

KGI SECURITIES CO. LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the Six-Month Periods Ended June 30, 2026 and 2025

With Independent Auditors' Report

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.



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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To KGI Securities Co. Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of KGI Securities Co. Ltd. (the “Company”) and its subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025, and their consolidated financial performance for the three-month and six-month periods ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Accounting Standards No. 34 “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 consolidated financial statements for the six-month periods ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Derivative Instruments

The Company and subsidiaries invest in different types of derivative instrument assets and liabilities. As of June 30, 2026, the carrying amount of derivative instrument assets and liabilities measured at fair value is significant to the consolidated financial statement. Except for those classified as level 1, the fair value of other derivative instruments cannot be retrieved from active markets. Management therefore used valuation technique to determine the fair value. Level 2 derivative instruments are valued using parameters that are available or observable from an active market. The inputs of level 3 are not based on observable inputs from an active market. Since different valuation techniques and assumptions may have significant effect on the estimates of fair value, we considered the valuation of derivative instruments as a key audit matter. Our audit procedures include, but not limited to, assessing and testing the design and execution of the internal control regarding valuation, and reviewing management's verification on fair value and authorization process of valuation models. In addition, we used our firm's internal valuation expert to revalue derivative instruments on a sampling basis, and compared the outcomes with the one from management to assess if the difference is within acceptable range. We also assessed the adequacy of disclosures for valuation of derivative instruments in Note V and Note XII.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, International Financial Reporting Standards, International Accounting Standards, Interpretations developed by International Financial Reporting Committee, or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements for the six-month periods ended June 30, 2026 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the six-month periods ended June 30, 2026 and 2025.

/s/ Hsu, Jung-Huang
/s/ Huang, Chien-Che
Ernst & Young, Taiwan
August 21, 2026

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

KGI SECURITIES CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2026, December 31, 2025 and June 30, 2025

(Expressed in New Taiwan Thousand Dollars)

ASSETS	6/30/2026	12/31/2025	6/30/2025
CURRENT ASSETS			
Cash and cash equivalents (Note VI.1, VI.29 and VII)	\$52,712,589	\$30,371,214	\$33,462,746
Financial assets measured at fair value through profit or loss-current (Note VI.2, VI.21, VII and VIII)	220,592,060	145,374,923	94,085,255
Financial assets measured at fair value through other comprehensive income-current (Note VI.3, VI.29)	42,268,711	42,519,608	40,637,938
Hedging financial assets-current (Note VI.5)	163,019	95,200	100,040
Investment in bonds with reverse repurchase agreements (Note VI.6 and VI.29)	34,563,289	21,086,592	20,982,258
Securities margin loans receivable (Note VI.7, VI.29 and VII)	87,567,809	48,647,386	31,779,913
Refinancing margin	670	4,416	2,562
Refinancing deposits receivable	742	4,905	1,592
Trading securities receivable (Note VI.29)	35,118,426	32,090,640	27,685,909
Customer margin accounts (Note VI.8, VI.29 and VII)	149,224,347	89,758,797	66,560,570
Stock borrowing collateral price	440,707	29,367	53,771
Security lending deposits (Note VI.29)	54,607,575	49,940,404	46,771,790
Accounts receivable (Note VI.9, VI.29 and VII)	169,401,883	77,688,012	72,826,338
Prepayments	308,145	207,227	241,726
Current tax assets	28,755	28,562	1,431
Non-current assets held for sale (Note VI.10, VIII)	1,022,079	1,075,255	-
Other current assets (Note VI.11, VI.29, VII and VIII)	79,026,451	56,389,063	51,186,665
Total Current Assets	927,047,257	595,311,571	486,380,504
NON-CURRENT ASSETS			
Financial assets measured at fair value through profit or loss-non-current (Note VI.2)	7,708,356	4,884,870	4,484,423
Financial assets measured at fair value through other comprehensive income-non-current (Note VI.3 and VI.29)	13,183,413	10,446,506	9,408,239
Financial assets measured at amortized cost-non-current (Note VI.4 and VIII)	-	-	146,641
Investments accounted for using the equity method (Note VI.12)	3,183,442	3,249,711	2,851,383
Property and equipment (Note VI.13, VII and VIII)	5,311,001	5,367,302	5,298,049
Right-of-use assets (Note VI.14 and VII)	1,977,866	1,787,274	1,541,699
Investment property (Note VI.15, VII and VIII)	517,395	519,365	521,335
Intangible assets (Note VI.16)	6,972,255	6,963,400	6,964,695
Deferred tax assets	371,524	315,815	493,652
Other non-current assets (Note VI.17, VI.29 and VII)	6,112,871	5,395,168	4,096,834
Total Non-Current Assets	45,338,123	38,929,411	35,806,950
TOTAL ASSETS	\$972,385,380	\$634,240,982	\$522,187,454

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The accompanying notes are an integral part of the consolidated financial statements.

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English Translation of Consolidated Financial Statements Originally Issued in Chinese

KGI SECURITIES CO. LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2026, December 31, 2025 and June 30, 2025

(Expressed in New Taiwan Thousand Dollars)

LIABILITIES AND EQUITY	6/30/2026	12/31/2025	6/30/2025
CURRENT LIABILITIES			
Short-term borrowings (Note VI.18 and VII)	\$29,306,716	\$22,198,154	\$17,173,429
Commercial papers payable (Note VI.19 and VII)	133,510,616	84,690,465	24,890,364
Financial liabilities measured at fair value through profit or loss-current (Note VI.20, VI.21 and VII)	61,704,940	36,876,481	48,729,384
Hedging financial liabilities-current (Note VI.5)	18,416	69,152	67,318
Liabilities for bonds with repurchase agreements (Note VI.22 and VII)	144,874,397	116,633,466	117,186,719
Short sale margins	1,301,604	1,937,449	1,735,299
Payables for short sale collateral received	11,565,020	12,261,272	10,926,676
Guarantee deposit received from security lending	72,804,660	62,689,393	50,297,028
Futures customers' equity (Note VII)	146,051,977	87,619,546	64,965,964
Equity for each customer in the account (Note VI.23)	30,489,079	20,425,068	17,286,869
Notes payable	1,482,777	-	-
Accounts payable (Note VI.24 and VII)	188,376,721	87,735,635	79,019,611
Amounts received in advance	3,381	5,697	17,985
Amounts collected for other parties	3,740,564	2,208,039	1,666,124
Other payables (Note VII)	9,888,143	7,212,374	4,798,546
Other financial liabilities-current	25,397,203	5,572,165	8,234,226
Current tax liabilities (Note VII)	4,198,443	3,470,707	2,740,493
Liabilities related to non-current assets held for sale (Note VI.10)	157,510	176,306	-
Long-term liabilities-current portion (Note VI.25)	3,600,000	3,600,000	-
Lease liabilities-current (Note VI.14, VI.29 and VII)	540,690	457,439	435,152
Other current liabilities	113,302	256,566	217,384
Total Current Liabilities	869,126,159	556,095,374	450,388,571
NON-CURRENT LIABILITIES			
Bonds payable (Note VI.5 and VI.25)	18,560,976	5,700,000	9,300,000
Liabilities reserve-non-current (Note VI.27)	284,619	292,841	247,325
Lease liabilities-non-current (Note VI.14, VI.29 and VII)	2,124,877	1,980,184	1,141,227
Deferred tax liabilities	1,038,044	1,249,298	1,308,714
Other non-current liabilities	449,327	459,769	472,949
Total Non-Current Liabilities	22,457,843	9,682,092	12,470,215
Total Liabilities	891,584,002	565,777,466	462,858,786
EQUITY			
Capital stock abstracted (Note VI.28)			
Common stock	18,174,785	18,174,785	18,174,785
Stock dividend to be distributed	3,000,000	-	-
Capital reserve (Note VI.28)	7,446,525	7,437,813	7,431,529
Retained earnings (Note VI.28)			
Legal reserve	11,154,922	10,003,921	10,003,921
Special reserve	23,678,447	21,931,760	21,931,760
Unappropriated earnings	17,936,284	11,510,008	3,709,727
Other equity			
Exchange differences resulting from translating the financial statements of a foreign operation	(146,205)	(207,221)	(1,193,074)
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(475,313)	(410,795)	(751,481)
Equity attributable to owners of the parent company	80,769,445	68,440,271	59,307,167
Non-controlling interests (Note VI.28)	31,933	23,245	21,501
Total Equity	80,801,378	68,463,516	59,328,668
TOTAL LIABILITIES AND EQUITY	\$972,385,380	\$634,240,982	\$522,187,454

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
KGI SECURITIES CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three-Month and Six-Month Periods Ended June 30, 2026 and 2025
(Expressed in New Taiwan Thousand Dollars except for Earnings Per Share)

