89	231.52	224.33	168.51	214.36
	Ratio of total financing amount to net value		20.13	17.90	21.68	12.87	7.43
	ratio of the total amount of securities lending to the net value		-	0.06	0.01	0.05	0.01

Explanation for the change of financial ratios in recent two year

1. The ratio of long-term funds to fixed assets and equipment 2023 increase compared to 2022 is primarily due to the increase in owner's equity at the end of 2022 resulting from profits earned in 112.

2.Profitability: In 2023, the asset turnover ratio, equity return ratio, operating profit to paid-up capital ratio, pre-tax net profit to paid-up capital ratio, net profit ratio, and earnings per share (loss) all increased compared to 2022, mainly due to the profits earned in 2023 driven by the upward trend in the stock market.

3.The ratio of fixed assets and equipment to total assets: 2023 increase compared to 2022 is primarily due to the increase in financial assets held and investments accounted for using the equity method, resulting in an increase in total assets at the end of 2023.

4. The ratio of underwritten amounts to the balance after deducting current liabilities from current assets 2023 increase compared to 2022 is mainly due to the increase in the total amount of underwritten securities in 2023.

5. The ratio of margin loan: amounts to net worth 2023 increase compared to 2022 is primarily due to the decrease in margin loan balances at the end of 2023 compared to the end of 2022.

Note 1: The data in the above table had been audited by CPA.
Note 2: Equations

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities / Total assets
   (2) Ratio of long-term capital to property and equipment = (Total equity + non-current liabilities) / Net property and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets – Prepaid expenses) / Current liabilities
3. Profitability
   (1) Ratio of return on total assets = Net profit / Average total assets
   (2) Ratio of return on equity = Net profit / Total equity
   (3) Net profit ratio = Net profit / Revenue
   (4) Earnings per share = (Net profit – preferred stock dividend) / Weighted average stock shares issued (Note 4)
4. Cash flow (Note 5)
   (1) Cash flow ratio = Net cash flow from operating activity / Current liabilities
   (2) Cash flow adequacy ratio = Net cash flow from operating activity in the past five years / (capital expenditure + cash dividend) in the past five years
   (3) Cash reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Gross property and equipment + Gross Investment property + Long-term investment + Other non-current assets + Working capital)
5. Special ratio:
   (1) Ratio of liabilities to equity = Total liabilities / Total equity
   (2) Ratio of property and equipment to total assets = Total property and equipment / Total assets
   (3) Ratio of firm-commitment underwriting value to quick assets = Firm-commitment underwriting value / (Current asset – Current liabilities)
   (4) Ratio of margin long position value to total equity = Margin long position value / Total equity
   (5) Ratio of margin short position value to total equity = Margin short position value / Total equity

Note 3: Operating cash flow is negative in the current year.

Note 4: The following factors are to be taken into consideration for the calculation of earnings per share:

1. It is based on the weighted average common stock shares instead of the outstanding stock

shares at year end.

2. For capitalization with rights issue or treasury stock, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.

Note 5: The following factors are to be taken into consideration for the analysis of cash flow:

1. Net cash flow from operating activity meant the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant the cash outflow of capital investment annually.
3. Cash dividend includes the amount for common stock and preferred stock.
4. Gross property and equipment meant the total property and equipment before deducting the accumulated depreciation.

III. Events for the Company and its associates to run into financial troubles in recent years: None

Part C: Review of financial position, management performance and risk management

I. Analysis of financial position

Unit: NT$1,000

Items	December. 31, 2023	December. 31, 2022	Increase (decrease)	
			Amount	Ratio (%)
Current assets	$ 11,278,778	$ 9,137,029	$ 2,141,749	23.44
Real estate/ Equipment	15,825	21,698	(5,873)	(27.07)
Other non-current assets	1,557,816	1,201,174	356,642	29.69
Total assets	12,852,419	10,359,901	2,492,518	24.06
Current liabilities	7,122,264	5,782,341	1,339,923	23.17
Non-current liabilities	32,439	48,876	(16,437)	(33.63)
Total liabilities	7,154,703	5,831,217	1,323,486	22.70
Capital	3,961,619	3,601,619	360,000	10.00
Capital reserve	153,832	147,600	6,232	4.22
Retain earning	1,450,626	720,945	729,681	101.21
Other equity	131,639	58,520	73,119	124.95
Total equity	5,697,716	4,528,684	1,169,032	25.81

Explanation for the changes of assets, liabilities and equity in past 2 years:

1. Current assets and total assets
The increase as of December 31, 2023 compared to December 31, 2022 was mainly due to a decrease in financial assets held for trading and investments in bonds with repurchase agreements.

2. Current liabilities and non-current liabilities
The increase as of December 31, 2023 compared to December 31, 2022 was mainly due to the increase in the repurchase agreements liabilities.

3. The increase in current liabilities and total liabilities:
The increase as of December 31, 2023 compared to December 31, 2022 is mainly due to the increase in the liability portion of repurchased bonds and advances received for distributing dividends.

4. Cause for a decline in capital reserve
The increase in the balance as of December 31, 2023 compared to that of December 31, 2022 was mainly due to the profit incurred in 2023.

II. Analysis of financial management performance

Unit: NT$1,000

	2023	2022	YOY increase (decrease) amount	Change ratio (%)
Revenue	$ 1,218,529	$ 175,095	$ 1,043,434	595.92
Expenditure and costs	616,914	410,902	206,012	50.14
Profit	601,615	(235,807)	837,422	355.13
Share of profit or loss from subsidiary accounted for using equity method	63,910	18,428	45,482	246.81
Other profit or loss	19,197	8,013	11,184	139.57
Pre-tax net income	684,722	(209,366)	894,088	427.05
Income tax	(59,119)	(55,292)	(3,827)	6.92
Net income	$ 625,603	($ 264,658)	$ 890,261	336.38

(I). Exploitation for change

1. Revenue: The increase in 2023 compared to 2022 was mainly due to the impact of stock market volatility in 2023, resulting in an increase in net loss from financial assets measured at fair value through profit or loss at the end of 2023.