	For the Three-Month Periods Ended June 30		For the Six-Month Periods Ended June 30	
	2026	2025	2026	2025
REVENUES				
Brokerage handling fee revenue (Note VI.29 and VII)	\$10,216,509	\$4,186,948	\$17,023,896	\$8,180,971
Revenue from borrowed securities	1,129,492	503,629	1,814,650	1,126,206
Revenue from underwriting business (Note VI.29 and VII)	507,811	106,774	906,234	226,632
Revenue from wealth management services-net (Note VII)	193,689	97,642	325,475	200,210
Gains/(losses) on disposal of trading securities-net (Note VI.29 and VII)	25,087,688	(1,545,322)	35,965,565	(1,987,537)
Revenue from providing agency service for stock affairs (Note VII)	97,979	82,993	158,026	139,954
Interest income (Note VI.29 and VII)	2,972,565	1,963,058	5,293,005	4,097,662
Dividend income (Note VI.3 and VII)	284,618	142,004	547,057	240,453
Gains/(losses) on trading securities measured at fair value through profit or loss-net (Note VI.29 and VII)	21,295,417	1,502,607	18,525,803	319,867
Gains/(losses) on covering of securities borrowing and short sales of bonds with reverse repurchase agreements-net (Note VI.29)	(395,387)	(286,474)	(600,503)	(110,632)
Gains/(losses) on securities borrowing and short sales of bonds with reverse repurchase agreements measured at fair value through profit or loss-net	(1,146,466)	(885,703)	(720,186)	(735,671)
Realized gains/(losses) on financial assets measured at fair value through other comprehensive income -debt instrument investments	170,463	20,388	225,090	33,568
Gains/(losses) on warrants issued-net (Note VI.21)	(4,808,603)	112,956	(6,046,935)	680,500
Gains/(losses) on derivative financial product-futures-net (Note VI.21)	(30,518,686)	1,982,366	(33,356,515)	3,622,216
Gains/(losses) on derivative financial product-GTSM-net (Note VI.21)	(3,831,723)	(761,921)	(4,578,773)	(590,065)
Expected credit impairment (losses) or gains on reversal (Note VI.29)	(8,951)	43,055	(25,420)	56,142
Other operating revenue (Note VI.29 and VII)	1,733,125	953,117	2,618,069	1,075,310
Total Revenues	22,979,540	8,218,117	38,074,538	16,575,786
COSTS AND EXPENSES				
Brokerage handling fee expenses (Note VII)	(1,676,079)	(796,187)	(2,884,369)	(1,518,742)
Dealing handling fee expenses	(28,644)	(13,362)	(51,606)	(25,949)
Refinancing handling fee expenses	(201)	(60)	(298)	(93)
Financial costs (Note VI.29 and VII)	(2,577,440)	(1,647,924)	(4,474,065)	(3,537,459)
Losses on trading of borrowed securities	(52,108)	(161,937)	(175,130)	(203,651)
Futures commission expenses	(28,125)	(43,876)	(66,214)	(83,515)
Settlement and clearing service expenditures	(164,826)	(116,448)	(314,998)	(214,474)
Other operating costs	(745,437)	(333,205)	(1,234,124)	(682,245)
Employee benefits expenses (Note VI.26, VI.29 and VII)	(5,466,499)	(2,290,341)	(9,029,142)	(4,485,269)
Depreciation and amortization (Note VI.29 and VII)	(254,303)	(232,512)	(510,537)	(467,529)
Other operating expenses (Note VI.29 and VII)	(2,893,844)	(1,614,535)	(4,985,464)	(3,192,352)
Total Costs and Expenses	(13,887,506)	(7,250,387)	(23,725,947)	(14,411,278)
INCOME FROM OPERATIONS	9,092,034	967,730	14,348,591	2,164,508
NON-OPERATING INCOME OR COSTS				
Share of the profit or loss of associates and joint ventures accounted for using the equity method	137,569	47,958	246,057	114,391
Other income and costs (Note VI.29 and VII)	4,316,611	1,277,482	5,788,871	2,265,529
Total Non-Operating Income or Costs	4,454,180	1,325,440	6,034,928	2,379,920
INCOME BEFORE INCOME TAX	13,546,214	2,293,170	20,383,519	4,544,428
INCOME TAX EXPENSES (Note VI.31)	(1,511,529)	(426,080)	(2,441,540)	(833,552)
NET INCOME	12,034,685	1,867,090	17,941,979	3,710,876
OTHER COMPREHENSIVE INCOME (Note VI.30)				
To be reclassified subsequently to profit or loss				
Exchange differences resulting from translating the financial statements of a foreign operation	(130,799)	(1,677,099)	60,832	(1,401,817)
Unrealized valuation gains/(losses) from debt instrument investments measured at fair value through other comprehensive income	238,765	202,690	(77,265)	667,223
Income tax relating to components that will be reclassified (Note VI.31)	(16,540)	(8,835)	12,747	(36,992)
Total Other Comprehensive Income-Net of Tax	91,426	(1,483,244)	(3,686)	(771,586)
TOTAL COMPREHENSIVE INCOME	<u>\$12,126,111</u>	<u>\$383,846</u>	<u>\$17,938,293</u>	<u>\$2,939,290</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the parent company	<u>\$12,030,446</u>	<u>\$1,866,570</u>	<u>\$17,936,284</u>	<u>\$3,709,727</u>
Non-controlling interests (Note VI.28)	<u>\$4,239</u>	<u>\$520</u>	<u>\$5,695</u>	<u>\$1,149</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent company	<u>\$12,122,042</u>	<u>\$383,627</u>	<u>\$17,932,782</u>	<u>\$2,938,502</u>
Non-controlling interests (Note VI.28)	<u>\$4,069</u>	<u>\$219</u>	<u>\$5,511</u>	<u>\$788</u>
EARNINGS PER SHARE (Note VI.32)				
Net income attributable to owners of the parent company	<u>\$6.62</u>	<u>\$1.03</u>	<u>\$9.87</u>	<u>\$2.04</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

KGI SECURITIES CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Six-Month Periods Ended June 30, 2026 and 2025
(Expressed in New Taiwan Thousand Dollars)

Items	Equity Attributed to Owners of the Parent Company									Non-controlling Interests	Total Equity	
	Retained Earnings						Other Equity					
	Common Stock	Stock Dividend to be Distributed	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Resulting from Translating the Financial Statements of a Foreign Operation	Unrealized Gains	Total			
								/(Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income				
Balance, January 1, 2025	\$18,174,785	\$-	\$7,411,112	\$8,986,760	\$21,236,856	\$10,171,610	\$208,382	\$(1,381,712)	\$64,807,793	\$23,815	\$64,831,608	
Appropriations and distribution of 2024 retained earnings:												
Legal reserve	-	-	-	1,017,161	-	(1,017,161)	-	-	-	-	-	
Special reserve	-	-	-	-	694,904	(694,904)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(8,459,545)	-	-	(8,459,545)	-	(8,459,545)	
Net income for the six-month period ended June 30, 2025	-	-	-	-	-	3,709,727	-	-	3,709,727	1,149	3,710,876	
Other comprehensive income for the six-month period ended June 30, 2025	-	-	-	-	-	-	(1,401,456)	630,231	(771,225)	(361)	(771,586)	
Total comprehensive income	-	-	-	-	-	3,709,727	(1,401,456)	630,231	2,938,502	788	2,939,290	
Share-based payment transaction	-	-	20,417	-	-	-	-	-	20,417	-	20,417	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,102)	(3,102)	
Balance, June 30, 2025	\$18,174,785	\$-	\$7,431,529	\$10,003,921	\$21,931,760	\$3,709,727	\$(1,193,074)	\$(751,481)	\$59,307,167	\$21,501	\$59,328,668	
Balance, January 1, 2026	\$18,174,785	\$-	\$7,437,813	\$10,003,921	\$21,931,760	\$11,510,008	\$(207,221)	\$(410,795)	\$68,440,271	\$23,245	\$68,463,516	
Appropriations and distribution of 2025 retained earnings:												
Legal reserve	-	-	-	1,151,001	-	(1,151,001)	-	-	-	-	-	
Special reserve	-	-	-	-	1,746,687	(1,746,687)	-	-	-	-	-	
Cash dividends	-	-	-	-	-	(5,612,320)	-	-	(5,612,320)	-	(5,612,320)	
Stock dividends	-	3,000,000	-	-	-	(3,000,000)	-	-	-	-	-	
Net income for the six-month period ended June 30, 2026	-	-	-	-	-	17,936,284	-	-	17,936,284	5,695	17,941,979	
Other comprehensive income for the six-month period ended June 30, 2026	-	-	-	-	-	-	61,016	(64,518)	(3,502)	(184)	(3,686)	
Total comprehensive income	-	-	-	-	-	17,936,284	61,016	(64,518)	17,932,782	5,511	17,938,293	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	9	-	-	-	-	-	9	-	9	
Share-based payment transaction	-	-	8,703	-	-	-	-	-	8,703	-	8,703	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	3,177	3,177	
Balance, June 30, 2026	\$18,174,785	\$3,000,000	\$7,446,525	\$11,154,922	\$23,678,447	\$17,936,284	\$(146,205)	\$(475,313)	\$80,769,445	\$31,933	\$80,801,378	

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

KGI SECURITIES CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six-Month Periods Ended June 30, 2026 and 2025
(Expressed in New Taiwan Thousand Dollars)

	For the Six-Month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	\$20,383,519	\$4,544,428
Adjustments		
Income and expenses having no effect on cash flows		
Depreciation	447,817	412,077
Amortization	62,720	55,452
Expected credit impairment losses or (gains) on reversal	25,420	(56,142)
Interest expense	4,474,065	3,537,459
Interest income	(7,418,531)	(5,829,547)
Dividend income	(633,090)	(366,237)
Share-based payment transactions	8,703	20,417
Share of the profit or loss of associates and joint ventures accounted for using the equity method	(246,057)	(114,391)
(Gains)/losses on disposal of property and equipment	(214)	(3,464)
Others	(1,157)	(782)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets measured at fair value through profit or loss	(78,040,623)	14,440,447
Financial assets measured at fair value through other comprehensive income	(2,402,752)	(1,407,244)
Investment in bonds with reverse repurchase agreements	(13,477,266)	2,401,703
Securities margin loans receivable	(38,916,436)	12,661,341
Refinancing margin	3,746	27,082
Refinancing deposits receivable	4,163	30,587
Trading securities receivable	(3,028,258)	3,226,813
Customer margin accounts	(59,465,532)	2,408,953
Stock borrowing collateral price	(411,340)	(32,223)
Security lending deposits	(4,667,196)	(2,040,880)
Accounts receivable	(91,193,157)	(25,140,015)
Prepayments	(100,918)	(79,132)
Other current assets	(22,390,827)	(4,192,838)
Changes in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	24,828,459	17,432,304
Liabilities for bonds with repurchase agreements	28,240,931	8,712,051
Short sale margins	(635,845)	(895,098)
Payables for short sale collateral received	(696,252)	(207,225)
Guarantee deposit received from security lending	10,115,267	(1,403,621)
Futures customers' equity	58,432,431	(2,410,834)
Notes payable	1,482,777	-
Accounts payable	100,361,887	19,432,458
Amounts received in advance	(2,316)	11,861
Amounts collected for other parties	1,532,525	(1,390,945)
Other payables	2,655,615	(1,526,660)
Other financial liabilities-current	19,825,038	3,457,565
Other current liabilities	9,920,747	2,949,474
Liabilities reserve-non-current	(9,322)	(7,025)
Other non-current liabilities	(10,442)	(129,279)
Cash provided by/(used in) operating activities	(40,941,701)	48,528,890
Interest received	6,910,404	6,225,422
Dividend received	382,512	191,127
Interest paid	(4,139,820)	(3,230,748)
Income tax received/(paid)	(1,986,685)	(1,522,860)
Net cash provided by/(used in) operating activities	(39,775,290)	50,191,831

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The accompanying notes are an integral part of the consolidated financial statements.

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six-Month Periods Ended June 30, 2026 and 2025
(Expressed in New Taiwan Thousand Dollars)

	For the Six-Month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$(122,781)	\$(73,980)
Disposal of property and equipment	297	31,230
Clearing and settlement fund	(780,228)	(112,833)
Guarantee deposits	82,194	64,062
Purchase of intangible assets	(58,478)	(50,473)
Other non-current assets	(1,667)	2,718
Prepayments for purchase of equipment	(60,272)	(96,641)
Dividends received	212,233	232,679
Net cash provided by/(used in) investing activities	(728,702)	(3,238)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term borrowings	7,108,562	1,153,835
Commercial papers payable	48,820,151	(39,678,165)
Proceeds from issuing bonds	12,800,000	-
Changes in non-controlling interests	3,177	(3,102)
Lease principal paid	(240,700)	(216,824)
Cash dividends	(5,612,320)	(8,459,545)
Net cash provided by/(used in) financing activities	62,878,870	(47,203,801)
EFFECTS OF EXCHANGE RATE CHANGES	(33,503)	267,152
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,341,375	3,251,944
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	30,371,214	30,210,802
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$52,712,589	\$33,462,746

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

KGI SECURITIES CO. LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six-Month Periods Ended June 30, 2026 and 2025

(Expressed in thousands of New Taiwan dollars unless otherwise stated)

I. Organization and Operations

KGI Securities Co. Ltd. (“the Company”) was established under the Company Act of the Republic of China (“ROC”) on September 14, 1988 to operate as a securities underwriter, dealer, broker, future trading, future dealer, trust, wealth management, offshore securities and commenced its operations since December 10, 1988.

The Company acquired and merged Taishin Securities Co., Ltd. on December 19, 2009. Therefore, the Company assumed all assets, liabilities, rights and obligations of Taishin Securities Co., Ltd.

KGI Financial Holding Co., Ltd. (formerly known as China Development Financial Holding Corporation, hereinafter referred to as “KGIFH”) announced the commencement of a tender offer on May 3, 2012. KGIFH had acquired 81.73% shares of the Company through the public tender offer period. The Board of Directors set January 18, 2013 as the record date for stock conversion on December 17, 2012. The Company became 100% owned subsidiary of KGIFH after the stock conversion. Meanwhile, the Company’s stock trading via OTC was suspended.