2. Expenses and costs: The increase in 2023 compared to 2022 is mainly due to the reduction in employee benefits expenses in 2023.

3. The share of profit/loss from subsidiaries accounted for using equity method: increase in 2023 compared to 2022 mainly due to the lower profitability of the subsidiary accounted for using equity method in 2023 compared to 2022.

4. The other profit and loss in 2023 increase compared to 2022, mainly due to the decrease in gains from the sale of securities in 2023, resulting in a decrease in the basic tax payable as calculated compared to 2022.

5. Income tax expense in 2023 increase compared to 2022, mainly due to an increase in gains from the sale of securities in 2023. Upon calculation, this resulted in a higher basic tax payable for 2023 compared to 2022.

(II). Impact and countermeasures from anticipated revenue over the Company's financial condition

The Company's profit is expecting to be on the rise, through its new business of stock borrowing and lending and increased proprietary trading for index futures and bond repo activities, on top of the well-balanced businesses among the brokerage, underwriting, stock registrar, proprietary trading and bond departments.

III. Analysis of cash flow

(I), Change of cash flow Unit: NT$1,000

Item	2023	2022	Increase (decrease) (%)
Cash flow ratio	Note	9.87	Note
Cash flow adequacy ratio	90.59	103.20	(12.22)
Cash reinvestment ratio	Note	4.07	Note

Note: The operating cash flow in the year was negative.

Explanation for the change of cash flow:

1. The cash flow ratio and cash reinvestment ratio for 202 increased compared to 2022, primarily due to the increase in net cash inflows from operating activities in the 2023.

(II), Plan to improve the liquidity deficit problem: None.

(III), Analysis of the cash flow in next fiscal year NT$1,000

Balance at the beginning of year (1)	Expected cash flow from operating activity (2)	Expected cash flow from investment activity (3)	Expected total cash flow balance (deficit) (1) +(2)+(3)	Measures to cope with expected cash flow deficit	
				Investment plan	Investment plan
278,807	894,563	(901,403)	271,967	-	-

1. Analysis of the cash flow in next fiscal year:
   (1). Operating activity: A cash outflow will happen, as the Company will try to increase profit by marking up stock positions.
   (2). Investment activity: A cash inflow is expected due to booking of dividend income and launch of rights issue.

2. Analysis of expected cash flow deficit:
   No cash flow deficit will take place in coming year, due to an expected cash inflow from investment and fund-raising activities.

IV. Impact from significant capital expenditure to financial condition: None

V. Investment policy; causes of profit or loss and improvement measures in subsidiary; and investment plan in next year:

(I). Investment policy in recent years:

The company continues to monitor its equity investments in subsidiaries in accordance with the operational procedures for subsidiary monitoring, as well as specific company, group enterprise, and related-party transaction management procedures, in order to maximize the effectiveness of the company's equity investments.

(II). Profit and loss of reinvestment in recent year and remedy measures

December 31, 2023

Unit: NT$1,000

Name of reinvestment	Explanation		
	Amount	Cause of profit or loss	Remedy measures
Grand Fortune Securities Investment Consulting Co., Ltd.	$ 1,381	Stable outlook	None
Foryou Capital Corporation	(7,933)	Stable outlook	None
Grand Fortune Management Corporation	1,076	Stable outlook	None

(III). Investment plan in next year: None

VI. Risk analysis and evaluation in the recent year

(I). Impact of interest rate, currency exchange rate, and inflation rate on the Company’s profit profile, and the countermeasures:

1. Impact of interest rate on the Company’s profit profile, and the countermeasures:

Change of interest rate poses a direct impact to bond repo trading, but the

Company has a rigorous policy in managing bond portfolio, building up its positions to take advantage of a rebound of interest rate in the future and thereby generate contribution to the Company's results. In terms of bank loans, the Company on a regular basis evaluates the interest rate level in borrowings and tries to seek preferential interest rate by communicating closely with banks. As such, change of interest rate is not influential to the Company's profit significantly.

2 . Impact of currency exchange rate on the Company's profit profile, and the countermeasures:

The Company's revenue is mainly based on local currency, with very minimal impact to come from the trend of currency exchange rate.

3. Impact of inflation on the Company's profit profile, and the countermeasures: The Company's main cost and expense are only tied to personnel salary, so that the inflation is not influential to financial and business performances significantly.

(II). Causes and countermeasures for profit and loss in conducting high-risk and high-leveraged investment, loans to others, endorsement, guarantee and financial derivatives trading,

In the recent year and up to the date of report printed, the Company did not engage in financial derivatives trading, nor grant loans, endorsement and guarantee to others.

(III). Impact of domestic and international policies and law change on the Company's finance, and the countermeasures:

As being a securities co. ltd, the Company is influenced by a change of regulations in the financial and securities markets. Mainly operating in domestic market, the Company's risk of the policy and law is much related to the authorities' regulations which however are promoted in an encouraging, open way. As closely tracking the domestic policy and law, the Company thus far sees no impact from a change of domestic policy and law.

(IV). Impact of a technology change (included information security risk) and industrial change on the Company's finance, and the countermeasures:

In an industry that is seeing investors' increased demand for information and services due to the upgrade of technology and internet-induced efficiency in the capital market, the Company continues to upgrade its electronic system, in order to strengthen operation and deal with the impact from a change of technology.