The Company merged Grand Cathay Securities Corporation (“GCSC”) on June 22, 2013. Therefore, the Company assumed all assets, liabilities, rights and obligations of GCSC.

The Company set up the Offshore Securities Unit (“OSU”) on April 16, 2014 which was approved by the Board of Directors and the authorities.

The Company’s registered address is 3F, No. 698 and 3F, No. 700, Mingshui Road, Taipei City. As of June 30, 2026, the Company had 72 branches including headquarter.

II. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements of the Company and subsidiaries were approved and authorized for issue in accordance with a resolution of the Board of Directors on August 21, 2026.

III. Newly Issued or Revised Standards and Interpretations

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company and subsidiaries applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2026. Except for the nature and impact of the amendments described below, the adoption of the remaining new standards and amendments had no material impact on the Company and subsidiaries.

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amendments to IFRS 9 “Financial Instruments”

In accordance with the transition provisions of the amendments to IFRS 9, the Company and subsidiaries elected not to restate prior periods. The effects of applying the amendments were recognized on the date of initial application (i.e., January 1, 2026). The impact of these amendments on the Company and subsidiaries and the related explanations are as follows:

- (1) The amendments to the application guidance on the derecognition of financial liabilities clarify that financial liabilities are generally derecognized on the settlement date. Furthermore, for financial liabilities settled in cash through an electronic payment system that meets specified criteria, an entity may choose to derecognize the financial liability prior to the settlement date. The Company and subsidiaries has not elected the accounting policy option introduced by the amendments for settling a financial liability in cash using an electronic payment system. Therefore, the accounting policy for derecognition of financial liabilities remains unchanged.
- (2) The Company and subsidiaries previously derecognized issued but unrepresented cheques that had matured on or before the balance sheet date from notes payable. Under the amendments, these unrepresented cheques should not have been derecognized and an adjustment should be made to increase cash and cash equivalents. As at January 1, 2026, the company and subsidiaries recognized increase in cash and cash equivalents of 5,769 thousand dollars, other current asset - other restricted assets of 362,148 thousand dollars and notes payable of 367,917 thousand dollars, respectively.

2. Standards or interpretations issued, revised or amended, by IASB which have been endorsed by FSC, and not yet adopted by the Company and subsidiaries as at the date when the financial statements were authorized for issue, are listed below

New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note1)
Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2027 (Note2)

Note1: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028. In addition, entities in Taiwan with a need for early adoption may elect to early adopt IFRS 18.

Note2: The amendments are effective upon an entity's adoption of IFRS 18 “Presentation and Disclosure in Financial Statements”.

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(1) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

A. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

B. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

C. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(2) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendment permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(3) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- A. Clarify that when the entity’s functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.

- B. In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- C. When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.
- (4) Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)

The amendments are:

- A. Clarify that the entity that has a main business activity of investing in particular types of assets (as set out in paragraph 49(a) of IFRS 18) is eligible to elect the fair value option in IAS 28; and
- B. Require the entity to apply the amendments to IAS 28 at the same time, and on the same basis, as it applies IFRS 18.

As of the date of approval for the issuance of the financial report, the Company and its subsidiaries continue to assess the impact of these amendments.

3. Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company and subsidiaries as at the date when the financial statements were authorized for issue, are listed below

New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB

The potential effects of the standards or interpretations on the Company and subsidiaries' consolidated financial statements are summarized as below:

IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

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The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company and subsidiaries' financial statements were approved and authorized for issue, the local effective dates are to be determined by FSC. As the Company and subsidiaries are still currently determining the potential impact of the standards and interpretations, it is not practicable to estimate their impact on the Company and subsidiaries at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company and subsidiaries.

IV. Summary of Material Accounting Policies

Apart from the items mentioned below, the same accounting policies have been applied in the Company and subsidiaries' consolidated financial statements for the year ended December 31, 2025.

1. Statement of Compliance

The consolidated financial statements of the Company and subsidiaries for the six-month periods ended June 30, 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms ("the Regulations"), Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and IAS 34 "Interim Financial Reporting" as endorsed and became effective by FSC of the ROC.

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. General Description of Reporting Entities

The consolidated entities are as follows:

Investor	Name of the consolidated entities	Primary business	Percentage of ownership		
			6/30/26	12/31/25	6/30/25
KGI Securities Co. Ltd.	Richpoint Company Limited (Richpoint)	Investments holdings	100.00	100.00	100.00
"	KGI Securities Investment Advisory Co. Ltd.	Security investment consulting	100.00	100.00	100.00
"	KGI Insurance Brokers Co. Ltd.	Life/property insurance brokers	100.00	100.00	100.00
"	KGI Venture Capital Co. Ltd.	Venture Capital	100.00	100.00	100.00
"	KGI Futures Co. Ltd. (KGI Futures) (Note1)	Futures investment services	99.66	99.62	99.62
Richpoint	KG Investments Holdings Limited	Investments holdings	100.00	100.00	100.00
KG Investments Holdings Limited	KGI International Holdings Limited	Investments holdings	100.00	100.00	100.00
KGI International Holdings Limited	KGI Limited	Investments holdings	100.00	100.00	100.00
"	KGI International Limited	Investments holdings	100.00	100.00	100.00
KGI Limited	KGI Futures (Hong Kong) Limited	Futures brokerage and settlement services	100.00	100.00	100.00
"	Global Treasure Investments Limited	Investment services	100.00	100.00	100.00
"	KGI Investments Management Limited	Insurance brokerage	100.00	100.00	100.00
"	KGI International Finance Limited	Investment and financing services	100.00	100.00	100.00
"	KGI Hong Kong Limited	Personnel and administration management	100.00	100.00	100.00
"	KGI Asia Limited	Securities investment services	100.00	100.00	100.00
"	KGI Capital Asia Limited	Securities investment services	100.00	100.00	100.00
"	KGI Asset Management Limited	Asset management	100.00	100.00	100.00
"	KGI Nominees (Hong Kong) Limited	Trust agent	100.00	100.00	100.00
KGI International Limited	KGI Asia (Holdings) Pte. Ltd.	Investments holdings	100.00	100.00	100.00
KGI Capital Asia Limited	KGI International (Hong Kong) Limited	Derivative product services	100.00	100.00	100.00
"	KGI Finance Limited	Investment services	100.00	100.00	100.00
"	PT KGI Sekuritas Indonesia (Note2)	Securities investment services	99.00	99.00	99.00
KGI Finance Limited	KGI Global Alpha Opportunities Fund (Note3)	Funds	-	-	22.42
KGI Asia (Holdings) Pte. Ltd.	KGI Securities (Singapore) Pte. Ltd.	Securities and futures investment services	100.00	100.00	100.00

Note 1: On May 14, 2026, KGI Futures resolved in its Board of Directors to conduct a capital increase through a cash issuance of 52,648 thousand common shares at a par value of \$10 per share. The subscription price was set at \$32.29 per share. The Company subscribed to 52,542 thousand shares, with a total subscription amount of 1,696,584 thousand dollars.

Note 2: KGI Capital Asia Limited resolved in its board meeting held on November 17, 2025 to sell all of its equity interests in PT KGI Sekuritas Indonesia to a non-related party. The subsequent equity transfer and delivery will be executed upon approval by the relevant competent authorities of the transaction counterparties.

Note 3: KGI Finance Limited subscribed to KGI Global Alpha Opportunities Fund with USD 10,000 thousand in April and August 2025, totaling USD 20,000 thousand. In November 2025, due to a decrease in shareholding percentage and thereby losing control, the fund was excluded from the consolidated financial statements.

- (1) The detail information of the scope of subsidiaries: none.
- (2) The name of each subsidiary not included in the consolidated financial statements, percentage of ownership, and the reason for its exclusion from the consolidated financial statements: not applicable.

3. Post-employment Benefit Plan

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

4. Income Tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Company and subsidiaries recognize the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

V. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company and subsidiaries' consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

1. Judgements

In the process of applying the Company and subsidiaries' accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

De facto control without a majority of the voting rights in subsidiaries

The Company and subsidiaries hold less than 50% of the invested company's shares and are the largest shareholder, who are judged to have no control and only have significant influence. Please refer to Note VI.12.

2. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Fair value of financial instruments

Where the fair value of financial assets and liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example: the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note XII.5.

(2) Goodwill

The Company and subsidiaries evaluate whether the goodwill impairs annually. Adopting appropriate discount rate to estimate the CGU's recoverable value of goodwill, and execute the impairment evaluation tests for goodwill.

(3) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company and subsidiaries establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

VI. Contents of Significant Accounts**1. Cash and Cash Equivalents**

	6/30/26	12/31/25	6/30/25
Cash on hand	\$247	\$172	\$218
Cash in banks	37,084,923	25,397,775	27,809,330
Cash equivalents			
Short-term commercial papers and bonds	5,172,975	3,474,339	4,229,208
Futures excess margin	10,437,378	1,464,547	1,392,595
Excess margin in forex margin trading	17,066	34,381	31,395
Total	<u>\$52,712,589</u>	<u>\$30,371,214</u>	<u>\$33,462,746</u>

(1) Interest rates of the above short-term commercial papers and bonds are as follows:

	6/30/26	12/31/25	6/30/25
Interest rates	1.40%-1.63%	1.10%-1.48%	1.33%-1.60%

(2) Please refer to Note VI.29 for information related to impairment of cash and cash equivalents and Note XII for details on credit risk.

(3) No pledged was made for the cash and cash equivalents mentioned above.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial Assets Measured at Fair Value through Profit or Loss

	6/30/26	12/31/25	6/30/25
<u>Current</u>			
Mandatorily measured at FVTPL			
Open-ended funds, monetary market instruments and other securities	\$1,612,703	\$1,146,895	\$1,518,789
Trading securities-dealing-net	141,369,449	82,310,440	48,492,845
Trading securities-underwriting-net	3,288,732	952,588	756,305
Trading securities-hedging-net	55,530,303	46,927,299	34,350,576
Long options	37,135	6,153	5,179
Futures trading margins-proprietary funds	7,810,974	3,635,356	2,339,544
Futures trading margins-marketable securities	242,250	1,334,235	201,200
Derivative instrument assets	10,578,741	8,248,607	6,078,800
Others	121,773	813,350	342,017
Total	<u>\$220,592,060</u>	<u>\$145,374,923</u>	<u>\$94,085,255</u>
<u>Non-current</u>			
Mandatorily measured at FVTPL			
Others	<u>\$7,708,356</u>	<u>\$4,884,870</u>	<u>\$4,484,423</u>

Financial assets measured at fair value through profit or loss-current are as follows:

(1) Open-ended funds, monetary market instruments and other securities

	6/30/26	12/31/25	6/30/25
Foreign securities	<u>\$1,612,703</u>	<u>\$1,146,895</u>	<u>\$1,518,789</u>

(2) Trading securities-dealing-net

	6/30/26	12/31/25	6/30/25
Domestic listed stock	\$56,882,002	\$30,979,612	\$7,009,287
Index fund	16,352,972	12,254,710	5,874,585
Domestic bonds	15,947,683	15,502,294	18,005,777
Foreign securities	34,363,143	22,226,364	18,589,945
Others	242,977	19,262	54
Subtotal	123,788,777	80,982,242	49,479,648
Valuation adjustments	17,580,672	1,328,198	(986,803)
Market value	<u>\$141,369,449</u>	<u>\$82,310,440</u>	<u>\$48,492,845</u>