After years of financial innovation and industry merger, Taiwan's securities market is heading for a trend that is dominated by larger and niche securities houses. The Company has run in an appropriate size, adopting a flexible and high-efficient operation mode to face the ever-changing environment in the industry. Overall, a change in technology and industry pose non-significant impact to the Company.

For information on security risk response measures, please refer to Other Disclosures Part A. (VI) Information Security Management.

(V). Impact of a corporate image change on risk management, and the countermeasures:

Since the inception, the Company has followed the best-practice operation principle, not only providing perfect planning to clients with professional and high-quality services, but also prioritizing its internal management and law compliance. Up until now, the Company does not run into any event that impacts corporate image.

(VI). Anticipated effect, potential risk and countermeasures in a merger:

In the recent year and up to the date of report printed, the Company did not undertake any merger.

(VII). Anticipated effect, potential risk and countermeasures from expansion of operation centers:

To beef up the business efficiency, the Company in June 2018 established its branch in Hsinchu County to provide service there. Also, the Company hopes a positive contribution from its increased services of electronic trading system.

(VIII). Concentration risk of procurement or sales faced by the Company, and the countermeasures:

I, Concentration risk of procurement and the countermeasures:
Being a securities house, the Company does not procure any material or merchandise, so that there is no procurement event. The subsidiaries stated in the separate financial statement do not have any procurement either. The item is not applicable.

2. Concentration risk of sales, and the countermeasures:
The Company's major business is related to brokerage, underwriting and stock registrar with client base being well diversified, so that there is no concentration risk of sales.

(IX). Impact and risk from massive stock transfer or from change by director, supervisor, and shareholder with an over-10% stake, and the countermeasures:

There was no massive stock transfer or change by director, supervisor, and shareholder with an over-10% stake in the recent year and up to the date of the report printed.

(X). Impact and risk of ownership change over the Company, and the countermeasures:

The Company's ownership is mostly controlled by directors and its management team, which for a long time have devoted themselves into the Company's operation, thereby facing no impact from an ownership change.

(XI). Legal and non-legal events

1. Disclosures must be provided regarding causes of disputes, subject-matter amounts of money, beginning date of litigation, major litigation persons and current litigation progress in the lawsuits, non-litigation and administrative disputes that have been adjudicated or still in the litigation process in the recent two years and up to the date of the report printed, with the verdict potentially impacting shareholders' equity or the Company's share price significantly:
None

2. Disclosures must be provided regarding the involvement of director, supervisor, president, de facto owner, as well as the shareholder and the Company's associate with an over-10% stake in the lawsuits, non-litigation and administrative disputes that have been adjudicated or still in the litigation process in the recent two years and up to the date of the report printed, with the

verdict potentially impacting shareholders' equity or the Company's share price significantly: None

3. Disclosures must be provided regarding the violation of the Securities Transaction Act, Article 157, by director, supervisor, manager and the shareholder with an over-10% stake in the recent two years and up to the date of the report printed: None.

4. Disclosures must be provided regarding the impact to the Company's financial status due to financial difficulties and insolvency suffered by director, supervisor, manager and the shareholder with an over-10% stake in the recent two years and up to the date of the report printed: None.

(XII). Other significant risks and countermeasures: None

VII. Crisis management and countermeasures

As being a securities house that is abiding by the law, the Company has required its departments to follow the rules of internal control in operating business, in order to deal with any risk.

The Company in November 2015 established a risk management committee that is equipped with several execution units, in order to confront, monitor and deal with risk management matters.

The Company has established a risk management committee that is equipped with several execution units, in order to confront, monitor and deal with risk management matters, including the risks that will take place at the market, credit, liquidity, operation and law sectors. The risk management policy has been reinforced, under review on a regular basis for its adequacy, and has been adjusted to adapt to the market change.

VIII. Other key matters: None

Part D: CPA information

I. Fee information

CPA firm	CPA name	Period covered by CPA's audit	Audit public expenses	Non-Audit public expenses	Total	Remark
Deloitte Taiwan	Hsien Jian Xin	2023	1,480	281	1,761	Note1
	Chen Chiang-Shiun					
Deloitte Taiwan	Chen Yin-Chou	2023	-	2,100	2,100	Note2
	Fang Han-Ni					

Note1: The non-auditing fees paid to CPAs, CPA firm, and the CPA firm's related party accounted for over a quarter of the total auditing fees, the auditing amount and non-auditing amount.

Note2: The non-auditing fees are for sustainability report consulting services and sustainability report assurance services.

(I). In case the auditing fee paid in the year retaining service from another CPA firm is less than the auditing fee paid in the year before: None.

(II). In case the auditing fee paid in the year retaining service from another CPA firm is over 10% less than the auditing fee paid in the year before: None.

II. Information of change of CPA: None

III. The chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year: None

VI. Company and its related enterprises have not encountered any financial difficulties during the latest fiscal year up to the printing date of the annual report: none

Chapter Seven.

Review of financial position, management performance and risk management

I. Analysis of financial position

I. Analysis of change of assets, liabilities and equity in recent two years Unit: NT$1,000

item \ year	Dec. 31, 2022	Dec. 31, 2023	Change: Increase (decrease)	
			NT$1,000	%
Current assets	9,919,388	11,620,328	1,700,940	17.15
Property, plant and equipment	29,416	20,963	(8,453)	(28.74)
Other non-current assets	716,079	1,281,650	565,571	78.98
Total assets	10,664,883	12,922,941	2,258,058	21.17
Current liabilities	5,826,645	7,189,260	1,362,615	23.38
Non-current liabilities	55,893	35,965	(19,928)	(35.65)
Total liabilities	5,882,538	7,225,225	1,342,687	22.82
Share capital	3,601,619	3,961,619	360,000	9.99
Capital reserve	147,600	153,832	6,232	4.22
Retained earnings	720,945	1,450,626	729,681	101.21
Other equity	58,520	131,639	73,119	124.95
Non-controlling interests	253,661	0	(253,661)	(100.00)
Total equity	4,782,345	5,697,716	915,371	19.14

Explanation for the annual change by over 20% and by over NT$10 million in past two years:
1. Current assets and total assets:
Increased as of December 31, 2023, compared to December 31, 2022, primarily due to an increase in the position of financial assets held.
2. Other non-current assets:
Increased as of December 31, 2023, compared to December 31, 2022, primarily due to an increase in investments accounted for using the equity method.
3. Current liabilities and total liabilities:
Increased as of December 31, 2023, compared to December 31, 2022, primarily due to an increase in liabilities for bonds repurchased and advances received for the distribution of dividends.
4. Shares:
Increased as of December 31, 2022, compared to December 31, 2021, primarily due to the capitalization resulting from the issuance of stock dividends.
5. Retained earnings and equity:
Decreased as of December 31, 2023, compared to December 31, 2022, primarily due to profitability in 2023.

II. Analysis of financial management performance

I. Analysis of change of revenue, operation profit and net profit in recent two years

Unit: NT$1,000

	FY2022	FY2023	Change / NT$1,000	Change (%)
Revenues	230,782	1,365,859	1,135,077	491.84
Expenses	438,579	646,556	207,977	47.42
Operating profit	(207,797)	719,303	927,100	446.16
Shares of profits and losses of subsidiaries recognized under equity method	(1,962)	9,161	11,123	566.92
Other incomes and losses	10,307	8,921	(1,386)	(13.45)
Net profit before tax	(199,452)	737,385	936,837	469.71
Income tax	(75,008)	(103,682)	(28,674)	(38.23)
Net profit	(274,460)	633,703	908,163	330.89

Explanation for the annual change by over 20% and by over NT$10 million

1. Revenue:
Increased in 2023 compared to the f2022, primarily due to the upward fluctuation in the stock market in 2023, resulting in an increase in net gains from financial assets measured at fair value through profit or loss at the end of the year.
2. Expenses and costs:
Increased in 2023 compared to 2022, primarily due to an increase in employee welfare expenses in 2023 compared to the fiscal year 2022.
3. Share of profit of subsidiaries accounted for using the equity method:
Increased in 2023 compared to 2022, primarily due to an increase in profits of subsidiaries accounted for using the equity method in 2023 compared to 2022.
4. Income tax expense:
Increased in 2023 compared to 2022, primarily due to an increase in gains from the sale of securities in 2023, resulting in a higher basic tax liability compared to 2022.

2. Impact and countermeasures from anticipated revenue over the Company's financial condition

The Company's profit is expecting to be on the rise, through its new business of stock borrowing and lending and increased proprietary trading for index futures and bond repo activities, on top of the well-balanced businesses among the brokerage, underwriting, stock registrar, proprietary trading and bond departments.

III. Analysis of cash flow

(I.) Change of cash flow in 2022

Unit: NT$1,000

	Cash Inflow (Outflow)		Change: Increase (decrease)	
	FY2022	FY2023	NT$1,000	%
Operating activity	980,557	(742,071)	(1,722,628)	(175.68)
Investment activity	(77,937)	(260,542)	(182,605)	(234.30)
Fund raising activity	(565,148)	456,760	1,021,908	180.82

Explanation of changes in ratios of cash flows:
(1) operating cash outflows increased compared to the same period last year, primarily due to the significant increase in realized

and valuation gains from investment positions resulting from the upward fluctuation in the stock market in 2023. additionally, the decrease in the amount of debt repurchase commitments (RPRS) compared to 2022 also contributed to the increase in net cash inflows from operating activities. 。

(2) Net cash outflows from investing activities increased compared to the same period last year, mainly due to the disposal of subsidiaries by Grand Fortune's parent company and the cash capital increase in Grand Fortune Management Corporation's subsidiary, Foryou Capital Corporation.

(3) Net cash inflows from financing activities increased compared to the same period last year, primarily due to the cash capital increase by Fubon's parent company and the increase in bank borrowings.

(II), Plan to improve the liquidity shortage problem: The Company does not face the problem.

(III), Analysis of the cash flow in next fiscal year

NT$1,000

Balance at the beginning of year (1)	Expected cash flow from operating activity (2)	Expected cash flow from investment activity (3)	Expected total cash flow balance (deficit) (1) +(2) +(3)	Measures to cope with expected cash flow deficit	
				Investment plan	Financing plan
375,585	938,377	(864,403)	449,559	-	-

1. Analysis of the cash flow in next fiscal year:

(1). Operating activity: A cash inflow will happen, as the Company will try to increase profit by marking up stock positions.

(2). Investment and Fund-raising activity: A cash outflow are expected due to booking of dividend income from the issuance of cash dividends and repayment of loans.

2. Remedial measures and liquidity analysis for estimated cash shortage: The total net cash inflow from investment in business activities and financing activities is estimated to be in the next year, so there is no shortage of cash balance at the end of the period.

IV. Impact from significant expenditure over the financial position in recent years: None

V. Investment policy; causes of profit or loss and improvement measures in subsidiary; and investment plan in next year:

1. The Company has tried to maximize the synergy effect through the subsidiary operation rules to monitor reinvestment and the management rules to trade with special entity, conglomerate enterprise and interested party.