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KGI SECURITIES CO. LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(3) Trading securities-underwriting-net

	6/30/26	12/31/25	6/30/25
Domestic listed stock	\$35,717	\$82,234	\$16,321
Domestic bonds	2,698,859	789,227	781,227
Subtotal	2,734,576	871,461	797,548
Valuation adjustments	554,156	81,127	(41,243)
Market value	<u>\$3,288,732</u>	<u>\$952,588</u>	<u>\$756,305</u>

(4) Trading securities-hedging-net

	6/30/26	12/31/25	6/30/25
Domestic listed stock	\$10,073,679	\$9,782,499	\$1,614,988
Domestic bonds	22,269,666	21,849,137	20,465,752
Funds	9,981,019	10,501,622	9,313,745
Foreign securities	7,934,457	4,119,725	3,667,858
Others	3,542,910	189,334	22,336
Subtotal	53,801,731	46,442,317	35,084,679
Valuation adjustments	1,728,572	484,982	(734,103)
Market value	<u>\$55,530,303</u>	<u>\$46,927,299</u>	<u>\$34,350,576</u>

(5) Long options

	6/30/26	12/31/25	6/30/25
Index options	\$30,275	\$14,143	\$8,497
Stock options	12,261	-	2,263
Subtotal	42,536	14,143	10,760
Open interest	(5,401)	(7,990)	(5,581)
Market value	<u>\$37,135</u>	<u>\$6,153</u>	<u>\$5,179</u>

(6) Futures trading margins-proprietary funds

	6/30/26	12/31/25	6/30/25
Account balance	\$8,480,197	\$5,089,721	\$2,010,946
Open interest	(669,223)	(1,454,365)	328,598
Account value	<u>\$7,810,974</u>	<u>\$3,635,356</u>	<u>\$2,339,544</u>

(7) Futures trading margins-marketable securities

	6/30/26	12/31/25	6/30/25
Account balance	\$221,646	\$1,302,725	\$212,000
Open interest	20,604	31,510	(10,800)
Account value	<u>\$242,250</u>	<u>\$1,334,235</u>	<u>\$201,200</u>

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(8) Please refer to Note VI.21 for details of derivative instrument assets.

(9) Others

	6/30/26	12/31/25	6/30/25
Domestic listed stock	\$114,344	\$787,626	\$349,738
Valuation adjustments	7,429	25,724	(7,721)
Market value	<u>\$121,773</u>	<u>\$813,350</u>	<u>\$342,017</u>

Financial assets measured at fair value through profit or loss-non-current are as follows:

	6/30/26	12/31/25	6/30/25
Domestic listed stock	\$291,200	\$237,801	\$270,976
Domestic unlisted stock	1,361,541	1,547,562	1,301,680
Foreign securities	30,089	30,089	30,089
Subtotal	1,682,830	1,815,452	1,602,745
Valuation adjustments	6,025,526	3,069,418	2,881,678
Market value	<u>\$7,708,356</u>	<u>\$4,884,870</u>	<u>\$4,484,423</u>

Please refer to Note VIII for details on financial assets measured at fair value through profit or loss pledged as collaterals.

3. Financial Assets Measured at Fair Value through Other Comprehensive Income

	6/30/26	12/31/25	6/30/25
<u>Current</u>			
Debt instrument investments-current			
Domestic bonds	\$-	\$-	\$693,928
Foreign securities	42,268,711	42,519,608	39,944,010
Total	<u>\$42,268,711</u>	<u>\$42,519,608</u>	<u>\$40,637,938</u>
<u>Non-current</u>			
Debt instrument investments-non-current			
Foreign securities	\$13,183,413	\$10,446,506	\$9,388,793
Equity instrument investments-non-current			
Foreign securities	-	-	19,446
Total	<u>\$13,183,413</u>	<u>\$10,446,506</u>	<u>\$9,408,239</u>

(1) Please refer to Note VI.29 for details on accumulated impairment of debt instrument investments measured at fair value through other comprehensive income and Note XII for details on credit risk.

- (2) The Company and subsidiaries adopted the amendments to IFRS 9 effective January 1, 2026. Investments in equity instruments measured at fair value through other comprehensive income held as of June 30, 2026 and December 31, 2025 are all \$0.
- (3) The Company and subsidiaries' dividend income related to equity instrument investments measured at fair value through other comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025 are all \$0.
- (4) None of the above financial assets measured at fair value through other comprehensive income is pledged as collaterals.

4. Financial assets measured at amortized cost

	6/30/26	12/31/25	6/30/25
<u>Non-current</u>			
Government bonds	\$-	\$-	\$146,641

- (1) Please refer to Note XII for details on credit risk of financial assets measured at amortized cost.
- (2) Please refer to Note VIII for details on the above financial assets measured at amortized cost pledged as collaterals.

5. Hedging Financial Instruments

The Company and subsidiaries adopt hedging transactions to reduce the impact of interest risks on the fair value of the hedged assets. The information of on hedged items and hedging instruments applicable to fair value hedge as of June 30, 2026, December 31, 2025 and June 30, 2025 are as follows:

June 30, 2026

Hedging Instruments	Nominal Amount	Maturity	Carrying Amount	
			Assets	Liabilities
Interest rate swap (IRS)	\$10,700,861	6/30/27-5/25/36	\$163,019	\$18,416

Hedged Items	Carrying Amount		Accumulated Amount of air Value Hedge Adjustment	
	Asset	Liabilities	Asset	Liabilities
Financial assets measured at fair value through other comprehensive income-current/non-current	\$4,666,768	\$-	\$(216,721)	\$-
Bonds payable	-	5,400,000	-	60,976
Total	\$4,666,768	\$5,400,000	\$(216,721)	\$60,976

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Hedging Instruments/Hedged Items	Increase (Decrease) in Fair Value Used for Calculating Hedge Ineffectiveness	
	For the three-month period ended June 30,	For the six-month period ended June 30, 2026
	2026	
Hedging instruments		
Interest rate swap (IRS)	\$86,719	\$119,958
Hedged items		
Financial assets measured at fair value through other comprehensive income-current/non- current	(25,743)	(58,982)
Bonds Payable	(60,976)	(60,976)
Total	\$-	\$-

December 31, 2025

Hedging Instruments	Nominal Amount	Maturity	Carrying Amount	
			Assets	Liabilities
Interest rate swap (IRS)	\$5,234,427	6/30/27-9/12/34	\$95,200	\$69,152

Hedged Items	Carrying Amount		Accumulated Amount of air Value Hedge Adjustment	
	Asset	Liabilities	Asset	Liabilities
Financial assets measured at fair value through other comprehensive income- current/non-current	\$4,611,656	\$-	\$(182,777)	\$-

June 30, 2025

Hedging Instruments	Nominal Amount	Maturity	Carrying Amount	
			Assets	Liabilities
Interest rate swap (IRS)	\$4,978,683	6/30/27-9/12/34	\$100,040	\$67,318

Hedged Items	Carrying Amount		Accumulated Amount of air Value Hedge Adjustment	
	Asset	Liabilities	Asset	Liabilities
Financial assets measured at fair value through other comprehensive income- current/non-current	\$4,391,198	\$-	\$(228,974)	\$-

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Hedging Instruments/Hedged Items	Increase (Decrease) in Fair Value Used for Calculating Hedge Ineffectiveness	
	For the three-month period ended June 30, 2025	For the six-month period ended June 30, 2025
Hedging instruments		
Interest rate swap (IRS)	\$(47,830)	\$(123,706)
Hedged items		
Financial assets measured at fair value through other comprehensive income-current/non- current	47,830	123,706
Total	\$-	\$-

No pledge was made for hedging financial assets-current.

6. Investment in Bonds with Reverse Repurchase Agreements

	6/30/26	12/31/25	6/30/25
Government bonds	\$17,098,845	\$7,067,035	\$6,714,281
Corporate bonds	15,836,035	12,647,087	11,302,030
Bank debentures	1,628,409	1,372,470	2,965,947
Total	<u>\$34,563,289</u>	<u>\$21,086,592</u>	<u>\$20,982,258</u>
Resold amount as specified in respective agreements plus accrued interest	<u>\$34,624,594</u>	<u>\$21,149,992</u>	<u>\$21,046,199</u>
Resold date as specified in respective agreements	7/1/26-2/25/28	1/5/26-3/24/26	7/1/25-10/13/25

Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

7. Securities Margin Loans Receivable

	6/30/26	12/31/25	6/30/25
Securities margin loans receivable	\$87,583,007	\$48,665,723	\$31,787,245
Less: loss allowance	(15,198)	(18,337)	(7,332)
Net amount	<u>\$87,567,809</u>	<u>\$48,647,386</u>	<u>\$31,779,913</u>

Securities margin loans receivable are loans that secured by stocks pledged as collaterals that clients purchased by loans. Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

8. Customer Margin Accounts

	6/30/26	12/31/25	6/30/25
Cash in banks	\$76,557,923	\$35,196,950	\$28,193,920
Marking to market from the clearing house	32,454,520	14,331,976	12,054,925
Marking to market from the other futures brokers	2,124,679	1,291,398	1,335,769
Securities	30,389	5,370	4,596
Foreign customer margin accounts	38,056,836	38,933,103	24,971,360
Total	<u>\$149,224,347</u>	<u>\$89,758,797</u>	<u>\$66,560,570</u>

Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

9. Accounts Receivable

	6/30/26	12/31/25	6/30/25
Accounts receivable- related parties	\$3,359,814	\$1,515,087	\$2,774,276
Accounts receivable- non-related parties			
Exchange clearing receivable	21,667,455	13,825,142	10,434,672
Accounts receivable for settlement	138,465,069	56,499,245	55,866,416
Interest receivable	1,999,682	1,691,062	1,427,024
Others	3,936,335	4,166,006	2,332,457
Subtotal	169,428,355	77,696,542	72,834,845
Less: loss allowance	(26,472)	(8,530)	(8,507)
Total	<u>\$169,401,883</u>	<u>\$77,688,012</u>	<u>\$72,826,338</u>

(1) Aging analysis of accounts receivable are as follows:

	6/30/26	12/31/25	6/30/25
Non-past due	\$164,715,454	\$77,045,422	\$72,302,641
Past due			
Less than 30 days	4,683,949	629,575	527,427
30 to 60 days	5,338	5,717	108
61 to 120 days	13,469	14,516	3,409
More than 121 days	10,145	1,312	1,260
Total	<u>\$169,428,355</u>	<u>\$77,696,542</u>	<u>\$72,834,845</u>

(2) Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

10. Non-current assets held for sale

KGI Capital Asia Limited resolved in its board meeting held on November 17, 2025 to sell all of its equity interests in PT KGI Sekuritas Indonesia to a non-related party. The subsequent equity transfer and delivery will be executed upon approval by the relevant competent authorities of the transaction counterparties.

As the above transaction meets the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the related assets and liabilities of PT KGI Sekuritas Indonesia to be disposed of have been reclassified as non-current assets held for sale and related liabilities.