2. Profit and loss of reinvestment in FY2023 and remedy measures

Unit: NT$1,000

Name of reinvestment	Stake (%)	Cause of profit and loss		Remedy measures
		Recognition of investment profit (loss) in FY2023	Explanation	
Grand Fortune Securities Investment Consulting Co., Ltd.	100.00%	1,381	Stable outlook	None
Foryou Capital Corporation (note 1)	100.00%	(7,933)	Stable outlook	Reallocation of short-tern stock portfolio to make a profit
Grand Fortune Management Corporation	100.00%	1,076	Impairment loss in holding value	None

Note 1: The group's organizational structure has been adjusted, and following the organizational restructuring, Grnad Fortune Securities directly holds 100% of the shares of Foryou Capital Corporation.

3. Investment plan in next year: None.

VI. Risk analysis and evaluation

(I) Risk factor

1. Impact of interest rate, currency exchange rate, and inflation rate on the Company's profit profile, and the countermeasures:

(1). Impact of interest rate on the Company's profit profile, and the countermeasures:
Change of interest rate poses a direct impact to bond repo trading, but the Company has a rigorous policy in managing bond portfolio, building up its positions to take advantage of a rebound of interest rate in the future and thereby generate contribution to the Company's results. In terms of bank loans, the Company on a regular basis evaluates the interest rate level in borrowings and tries to seek preferential interest rate by communicating closely with banks. As such, change of interest rate is not influential to the Company's profit significantly.

(2). Impact of currency exchange rate on the Company's profit profile, and the countermeasures: The Company's revenue is mainly based on local currency, with very minimal impact to come from the trend of currency exchange rate.

(3). Impact of inflation on the Company's profit profile, and the countermeasures:
The Company's main cost and expense are only tied to personnel salary, so that the inflation is not influential to financial and business performances significantly.

2. Causes and countermeasures for profit and loss in conducting high-risk and high-leveraged investment, loans to others, endorsement, guarantee and financial derivatives trading,
In the recent year and up to the date of report printed, the Company did not engage in financial derivatives trading, nor grant loans, endorsement and guarantee to others.

3. R&D plan and budgeted expense:
The company will comply with regulatory requirements and open up various new business processes to meet market trends and investor demands. In 2023, investments were made in the implementation of the DLP system, including manpower and information technology hardware and software. In 2024, it is anticipated that investments will be made in the optimization of the AP order placement system Code Base, with related expenses being handled accordingly. However, as the capital size currently does not meet certain conditions, there are no expenses related to the introduction of new financial products at present, and related expenses will be handled with the case; however, the current capital scale does not meet certain conditions, and there is no new Expenses related to financial commodity inputs. Please refer to the company's official website (https://www.gfortune.com.tw/Static/Investor Zone/index.html).

4. Impact of domestic and international policies and law change on the Company's finance, and the countermeasures:
As being a securities house, the Company is influenced by a change of regulations in the financial and securities markets. Mainly operating in domestic market, the Company's risk of the policy and law is much related to the authorities' regulations which however are promoted in an encouraging, open way. As closely tracking the domestic policy and law, the Company thus far sees no impact from a change of domestic policy and law.

5. Impact of a technology change and industrial change on the Company's finance, and the countermeasures:

The impact of technological changes (including information security risks) and

industry changes on the financial operations of the company, as well as the corresponding measures, are evaluated through appropriate risk assessment and risk management. Risk assessment is conducted using information asset risk assessment methods, which categorize information assets and manage them accordingly to control residual risks within acceptable limits. This involves managing information assets, usage, process controls, and real-time controls (such as anti-malware software, firewalls, and email security). Key metrics are organized to measure the financial value provided by information assets compared to the expenditure on information security, the cost of information security controls for each information asset, and the reduction in financial value at risk due to information security risks.
The first measure involves establishing a permanent working group to coordinate the implementation of information security control measures, ensuring reasonable assignment of responsibilities, and effective resource management.
The second measure entails participating in the Financial Information Sharing and Analysis Center (F-ISAC), which serves as a window for reporting and handling cybersecurity incidents. It also provides consultation and assistance services, and access to industry-specific cybersecurity intelligence.
The third measure involves appointing security manager and security personnel who receive ongoing training in evolving cybersecurity concepts and technologies. They are responsible for managing information security systems and control measures, thereby establishing and maintaining continuous business operations.
The company maintains a moderate scale and responds to changes in the industrial environment through flexible, autonomous and efficient operation methods. Overall, technological changes and industrial changes have not yet had a significant impact on the Company's financial business. For information on security risk response measures, please refer to the fifth and sixth, information security management of the company's annual report.

6. Impact of a corporate image change on risk management, and the countermeasures:
Since the inception, the Company has followed the best-practice operation principle, not only providing perfect planning to clients with professional and high-quality services, but also prioritizing its internal management and law compliance. Up until now, the Company does not run into any event that impacts corporate image.

7. Anticipated effect, potential risk and countermeasures in a merger:
In the recent year and up to the date of report printed, the Company did not undertake any merger.

8. Anticipated effect, potential risk and countermeasures in a factory establishment:
In the recent year and up to the date of report printed, the Company did not undertake any factory establishment.

9. Concentration risk of procurement or sales faced by the Company, and the countermeasures:

(1), Concentration risk of procurement and the countermeasures:
Being a securities house, the Company does not procure any material or merchandise, so that there is no procurement event. The subsidiaries stated in the separate financial statement do not have any procurement either. The item is not applicable.

(2). Concentration risk of sales, and the countermeasures:
The Company’s major business is related to brokerage, underwriting and stock registrar with client base being well diversified, so that there is no concentration risk of sales.

10. Impact and risk from massive stock transfer or from change by director, supervisor, and shareholder with over 10% shareholding, and the countermeasures:
There was no massive stock transfer or change by director, supervisor, and

shareholder with over 10% shareholding in the recent year and up to the date of the report printed.

11. Impact and risk of ownership change over the Company, and the countermeasures:
The Company's ownership is mostly controlled by directors and its management team, which for a long time have devoted themselves into the Company's operation, thereby facing no impact from an ownership change.

(II). Legal and non-legal events

1. Disclosures must be provided regarding causes of disputes, subject-matter amounts of money, beginning date of litigation, major litigation persons and current litigation progress in the lawsuits, non-litigation and administrative disputes that have been adjudicated or still in the litigation process in the recent two years and up to the date of the report printed, with the verdict potentially impacting shareholders' equity or the Company's share price significantly: None

2. Disclosures must be provided regarding the involvement of director, supervisor, president, de facto owner, as well as the shareholder and the Company's associate with over 10% stake in the lawsuits, non-litigation and administrative disputes that have been adjudicated or still in the litigation process in the recent two years and up to the date of the report printed, with the verdict potentially impacting shareholders' equity or the Company's share price significantly: None

3. Disclosures must be provided regarding the violation of the Securities Transaction Act, Article 157, by director, supervisor, manager and the shareholder with over 10% stake in the recent two years and up to the date of the report printed: None.

4. Disclosures must be provided regarding the impact to the Company's financial status due to financial difficulties and insolvency suffered by director, supervisor, manager and the shareholder with over 10% stake in the recent two years and up to the date of the report printed: None.

(III). Other significant risks and countermeasures

The capital adequacy ratio of a securities house is used to gauge its capability in face of the whole operation risk, with a higher level of such ratio conductive to operation. The Company's capital adequacy ratio and its operation-risk cash equivalents are described as below:

Capital adequacy ratio on December 31, 2023

Date	December 31, 2023	Average	Highest	Lowest
Ratio	356%	439%	488%	356%

Operation-risk cash equivalents on December 31, 2023 Unit: NT$

Item	Risk-linked cash equivalents
Market risk	845,269,585
Credit risk	73,072,432
Procedure risk	159,049,607
Total	1,077,391,624

VII. Crisis management and countermeasures

The company belongs to the financial franchise industry. In addition to operating in accordance with the policies and regulations of the competent authorities, in order to ensure the sustainable operation of the company in the event of a major crisis and strengthen the efficiency of emergency response to emergencies, it has formulated business crisis response measures and set up emergency events. A decision-making team, whose members are assigned by the general manager, is responsible for commanding and supervising the handling of various crisis events; contingency measures include but are not limited to: system backup and recovery, procedures for rapid establishment and removal of existing positions, delivery by default, and temporary cash management needs program.

The Company has established a risk management committee that is equipped with several execution units, in order to confront, monitor and deal with risk management matters, including the risks that will take place at the market, credit, liquidity, operation and law sectors. The risk management policy has been reinforced, under review on a regular basis for its adequacy, and has been adjusted to adapt to the market change.

For the description of information security risk assessment and analysis and countermeasures, please refer to the company's annual report VII(VI) 4. "Technology changes (including information security risks) and industry changes on the company's financial business and countermeasures."

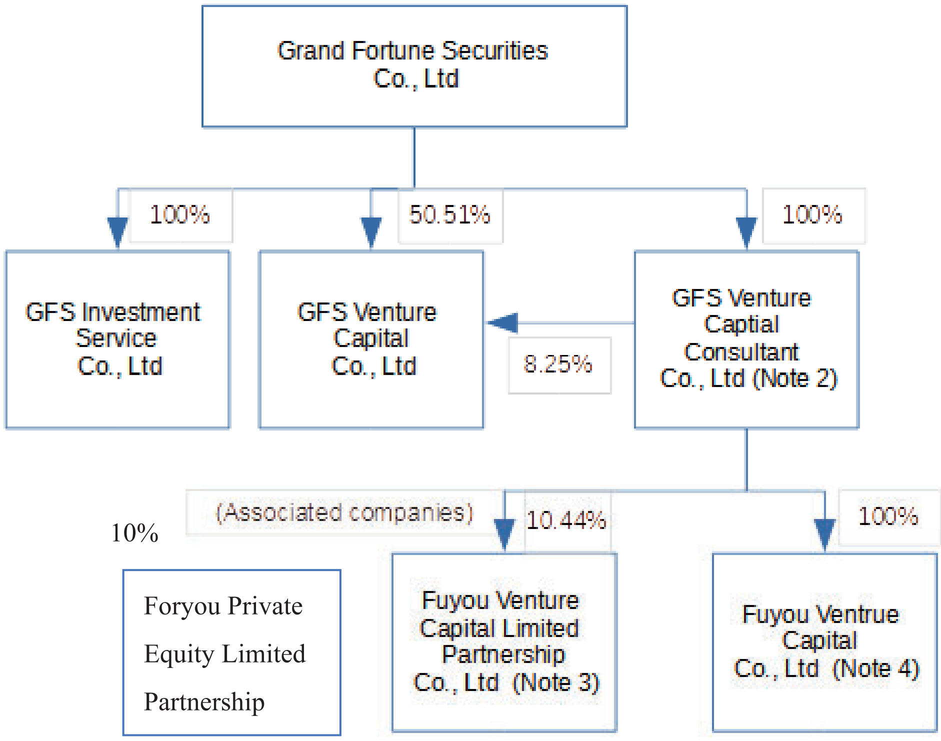
VIII. Other important matters: None.