- (1) Details of non-current assets held for sale and related liabilities associated with the subsidiary PT KGI Sekuritas Indonesia are as follows:

	6/30/26	12/31/25
<u>Non-current assets held for sale</u>		
Cash and cash equivalents	\$112,550	\$102,123
Financial assets measured at fair value through profit or loss-current	39,907	111,861
Securities margin loans receivable	72,604	63,482
Accounts receivable	167,251	162,382
Other current assets	321,874	320,793
Financial assets measured at amortized cost-non-current	157,254	155,919
Intangible assets	65,276	70,915
Other	85,363	87,780
Total	<u>\$1,022,079</u>	<u>\$1,075,255</u>
<u>Liabilities related to non-current assets held for sale</u>		
Financial liabilities measured at fair value through profit or loss-current	\$20,283	\$41,400
Accounts payable	105,362	110,549
Other payables	23,926	18,294
Other	7,939	6,063
Total	<u>\$157,510</u>	<u>\$176,306</u>

- (2) Since the amount of fair value less costs to sell is expected to exceed the carrying amount of the related net assets, no impairment loss is recognized when classifying the subsidiary as non-current assets held for sale and related liabilities.

- (3) Please refer to Note VIII for details on the above non-current assets held for sale pledged as collaterals.

11. Other current assets

	6/30/26	12/31/25	6/30/25
Pledged certificate of deposit	\$2,992,500	\$2,992,500	\$3,411,000
Other restricted assets	36,859,170	30,645,597	28,093,225
Segregated client funds in dedicated accounts	30,493,397	20,425,361	17,287,266
Settlement receivable and payable	5,305,779	943,767	969,313
Others	3,503,030	1,497,597	1,548,766
Subtotal	79,153,876	56,504,822	51,309,570
Less: loss allowance	(127,425)	(115,759)	(122,905)
Total	<u>\$79,026,451</u>	<u>\$56,389,063</u>	<u>\$51,186,665</u>

Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

12. Investments accounted for using the Equity Method

Investee	6/30/26		12/31/25	
	Amount	Percentage	Amount	Percentage
<u>Investments in associates</u>				
KGI Securities (Thailand) Public Company Limited	\$3,183,442	34.97	\$3,249,711	34.97
CDIB Bioscience Ventures I, Inc.	-	-	-	-
Total	<u>\$3,183,442</u>		<u>\$3,249,711</u>	

Investee	6/30/25	
	Amount	Percentage
<u>Investments in associates</u>		
KGI Securities (Thailand) Public Company Limited	\$2,851,155	34.97
CDIB Bioscience Ventures I, Inc.	228	1.20
Total	<u>\$2,851,383</u>	

(1) Information on associates significant to the Company

Name of associate: KGI Securities (Thailand) Public Company Limited

Nature of activities: the associate engages in securities related businesses

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Principal place of business: Thailand

Fair value from quoted market price: KGI Securities (Thailand) Public Company Limited is listed on the Stock Exchange of Thailand. Its fair value is categorized as level 1 within the fair value hierarchy. The fair values of the Company's investment accounted for using the equity method are 2,939,434 thousand dollars, 2,764,208 thousand dollars and 2,268,734 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

Financial information on associate significant to the Company is as follows:

	6/30/26	12/31/25	6/30/25
Current assets	\$19,879,080	\$12,050,711	\$15,230,383
Non-current assets	2,229,071	4,272,752	3,236,340
Current liabilities	(13,214,598)	(7,141,596)	(10,417,226)
Non-current liabilities	(1,000,245)	(1,088,406)	(1,045,506)
Non-controlling interests	(2,849)	(3,432)	(2,909)
Attributed to controlling interests	<u>\$7,890,459</u>	<u>\$8,090,029</u>	<u>\$7,001,082</u>
Ownership percentage	34.97%	34.97%	34.97%
Proportion of ownership	\$2,759,294	\$2,829,083	\$2,448,278
Goodwill and others	424,148	420,628	402,877
Carrying Amount	<u>\$3,183,442</u>	<u>\$3,249,711</u>	<u>\$2,851,155</u>

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Operating revenue	<u>\$1,211,994</u>	<u>\$733,080</u>	<u>\$2,330,445</u>	<u>\$1,554,853</u>
Profit or loss from continuing operations	\$387,308	\$137,979	\$706,082	\$329,415
Other comprehensive income	7,191	(10,568)	11,439	(11,003)
Total comprehensive income	<u>\$394,499</u>	<u>\$127,411</u>	<u>\$717,521</u>	<u>\$318,412</u>
Dividends received from associate	<u>\$207,064</u>	<u>\$194,137</u>	<u>\$207,064</u>	<u>\$194,137</u>

- (2) The Company's investments in CDIB Bioscience Ventures I, Inc. are not material. The carrying amounts of the investment are 0 thousand dollars, 0 thousand dollars and 228 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively, and the proportionate aggregate financial information of investments is as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Profit or loss from continuing operations	\$-	\$-	\$-	\$-
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

- (3) Since the shares of KGI Securities (Thailand) Public Company Limited (KGI Thailand) held by the Company and affiliate company is at 34.97%, which is below 50%, and does not hold over half of the seats on board of directors, the Company and affiliate company do not have control over KGI Thailand. The investment does not have to be included in the main body of consolidated financial statements.
- (4) Since the shares of CDIB Bioscience Venture I, Inc. held by the Company and affiliate company, CDIB Capital Group, is over 20%, the investment is measured under the equity method. CDIB Bioscience Venture I, Inc. completed liquidation in December, 2025.
- (5) No pledge was made for investments accounted for using the equity method.

13. Property and Equipment

- (1) Changes in property and equipment are as follows:

	Land	Buildings	Equipment	Leasehold improvement	Total
<u>Cost</u>					
January 1, 2026	\$3,465,632	\$1,795,379	\$2,794,428	\$362,223	\$8,417,662
Additions	-	-	108,750	14,031	122,781
Disposals	-	-	(90,507)	(580)	(91,087)
Transfers	-	-	8,145	1,200	9,345
Exchange differences	-	-	13,371	2,374	15,745
June 30, 2026	<u>\$3,465,632</u>	<u>\$1,795,379</u>	<u>\$2,834,187</u>	<u>\$379,248</u>	<u>\$8,474,446</u>
January 1, 2025	\$3,486,044	\$1,809,352	\$2,755,633	\$416,498	\$8,467,527
Additions	-	-	65,968	8,012	73,980
Disposals	(20,412)	(13,973)	(92,152)	(9,560)	(136,097)
Transfers	-	-	32,390	(51,788)	(19,398)
Exchange differences	-	-	(96,687)	(18,603)	(115,290)
June 30, 2025	<u>\$3,465,632</u>	<u>\$1,795,379</u>	<u>\$2,665,152</u>	<u>\$344,559</u>	<u>\$8,270,722</u>
<u>Depreciation and Impairment</u>					
January 1, 2026	\$-	\$935,265	\$1,848,456	\$266,639	\$3,050,360
Depreciation	-	16,852	159,644	16,101	192,597
Disposals	-	-	(90,424)	(580)	(91,004)
Exchange differences	-	-	9,254	2,238	11,492
June 30, 2026	<u>\$-</u>	<u>\$952,117</u>	<u>\$1,926,930</u>	<u>\$284,398</u>	<u>\$3,163,445</u>

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	Land	Buildings	Equipment	Leasehold improvement	Total
January 1, 2025	\$-	\$908,294	\$1,821,642	\$316,156	\$3,046,092
Depreciation	-	16,852	151,531	13,422	181,805
Disposals	-	(6,732)	(92,039)	(9,560)	(108,331)
Transfers	-	-	-	(42,443)	(42,443)
Exchange differences	-	-	(86,155)	(18,295)	(104,450)
June 30, 2025	<u>\$-</u>	<u>\$918,414</u>	<u>\$1,794,979</u>	<u>\$259,280</u>	<u>\$2,972,673</u>

Net carrying amount as of

June 30, 2026	<u>\$3,465,632</u>	<u>\$843,262</u>	<u>\$907,257</u>	<u>\$94,850</u>	<u>\$5,311,001</u>
December 31, 2025	<u>\$3,465,632</u>	<u>\$860,114</u>	<u>\$945,972</u>	<u>\$95,584</u>	<u>\$5,367,302</u>
June 30, 2025	<u>\$3,465,632</u>	<u>\$876,965</u>	<u>\$870,173</u>	<u>\$85,279</u>	<u>\$5,298,049</u>

(2) The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives; the estimated useful lives of buildings are 55 years, while the others are 2 to 10 years.

(3) Please refer to Note VIII for property and equipment pledged as collaterals.

14. Lease

The Company and subsidiaries lease various properties, including real estate such as buildings, transportation, office equipment and other equipment. The lease terms range from 1 to 14 years. The Company and subsidiaries' lease effects on the financial position, financial performance and cash flows are as follows:

(1) Amounts recognized in the balance sheets

A. The carrying amount of right-of-use assets

	6/30/26	12/31/25	6/30/25
Buildings	\$1,964,786	\$1,769,946	\$1,519,511
Transportation equipment	8,926	9,768	11,067
Office equipment	3,994	7,560	11,008
Other equipment	160	-	113
Total	<u>\$1,977,866</u>	<u>\$1,787,274</u>	<u>\$1,541,699</u>

During the six-month periods ended June 30, 2026 and 2025, the Company and subsidiaries' additions to right-of-use assets amounting to 545,365 thousand dollars and 676,323 thousand dollars, respectively.

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B. Lease liabilities

	6/30/26	12/31/25	6/30/25
Lease liabilities			
Current	\$540,690	\$457,439	\$435,152
Non-current	2,124,877	1,980,184	1,141,227
Total	<u>\$2,665,567</u>	<u>\$2,437,623</u>	<u>\$1,576,379</u>

Please refer to Note VI.29 for the interest on lease liabilities recognized during the three-month and six-month periods ended June 30, 2026 and 2025 and refer to Note XII.3 for the maturity analysis for lease liabilities as of June 30, 2026, December 31, 2025 and June 30, 2025.

(2) Amounts recognized in the comprehensive income statements

Depreciation charge for right-of-use assets

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Buildings	\$120,803	\$108,902	\$246,007	\$220,710
Transportation equipment	1,759	1,949	3,597	3,883
Office equipment	1,796	1,791	3,593	3,597
Other equipment	26	56	53	112
Total	<u>\$124,384</u>	<u>\$112,698</u>	<u>\$253,250</u>	<u>\$228,302</u>

(3) Income and costs relating to leasing activities

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
The expenses relating to short-term leases	<u>\$1,282</u>	<u>\$1,113</u>	<u>\$2,577</u>	<u>\$2,328</u>
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	<u>\$261</u>	<u>\$247</u>	<u>\$512</u>	<u>\$491</u>
Income from subleasing right-of-use assets	<u>\$9,596</u>	<u>\$-</u>	<u>\$14,577</u>	<u>\$-</u>

(4) Cash outflow relating to leasing activities

During the six-month periods ended June 30, 2026 and 2025, the Company and subsidiaries' total cash outflows for leases amounting to 243,807 thousand dollars and 244,525 thousand dollars, respectively.

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- (5) The total undiscounted lease payments to be collected under finance lease contracts by the Company and subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025, along with the remaining years, are as follows:

	6/30/26	12/31/25
Not later than one year	\$89,811	\$44,676
Later than one year but not later than two years	89,811	89,351
More than two years but less than three years	89,811	89,351
More than three years but less than four years	89,811	89,351
More than four years but not less than five years	89,811	89,351
More than five years	259,751	303,094
Total undiscounted lease payments	708,806	705,174
Less: Unearned finance income	(79,876)	(89,192)
Present value of lease receivables	\$628,930	\$615,982
Current	\$72,223	\$26,350
Non-current	\$556,707	\$589,632

6/30/25: None.

15. Investment Property

- (1) Changes in investment property are as follows:

	Land	Buildings	Total
<u>Cost</u>			
January 1, 2026	\$420,495	\$196,013	\$616,508
Transfers	-	-	-
June 30, 2026	\$420,495	\$196,013	\$616,508
January 1, 2025	\$420,495	\$196,013	\$616,508
Transfers	-	-	-
June 30, 2025	\$420,495	\$196,013	\$616,508
<u>Depreciation and Impairment</u>			
January 1, 2026	\$-	\$97,143	\$97,143
Depreciation	-	1,970	1,970
June 30, 2026	\$-	\$99,113	\$99,113
January 1, 2025	\$-	\$93,203	\$93,203
Depreciation	-	1,970	1,970
June 30, 2025	\$-	\$95,173	\$95,173
<u>Net carrying amount as of</u>			
June 30, 2026	\$420,495	\$96,900	\$517,395
December 31, 2025	\$420,495	\$98,870	\$519,365
June 30, 2025	\$420,495	\$100,840	\$521,335

(2) Leases relating to investment property

The Company and subsidiaries' investment properties are owned investment properties. The Company and subsidiaries have entered into commercial property leases on its owned investment properties with lease terms of between 1 and 5 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

A. Lease income for operating leases are as follows:

Rental income from the lease of investment property	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$12,462	\$12,191	\$24,875	\$24,402

B. The undiscounted lease payments to be received and total amounts for the remaining period as of June 30, 2026, December 31, 2025 and June 30, 2025 are as follows:

	6/30/26	12/31/25	6/30/25
Not later than one year	\$46,382	\$46,304	\$43,434
Later than one year but not later than two years	37,535	44,520	40,761
More than two years but less than three years	25,956	29,645	31,951
More than three years but less than four years	9,626	21,917	20,605
More than four years but less than five years	-	-	6,970
Total	\$119,499	\$142,386	\$143,721

- (3) The investment properties are not measured at fair value but at cost. Its fair value is categorized as level 3 and it is only used for disclosure. The fair value of investment property held by the Company are 1,551,103 thousand dollars, 1,421,029 thousand dollars and 1,421,029 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025. The management refers independent appraisal report and adopts the market valuation model to evaluate the fair value.
- (4) The investment properties are depreciated on a straight-line basis overestimated 55 years useful life.
- (5) Please refer to Note VIII for investment property pledged as collaterals.

16. Intangible Assets

(1) Changes in intangible assets are as follows:

	Goodwill	Software	Other intangible assets	Total
January 1, 2026	\$6,576,212	\$387,182	\$6	\$6,963,400
Additions	-	58,478	-	58,478
Amortizations	-	(62,720)	-	(62,720)
Exchange differences	11,027	2,070	-	13,097
June 30, 2026	<u>\$6,587,239</u>	<u>\$385,010</u>	<u>\$6</u>	<u>\$6,972,255</u>
January 1, 2025	\$6,656,746	\$391,838	\$6	\$7,048,590
Additions	-	50,473	-	50,473
Amortizations	-	(55,452)	-	(55,452)
Exchange differences	(75,895)	(3,021)	-	(78,916)
June 30, 2025	<u>\$6,580,851</u>	<u>\$383,838</u>	<u>\$6</u>	<u>\$6,964,695</u>

(2) The amortized lives for software and other intangible assets of the Company and subsidiaries are between 3 and 7 years.

17. Others Non-Current Assets

	6/30/26	12/31/25	6/30/25
Operation guarantee deposits	\$1,063,000	\$1,063,000	\$1,063,000
Clearing and settlement fund	1,565,268	785,040	743,979
Guarantee deposits	2,458,748	2,540,942	1,906,431
Long-term finance lease receivables	556,707	589,632	-
Others	469,148	416,554	383,424
Total	<u>\$6,112,871</u>	<u>\$5,395,168</u>	<u>\$4,096,834</u>

Please refer to Note VI.29 for details on accumulated impairment and Note XII for details on credit risk.

18. Short-Term Borrowings

	6/30/26	12/31/25	6/30/25
Interbank loans	\$3,533,907	\$3,049,486	\$4,604,908
Credit loans	25,772,809	19,148,668	12,500,570
Secured loans	-	-	67,951
Total	<u>\$29,306,716</u>	<u>\$22,198,154</u>	<u>\$17,173,429</u>
Interest rate	1.41%-5.32%	1.39%-4.78%	0.93%-6.65%

Please refer to Note VIII for collaterals for the above short-term borrowings.

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19. Commercial Papers Payable

	6/30/26	12/31/25	6/30/25
Commercial papers payable	\$134,145,045	\$84,925,489	\$24,935,918
Less: discount	(634,429)	(235,024)	(45,554)
Net amount	<u>\$133,510,616</u>	<u>\$84,690,465</u>	<u>\$24,890,364</u>
Interest rate	1.66%-3.54%	1.58%-3.76%	1.55%-4.29%

20. Financial Liabilities Measured at Fair Value Through Profit or Loss

	6/30/26	12/31/25	6/30/25
<u>Current</u>			
Financial liabilities held for trading			
Investment in bonds with reverse repurchase agreements - short sale	\$3,543,681	\$515,060	\$382,050
Warrants liabilities	23,900,393	27,322,504	20,814,712
Warrants redeemed	(17,803,635)	(24,912,653)	(20,002,729)
Short options	3,449	415	2,116
Liabilities for securities and bonds borrowed	20,171,706	10,659,762	27,864,957
Derivative instruments liabilities	23,074,515	17,873,906	13,564,126
Others	-	-	1,042,979
Financial liabilities designated at fair value through profit or loss	8,814,831	5,417,487	5,061,173
Total	<u>\$61,704,940</u>	<u>\$36,876,481</u>	<u>\$48,729,384</u>

(1) Investment in bonds with reverse repurchase agreements - short sale

	6/30/26	12/31/25	6/30/25
Foreign securities	<u>\$3,543,681</u>	<u>\$515,060</u>	<u>\$382,050</u>

(2) Warrants liabilities and warrants redeemed

A. Details on liabilities for warrants issued and warrants redeemed are as follows:

	6/30/26	12/31/25	6/30/25
Warrants liabilities	\$14,646,078	\$31,654,484	\$29,177,642
Gains/(losses) on value change	9,254,315	(4,331,980)	(8,362,930)
Market value	23,900,393	27,322,504	20,814,712
Warrants redeemed	11,930,401	28,084,915	26,143,451
Gains/(losses) on value change	5,873,234	(3,172,262)	(6,140,722)
Market value	17,803,635	24,912,653	20,002,729
Net value	<u>\$6,096,758</u>	<u>\$2,409,851</u>	<u>\$811,983</u>

B. All warrants issued by the Company are American and European options. The Company can settle the warrants with either cash or the underlying stock.

(3) Short options

	6/30/26	12/31/25	6/30/25
Index options	\$6,679	\$519	\$2,452
Open interest	(3,230)	(104)	(336)
Market value	<u>\$3,449</u>	<u>\$415</u>	<u>\$2,116</u>

(4) Liabilities for securities and bonds borrowed

	6/30/26	12/31/25	6/30/25
Domestic listed/OTC company stock	\$5,449,834	\$312,379	\$13,293,235
Index fund	9,046,924	5,473,459	9,117,677
Foreign securities	4,689,728	4,627,160	4,782,057
Subtotal	19,186,486	10,412,998	27,192,969
Valuation adjustments	985,220	246,764	671,988
Market value	<u>\$20,171,706</u>	<u>\$10,659,762</u>	<u>\$27,864,957</u>

- (5) Please refer to Note VI.21 for details on derivative instruments liabilities and financial liabilities designated as at fair value through profit or loss.

21. Derivative Instruments

(1) Nominal Amounts

Financial Instruments	6/30/26	12/31/25	6/30/25
Options and futures contract	\$100,646,457	\$48,594,652	\$32,993,718
Foreign futures and options	14,556,887	22,717,522	5,931,325
Interest rate swap (IRS)	201,872,094	172,296,987	140,372,775
Convertible bond asset swap (CBAS)- interest	17,097,200	16,947,300	23,189,512
CBAS-long option	36,014,746	36,394,847	24,566,801
CBAS-short option	39,347,959	34,643,882	30,152,144
Structured notes	42,086,755	18,189,812	20,298,258
Equity derivative instruments	163	13,353	12,421
Credit derivative instruments	34,125,879	12,428,045	24,274,010
Exchange rate derivative instruments	18,617,701	22,789,316	20,313,019
Commodity swap	81	61,487	73,211
Accumulators and Decumulators	28,426,985	10,036,565	7,304,824
Total	<u>\$532,792,907</u>	<u>\$395,113,768</u>	<u>\$329,482,018</u>

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(2) Derivative instruments assets/liabilities

Financial Instruments	6/30/26	12/31/25	6/30/25
Derivative instrument assets			
Contract value			
IRS	\$1,652,601	\$1,298,924	\$771,910
CBAS-interest	4,832	6,717	10,716
Long options			
CBAS	5,643,703	3,928,246	2,596,293
Structured notes	10,706	395,472	243,656
Equity derivative instruments	51,732	21,859	48,378
Credit derivative instruments	766,174	558,614	541,812
Exchange rate derivative instruments	727,907	700,731	1,548,414
Accumulators and Decumulators	1,031,106	1,261,702	249,019
Foreign futures and options	689,980	76,342	68,602
Total	<u>\$10,578,741</u>	<u>\$8,248,607</u>	<u>\$6,078,800</u>
Derivative instruments liabilities			
Contract value			
IRS	\$1,413,099	\$1,234,863	\$705,689
CBAS-interest	1,821,661	1,585,348	1,358,547
Short options			
CBAS	10,112,924	5,780,352	3,199,635
Structured notes	7,216,019	7,378,272	6,524,002
Credit derivative instruments	229,408	26,436	42,979
Exchange rate derivative instruments	448,143	430,031	1,408,487
Commodity derivatives	101,301	100,180	74,411
Accumulators and Decumulators	1,031,106	1,261,702	250,376
Foreign futures and options	700,854	76,722	-
Total	<u>\$23,074,515</u>	<u>\$17,873,906</u>	<u>\$13,564,126</u>
Financial liabilities designated at fair value through profit or loss			
Structured notes	<u>\$8,814,831</u>	<u>\$5,417,487</u>	<u>\$5,061,173</u>

Please refer to Note VI.2 and Note VI.20 for details on financial assets or liabilities of option and futures contracts.