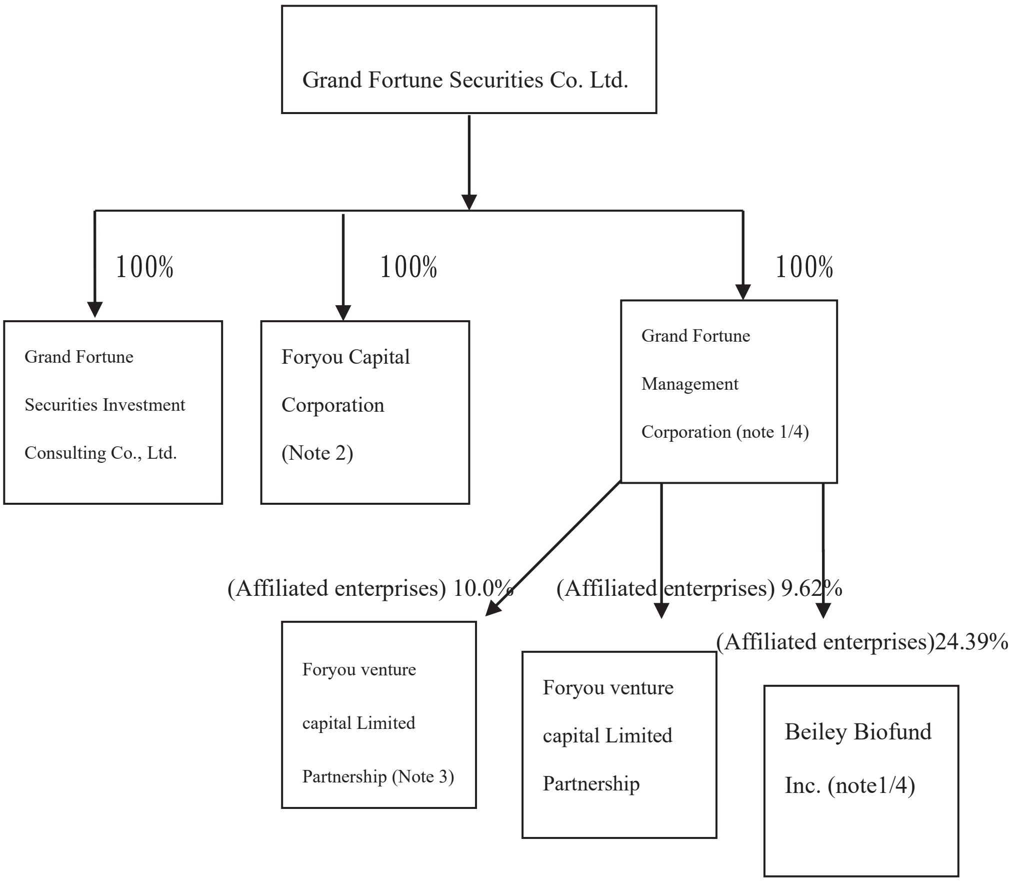
Chapter Eight: Special disclosures

I. Information about the Company's associate

(I). Consolidated business reports about associate

1. Business structure of associate





Note1: Grand Fortune Management Corporation underwent organizational restructuring in March 2023, and following the restructuring, directly held 58.76% of the shares of Beiley Biofund Inc. Additionally, on August 22, 2023, the Company increased its capital in Grand Fortune Management Corporation by cash injection of NT$150,000,000. Beiley Biofund Inc. (formerly Fortune Venture Investment) carried out a cash capital increase on October 4, 2023. However, due to Grand Fortune Management Corporation's failure to subscribe to Beiley Biofund Inc (formerly Fortune Venture Investment) according to its shareholding proportion, the ownership ratio decreased from 58.76% to 24.39%.

Note2: Grand Fortune Management Corporation underwent organizational restructuring in March 2023, and following the restructuring, the Company directly held 100% of the shares of Foryou Capital Corporation. Additionally, on August 22, 2023, the Company increased its capital in Foryou Capital Corporation by cash injection of NT$50,000,000.

Note3: Grand Fortune Management Corporation completed the registration of private placement establishment for Foryou Private Equity Limited Partnership with NT$40,000,000 on August 9, 2022. NT$30,000,000 of the second installment of the contribution amount was paid in June 2023, and the registration of private placement modification for Foryou Private Equity Limited Partnership was completed on September 12, 112, with a contribution ratio of 10%.

Note4: Beiley Biofund Inc., formerly known as Fortune Venture Investment Co., Ltd. (Fubon Venture), was approved by its shareholders' meeting in June 2023 to transform into a sustainable biotech venture capital company and changed its name to Beiley Biofund Inc. on August 24, 2023.

2. Basic information about associate

Name	Established date (year/month/day)	Address	Share capital (NT$1,000)	Main operation
Grand Fortune Securities	2010/03/05	6th Floor, No. 6, Section 1, Zhongxiao West Road,	94,800	Securities consulting

Investment Consulting Co., Ltd.		Zhongzheng District, Taipei City		service
Foryou Capital Corporation	2020/01/22	6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City	220,299	General Investment
Grand Fortune Management Corporation	2013/10/24	6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City	592,803	Investment consulting and management consulting
Foryou venture capital Limited Partnership	2019/03/13	6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City	520,000	General Investment
Foryou Private Equity Limited Partnership	2022/08/09	11th Floor, No. 6, Section 1, Zhong-xiao West Road, Zhong-zheng District, Taipei City	700,000	General Investment
Beiley Biofund Inc.	2013/10/15	11th Floor, No. 6, Section 1, Zhong-xiao West Road, Zhong-zheng District, Taipei City	2,000,091	Venture capital

3. Shareholder background in the Company’s controlled and associated companies: None

4. Explanation of operation in entire associates

Operation in associates

Name of associate	Operation
Grand Fortune Securities Investment Consulting Co., Ltd.	Research of global and Taiwan economy/analysis and forecast for capital market/industry survey and economic forecast/company analysis and investment assessment/publishing of research/fully-designated consignment trading business
Foryou Capital Corporation	Direct funding to associate/providing of business management to associate
Grand Fortune Management Corporation	Consulting services of investment management to start-up
Foryou venture capital Limited Partnership	Appointing Grand Fortune Management Corporation as the general partner to provide decision-making and management for investment targets.
Foryou Private Equity Limited Partnership	Appointing Grand Fortune Management Corporation as the general partner to provide decision-making and management for investment targets.
Beiley Biofund Inc.	The transformation into a sustainable biotech venture capital company provides operational synergies for investments within the Groups.