(3) Presentation of derivative instruments on the financial statements

A. The details of net gains/(losses) on liabilities for warrants issued are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Warrants liabilities:				
Gains on value change	\$19,278,874	\$14,587,011	\$46,383,977	\$43,901,746
Gains on exercising warrants before maturity	22,674	6,777	73,766	18,555
Warrants redeemed:				
Losses on resale of warrants	1,357,560	(1,695,735)	746,622	(3,330,772)
Losses on value change	(25,343,746)	(12,686,567)	(52,999,387)	(39,686,119)
Expense for warrant	(123,965)	(98,530)	(251,913)	(222,910)
Gains/(losses) on warrants issued	<u>\$ (4,808,603)</u>	<u>\$ 112,956</u>	<u>\$ (6,046,935)</u>	<u>\$ 680,500</u>

B. The details of net gains/(losses) on derivative instruments-futures are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Futures contracts	\$(30,533,310)	\$1,977,155	\$(33,410,041)	\$3,622,936
Options	14,624	5,211	53,526	(720)
Total	<u>\$(30,518,686)</u>	<u>\$1,982,366</u>	<u>\$(33,356,515)</u>	<u>\$3,622,216</u>

C. The details of net gains/(losses) on derivative instruments-GTSM are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
IRS	\$120,495	\$17,904	\$231,560	\$(27,266)
CBAS	(2,465,209)	160,584	(3,798,625)	246,858
Options	19,653	21,490	6,999	88,805
Structured notes	(1,036,445)	(98,982)	(717,885)	(171,900)
Equity derivative instruments	1	19	9	73
Credit derivative instruments	(563,541)	22,506	(518,944)	2,169
Exchange rate derivative instruments	73,893	(892,501)	190,049	(746,584)
Commodity derivative instruments	-	147	23	153
Accumulators and Decumulators	19,430	6,912	28,041	17,627
Total	<u>\$(3,831,723)</u>	<u>\$ (761,921)</u>	<u>\$(4,578,773)</u>	<u>\$(590,065)</u>

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D. The details of futures and options transaction contract of the Company and subsidiaries are as follows:

6/30/26

Item	Type of trading	Open interest position		Contract amount/ Premium paid	Fair Value	Note
		Long/ Short	Lots	(received)		
Futures Contracts	Elec-Sector Index Futures	Long	1	\$11,882	\$12,172	
Futures Contracts	Elec-Sector Index Futures	Short	5	58,689	60,860	
Futures Contracts	Mini-Elec-Sector Index Futures	Long	40	58,508	60,860	
Futures Contracts	Taiwan Stock Futures	Long	854	7,799,965	7,989,853	
Futures Contracts	Taiwan Stock Futures	Short	1,743	15,874,369	16,333,846	
Futures Contracts	Finance Sector Index Futures	Long	1	3,126	3,127	
Futures Contracts	Taiwan 50 ETF Futures (NYF)	Long	303	325,785	328,755	
Futures Contracts	Mini-TaiEx Futures	Short	861	1,999,080	2,013,836	
Futures Contracts	Micro TaiEx Futures	Short	507	236,418	237,170	
Futures Contracts	Stock Futures	Long	4,047	2,708,533	2,757,563	
Futures Contracts	Stock Futures	Short	66,092	64,503,026	64,951,654	
Futures Contracts	Foreign Futures	Long	1,668	3,611,194	3,615,326	
Futures Contracts	Foreign Futures	Short	1,120	3,406,665	3,401,682	
Options Contracts	Index Options-Call	Long	336	16,847	13,945	
Options Contracts	Index Options-Put	Long	2,986	13,428	8,452	
Options Contracts	Index Options-Put	Short	2,850	(6,679)	3,449	
Options Contracts	Equity Options-Call	Long	107	12,261	14,738	

12/31/25

Item	Type of trading	Open interest position		Contract amount/ Premium paid	Fair Value	Note
		Long/ Short	Lots	(received)		
Futures Contracts	Elec-Sector Index Futures	Long	13	\$89,677	\$90,480	
Futures Contracts	Elec-Sector Index Futures	Short	22	148,692	153,120	
Futures Contracts	Mini-Elec-Sector Index Futures	Long	130	110,865	113,100	
Futures Contracts	Mini-Elec-Sector Index Futures	Short	4	2,422	2,402	
Futures Contracts	Taiwan Stock Futures	Long	335	1,936,379	1,943,938	
Futures Contracts	Taiwan Stock Futures	Short	1,655	9,357,858	9,604,023	
Futures Contracts	Finance Sector Index Futures	Long	3	7,231	7,207	
Futures Contracts	Finance Sector Index Futures	Short	2	4,845	4,804	
Futures Contracts	Non-Fin Non-Elec Sub-Index Futures	Short	9	12,099	12,150	
Futures Contracts	Taiwan 50 ETF Futures (NYF)	Long	344	222,545	226,180	
Futures Contracts	Mini-TaiEx Futures	Long	279	403,999	404,745	
Futures Contracts	Micro TaiEx Futures	Long	467	135,236	135,495	
Futures Contracts	Stock Futures	Long	2,661	1,507,353	1,542,463	
Futures Contracts	Stock Futures	Short	55,433	28,290,807	29,537,489	
Futures Contracts	Foreign Futures	Long	698	1,564,141	1,562,283	
Futures Contracts	Foreign Futures	Short	2,793	4,785,841	4,794,479	
Options Contracts	Index Options-Call	Long	741	4,120	4,061	
Options Contracts	Index Options-Call	Short	297	(226)	337	
Options Contracts	Index Options-Put	Long	746	10,023	2,092	
Options Contracts	Index Options-Put	Short	276	(293)	78	

6/30/25

9/30/20

Item	Type of trading	Open interest position		Contract amount/ Premium paid (received)	Fair value	Note
		Long/Short	Lots			
Futures Contracts	Elec-Sector Index Futures	Short	40	\$198,042	\$198,320	
Futures Contracts	Mini-Elec-Sector Index Futures	Short	191	116,319	116,436	
Futures Contracts	Taiwan Stock Futures	Long	1,426	6,226,751	6,308,920	
Futures Contracts	Taiwan Stock Futures	Short	903	3,980,237	3,996,020	
Futures Contracts	Finance Sector Index Futures	Short	14	29,175	29,285	
Futures Contracts	Non-Fin Non-Elec Sub-Index Futures	Short	30	39,054	39,282	
Futures Contracts	Taiwan 50 ETF Futures	Short	365	175,483	176,040	
Futures Contracts	Mini-TaiEx Futures	Short	677	749,117	749,574	
Futures Contracts	Micro TaiEx Futures	Long	63	13,958	13,951	
Futures Contracts	Stock Futures	Long	27,965	13,882,924	14,139,482	
Futures Contracts	Stock Futures	Short	5,631	1,085,638	1,086,538	
Futures Contracts	Foreign Futures	Long	2,177	4,276,676	4,276,547	
Futures Contracts	Foreign Futures	Short	1,210	2,207,132	2,189,502	
Options Contracts	Index Options-Call	Long	1,695	876	712	
Options Contracts	Index Options-Call	Short	1,813	(2,278)	2,059	
Options Contracts	Index Options-Put	Long	548	7,621	2,939	
Options Contracts	Index Options-Put	Short	33	(174)	57	
Options Contracts	Equity Options-Call	Long	21	609	1,262	
Options Contracts	Equity Options-Put	Long	54	1,654	266	

E. Credit risk valuation adjustment

The Company and subsidiaries' credit risk valuation adjustments could be mainly divided into two parts: Credit Value Adjustments, "CVA", and Debit Value Adjustments, "DVA", which are adjustments on credit risk valuation of derivative instruments traded at OTC. The purpose for the adjustments is to reflect the possibility of an opponent (CVA) or the Company and subsidiaries' (DVA) delay in payment and failure of receiving full amount of transactions' market value.

The Company and subsidiaries take an opponent's Probability of Default, "PD" (given the Company and subsidiaries do not default) and Loss Given Default, "LGD" into account, then calculate CVA with the opponent's Exposure at Default, "EAD". Contrarily, the Company and subsidiaries take their PD (given the opponent do not default) and LGD into account, calculate DVA with their EAD.

To take credit risk valuation adjustment into consideration for fair value of financial instruments and to reflect separately credit risk of the opponent and of the Company and subsidiaries, the Company and subsidiaries refer to Standard & Poor's, "S&P", historical probability of default for PD; base LGD on past experiences, scholars' suggestions, and foreign financial institutions' experiences; and adopt evaluated market price of derivative instruments as EAD.

22. Liabilities for Bonds with Repurchase Agreements

	6/30/26	12/31/25	6/30/25
Government bonds	\$25,069,246	\$15,235,734	\$26,236,461
Bank debentures	40,972,550	39,072,792	30,833,445
Corporate bonds	78,832,601	62,324,940	60,116,813
Total	<u>\$144,874,397</u>	<u>\$116,633,466</u>	<u>\$117,186,719</u>
Repurchased amount as specified in respective agreements plus accrued interest	<u>\$145,073,946</u>	<u>\$116,804,218</u>	<u>\$117,672,238</u>
Repurchased date as specified in respective agreements	7/1/26-2/25/28	1/2/26-5/4/26	7/1/25-10/30/25

23. Equity for Each Customer in the Account

According to Paragraph 2, Article 38 of the Regulations Governing Securities Firms, securities firms may retain the settlement funds of customers in the dedicated settlement accounts of securities firms with the consent of the customers. The securities firms shall set up customer ledgers in the dedicated accounts.

	6/30/26	12/31/25	6/30/25
Equity for each customer in the account	<u>\$30,489,079</u>	<u>\$20,425,068</u>	<u>\$17,286,869</u>

24. Accounts Payable

	6/30/26	12/31/25	6/30/25
Accounts payable-related parties	\$3,718,879	\$1,849,351	\$1,355,651
Accounts payable-non-related parties			
Exchange clearing payable	54,081,322	13,053,942	15,775,931
Accounts payable for settlement	128,770,781	71,736,053	60,372,676
Others	1,805,739	1,096,289	1,515,353
Total	<u>\$188,376,721</u>	<u>\$87,735,635</u>	<u>\$79,019,611</u>

25. Bonds payable

	6/30/26	12/31/25	6/30/25
108-1 Unsecured Corporation Bonds Payable	\$1,300,000	\$1,300,000	\$1,300,000
110-1 Unsecured Corporation Bonds Payable	5,000,000	5,000,000	5,000,000
113-1 Unsecured Subordinated Corporate Bonds Payable	3,000,000	3,000,000	3,000,000
115-1 Unsecured Corporation Bonds Payable	9,100,000	-	-
115-1 Unsecured Subordinated Corporate Bonds Payable	3,700,000	-	-
Subtotal	22,100,000	9,300,000	9,300,000
Less: Current Portion	(3,600,000)	(3,600,000)	-
Add: Valuation Adjustment	60,976	-	-
Net amount	<u>\$18,560,976</u>	<u>\$5,700,000</u>	<u>\$9,300,000</u>