5. Director, supervisor and president in associate

Unit: shares, %

Name of associate	Title	Name or representative	Shareholding	
			Shares	Stake (%)
Grand Fortune Securities Investment Consulting Co., Ltd.	Chairman & CEO Director Director Supervisor	Huang Yu Ting (Note 1) Hsu Hui Lan (Note 1) Chris Wu (Note 1) Chiu Shih Fan (Note 1)	9,480,000	100%
Foryou Capital Corporation	Chairman Director Director Supervisor CEO	Huang Bing-Jing (Note 1) Jeng Geng -yi (Note 1) Lin Ying Ming (Note 1) Zhu Shicheng (Note 1) Vicky Cheng (Note 1)	22,029,931	100%
Grand Fortune Management Corporation	Chairman Director & CEO Director Director Supervisor	Huang Hsien-Hua (Note 1) Huang Hsien-Hua (Note 1) Jeng Geng -yi (Note 1) LIU WEN SHENG (Note 3) Lin Ying Ming (Note 3)	59,280,261	100%
Foryou venture capital Limited Partnership	Representative	Grand Fortune Management Corporation	(Note 2)	9.62%
Foryou Private Equity Limited Partnership	Representative	Grand Fortune Management Corporation	(Note2)	10.00%
Beiley Biofund Inc.	CEO Director Another director & Supervisor	Huang Hsien-Hua (Note 3) Wang Zeng-Chi (Note 3)	200,090,890	24.39%

Note 1: Representing Grand Fortune Securities Co., Ltd.

Note 2: A limited corporation.

Note 3: Representative is Grand Fortune Venture Capital Consultant Co., Ltd。

6. Operation results in associates Unit: NT$1,000

Name of associate	Share Capital	Total assets	Total Liabilities	Equity	Revenue	Operating profit (loss)	Net profit (loss)	EPS
Grand Fortune Securities Investment Consulting Co., Ltd.	94,800	111,592	11,152	100,440	22,464	709	1,381	0.15
Foryou Capital Corporation	220,299	362,867	9,872	352,995	2,522	285	(8,436)	(0.45)
Grand Fortune Management Corporation	592,803	846,067	49,571	796,496	121,596	99,280	1,076	0.03
Foryou venture capital Limited Partnership	520,000	775,797	63,273	712,524	5,450	(41,928)	(73,994)	(note1)
Foryou Private Equity Limited Partnership	700,000	837,447	676	836,771	5,613	(6,089)	(5,282)	(note 1)
Beiley Biofund Inc.	2,000,091	2,124,403	2,632	2,121,771	139,500	81,923	88,615	1.04

Note 1: A limited corporation

Note 2: For consolidated financial statement with associates, please see the annual report. (Page 116-178)

Note 3: For associates report, please see the annual report. (Page 115)

II. The status of private placement (In the most recent year and as of the printing date of the annual report)

(I) First private placement case in 2023:
The resolution to revoke the private placement of unsecured convertible corporate bonds was made by the Board of Directors on February 23, 2023, therefore, it was not discussed at the shareholders' meeting on April 14, 2023.

(II) First private placement case in 2024:
The resolution to add a new private placement of unsecured convertible corporate bonds was made by the Board of Directors on March 12, 2024, and it was discussed at the shareholders' meeting on April 30, 2024.

III. In the most recent year and up to the date report printed, addition or disposal by subsidiaries in the Company's stock: None

IV. Other supplementary explanation items: Commitment items on the TPEX.

Commitments with the TPEX	Promise handling situation
The Company will not waive its participation at the capital increase program in subsidiaries. However, the Company will have to report to the TPEX for its break of such promise, if under the consideration of strategic alliance or other factors.	1. On May 5, 2023 (Item 14-2), the Board of Directors resolved to approve the transformation into a sustainable biotech venture capital company for the subsidiary Fortune Venture Investment Co., Ltd. Additionally, on August 4, 2023 (Items 14-3), the Board of Directors resolved to allow the waiver of subscription rights for cash capital increase and transfer the rights to subscribe to all shareholders of the Company, and change the organization's name to "Beiley Biofund Inc."。 2. The above-mentioned transformation, capital increase, and name change resolutions were all accompanied by relevant documents submitted for review to theTPEX. Approval was granted by the FSC Letter No. 1120347623 dated July 20, 2023 and FSC Letter No. 1130332829 dated February 16, 2024. 3. Additionally, according to the TPEX Letter No. 1120201317 dated June 9, 2023, there is no need for prior reporting in the future。 4. There has been no violation of the committed matters outlined above.

V. In the most recent year and up to the date of the annual report printed, if there is an event that has a significant impact on shareholders' rights and interests or the price of securities, as specified in the second paragraph of Article 36 of the Securities and Exchange Act: None.

Grand Fortune Securities Co., Ltd

Chairman: Huang Bing-Jing