- (1) The Company had issued 108-1 unsecured corporate bonds (hereinafter called “the Bonds-108-1”) amounted to 4,200,000 thousand dollars on November 22, 2019. The Bonds-108-1 were issued in three types: Bonds A were issued with three year maturities, amounted to 300,000 thousand dollars; Bonds B were issued with five year maturities, amounted to 2,600,000 thousand dollars; Bonds C were issued with seven year maturities, amounted to 1,300,000 thousand dollars, all of them at par value of 10,000 thousand dollars per bond. Other terms are listed below:
- A. Term to Maturity: Bonds A were issued on November 22, 2019 and will be redeemed on November 22, 2022; Bonds B were issued on November 22, 2019 and will be redeemed on November 22, 2024; Bonds C were issued on November 22, 2019 and will be redeemed on November 22, 2026.
 - B. Coupon rate: the coupon rate of Bonds A is 0.73% annually; of Bonds B is 0.78% annually; of Bonds C is 0.83% annually.
 - C. Repayment of principal: The principal of the Bonds will be repaid at maturity.
 - D. The Bonds-108-1 were issued without collaterals.
 - E. Interest payment method: The interest is paid annually and calculated on coupon rate by using simple interest method.
- (2) The Company had issued 110-1 unsecured corporate bonds (hereinafter called “the Bonds-110-1”) amounted to 5,000,000 thousand dollars on July 9, 2021. The Bonds-110-1 were issued in two types: Bonds A were issued with five year maturities, amounted to 2,300,000 thousand dollars; Bonds B were issued with seven year maturities, amounted to 2,700,000 thousand dollars, both at par value of 10,000 thousand dollars per bond. Other terms are listed below:
- A. Term to Maturity: Bonds A were issued on July 9, 2021 and will be redeemed on July 9, 2026; Bonds B were issued on July 9, 2021 and will be redeemed on July 9, 2028.
 - B. Coupon rate: the coupon rate of Bonds A is 0.51% annually; of Bonds B is 0.55% annually.
 - C. Repayment of principal: The principal of the Bonds will be repaid at maturity.
 - D. The Bonds-110-1 were issued without collaterals.
 - E. Interest payment method: The interest is paid annually and calculated on coupon rate by using simple interest method.
- (3) The Company had issued 113-1 unsecured subordinated corporate bonds (hereinafter called “the Bonds-113-1”) amounted to 3,000,000 thousand dollars on May 28, 2024. The Bonds-113-1 were issued at par value of 10,000 thousand dollars per bond. Other terms are listed below:
- A. Term to Maturity: The Bonds-113-1 were issued on May 28, 2024 and will be redeemed on May 28, 2034.
 - B. Coupon rate: the coupon rate of the Bonds-113-1 is 2.20% annually.
 - C. Repayment of principal: The principal of the Bonds will be repaid at maturity.
 - D. The Bonds-113-1 were issued without collaterals.
 - E. Interest payment method: The interest is paid annually and calculated on coupon rate by using simple interest method.

(4) The Company had issued 115-1 unsecured corporate bonds (hereinafter called “the Bonds-115-1”) amounted to 9,100,000 thousand dollars on May 25, 2026. The Bonds-115-1 were issued in two types: Bonds A were issued with five year maturities, amounted to 3,700,000 thousand dollars; Bonds B were issued with ten year maturities, amounted to 5,400,000 thousand dollars, both at par value of 10,000 thousand dollars per bond. Other terms are listed below:

- A. Term to Maturity: Bonds A were issued on May 25, 2026 and will be redeemed on May 25, 2031; Bonds B were issued on May 25, 2026 and will be redeemed on May 25, 2036.
- B. Coupon rate: the coupon rate of Bonds A is 1.85% annually; of Bonds B is 2.05% annually.
- C. Repayment of principal: The principal of the Bonds will be repaid at maturity.
- D. The Bonds-115-1 were issued without collaterals.
- E. Interest payment method: The interest is paid annually and calculated on coupon rate by using simple interest method.

(5) The Company had issued 115-1 unsecured subordinated corporate bonds (hereinafter called “the Bonds-115-1”) amounted to 3,700,000 thousand dollars on May 25, 2026. The Bonds-115-1 were issued at par value of 10,000 thousand dollars per bond. Other terms are listed below:

- A. Term to Maturity: The Bonds-115-1 were issued on May 25, 2026 and will be redeemed on May 25, 2036.
- B. Coupon rate: the coupon rate of the Bonds-115-1 is 2.40% annually.
- C. Repayment of principal: The principal of the Bonds will be repaid at maturity.
- D. The Bonds-115-1 were issued without collaterals.
- E. Interest payment method: The interest is paid annually and calculated on coupon rate by using simple interest method.

26. Post-Employment Benefits

(1) Description of employment pension:

Defined contribution plan

The Company and domestic subsidiaries established the employee retirement method that is defined contribution plan in accordance with The Labor Pension Act of the R.O.C. and the percentage of contribution burden by the Company and domestic subsidiaries are not less than 6% of employee’s monthly wages and salaries. The Company and domestic subsidiaries contribute monthly an amount equal to 6% of employee’s wages and salaries to the employee’s individual pension fund accounts at the Bureau of Labor Insurance.

Foreign subsidiaries make contribution to the business related to pension management in compliance with local regulation.

Defined benefit plan

The Company and domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. In addition, the Company and subsidiaries will assess the balance in pension fund at the end of the year; if the balance is not enough to pay the pension in the following year, the difference will be contributed before March in the next year.

Pension fund deposited in the Bank of Taiwan is utilized by Ministry of Labor in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The investment strategy of the fund is to be managed by the Ministry itself or outsourcing, actively or passively in the medium or long term. Considering market, credit, liquidity risk, the Ministry of Labor set controlling plan and the limit for fund risk, allowing it to achieve its expected return without taking too much risk. Every year, the minimum return resolved to be allocated should not be lower than the return resulting from the interest of certificate deposits for two years. If it is not enough, it should be made up by National Treasury with the approval of authority.

The defined benefit plan for the company's subsidiary, PT KGI Sekuritas Indonesia, is performed in accordance with local regulation in Indonesia.

- (2) The total expense recognized in the comprehensive income statement according to proportion stipulated in the plan are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Defined contribution plan	\$82,915	\$68,837	\$161,825	\$141,090
Defined benefit plan	2,000	2,596	4,010	5,206
Total	<u>\$84,915</u>	<u>\$71,433</u>	<u>\$165,835</u>	<u>\$146,296</u>

27. Provision

	6/30/26	12/31/25	6/30/25
Litigation provision	\$142,248	\$141,640	\$137,061
Decommissioning liabilities	142,371	151,201	110,264
Total	<u>\$284,619</u>	<u>\$292,841</u>	<u>\$247,325</u>

28. Equity

(1) Common stock

	6/30/26	12/31/25	6/30/25
Authorized shares (thousand shares)	4,600,000	4,600,000	4,600,000
Authorized capital	\$46,000,000	\$46,000,000	\$46,000,000

The Company has issued 1,817,479 thousand common shares as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. The Company's issued capital was 18,174,785 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively, each at a par value of NT\$10.

(2) Stock dividend to be distributed

The Company held the annual meeting of shareholders (represented by the Board of Directors) on June 22, 2026 and resolved to appropriate 3,000,000 thousand dollars from the annual net income of 2025 as stock dividends. Accordingly, 300,000 thousand common shares with a par value of NT\$10 per share will be issued through a capitalization of earnings. The capital increase is pending effective registration with the competent authority.

(3) Capital reserve

	6/30/26	12/31/25	6/30/25
Additional paid-in capital	\$1,786,849	\$1,786,849	\$1,786,849
Treasury share transactions	364,435	364,435	364,435
Share-based payment	280,884	272,181	265,897
Surplus from business combination	4,999,288	4,999,288	4,999,288
Others	15,069	15,060	15,060
Total	\$7,446,525	\$7,437,813	\$7,431,529

Capital reserve needs to make up the company's deficiencies as priority. The company with no deficiency can issue all or portion of capital reserve in new stocks or cash and release to shareholders as their percentage by following the company law of shareholders' decision method. Capital reserve mentions in the former includes excess over par value of stocks and donations received.

(4) Distribution of earnings and dividend policy

A. The Articles of Incorporation of earnings distribution are as following:

For the operation and benefits of shareholders, the Company adopted surplus dividend policy in compliance with related regulations. The Company distributes cash dividends, and these cash dividends should not less than 10% of all dividends.

The Company should pay applicable income tax, offset accumulated losses, set aside legal reserve, and appropriate or reverse special reserve under relevant regulations before distribution of current net income. Appropriation of the remains along with the beginning balance of undistributed earnings shall be proposed by the Board of Directors and resolved by the shareholders.

- B. The Company held the annual meeting of shareholders (represented by the board of directors) on June 22, 2026 and June 20, 2025 and resolved the distribution of annual net income for 2025 and 2024, respectively, as follows:

	Distribution of earnings		Dividend per share (dollar)	
	2025	2024	2025	2024
Legal reserve	\$1,151,001	\$1,017,161	-	-
Special reserve	1,746,687	694,904	-	-
Cash dividends	5,612,320	8,459,545	3.087	4.654
Stock dividends	3,000,000	-	1.650	-

- C. According to the Rule No. 1100365484 issued by FSC on January 21, 2022, when the Company distributes earnings, it must set aside (from current net income and the items other than current net income which would be added into current unappropriated earnings) special reserves equal in amounts to other net deductions from shareholders equity arising during that same year. Undistributed earnings from the preceding period are set aside if amount set aside from current net income and unappropriated earnings are not sufficient. Any other net deductions from shareholders equity items accumulated from the preceding year must not be distributed; instead, an equivalent amount must be set aside from undistributed earnings to special reserves. Thereafter, when other shareholders equity deductions are shifted back, the company may distribute earnings in an amount equal to the amount shifted back.
- D. As required by the Company Act, 10% of the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, shall be set aside as legal reserve until the cumulative balance equals its paid-in capital. Except for covering accumulated deficit, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

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(5) Non-controlling interests

	For the six-month periods ended June 30	
	2026	2025
Beginning balance	\$23,245	\$23,815
Profit attributable to non-controlling interests	5,695	1,149
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	(184)	(361)
Cash capital increase of subsidiaries	3,406	-
Cash dividend issued from subsidiaries	(229)	(3,102)
Ending balance	<u>\$31,933</u>	<u>\$21,501</u>

29. The Detail of Comprehensive Net Income

(1) Brokerage handling fee revenue

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Brokerage handling fee revenue	\$7,432,439	\$2,593,809	\$12,195,466	\$4,979,957
Foreign brokerage fee	1,919,397	1,081,724	3,419,440	2,208,312
Foreign sub-brokerage revenue	731,262	431,535	1,204,097	842,971
Others	133,411	79,880	204,893	149,731
Total	<u>\$10,216,509</u>	<u>\$4,186,948</u>	<u>\$17,023,896</u>	<u>\$8,180,971</u>

(2) Revenue from underwriting business

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Revenue from underwriting of securities	\$90,177	\$48,658	\$155,242	\$103,940
Revenue from underwriting proceeding fee	296,275	29,923	589,953	73,754
Revenue from underwriting and counseling	11,446	7,318	16,904	9,116
Others	109,913	20,875	144,135	39,822
Total	<u>\$507,811</u>	<u>\$106,774</u>	<u>\$906,234</u>	<u>\$226,632</u>

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(3) Gains/(losses) on disposal of trading securities-net

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Dealing	\$20,048,564	\$(1,039,648)	\$29,252,215	\$(1,430,251)
Underwriting	356,692	24,892	738,941	91,183
Hedging	4,682,432	(530,566)	5,974,409	(648,469)
Total	<u>\$25,087,688</u>	<u>\$(1,545,322)</u>	<u>\$35,965,565</u>	<u>\$(1,987,537)</u>

(4) Interest income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Margin loans	\$936,801	\$451,300	\$1,665,932	\$1,052,423
Bonds	1,395,163	1,058,464	2,429,599	2,139,642
Borrowing or Lending Money in Connection with Securities	304,442	202,992	550,377	418,389
Interest income from security lending deposit	227,908	165,168	443,892	332,776
Others	108,251	85,134	203,205	154,432
Total	<u>\$2,972,565</u>	<u>\$1,963,058</u>	<u>\$5,293,005</u>	<u>\$4,097,662</u>

(5) Gains/(losses) on trading securities measured at fair value through profit and loss-net

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Dealing	\$17,536,247	\$1,283,294	\$16,228,131	\$588,317
Underwriting	235,094	(21,390)	473,029	2,211
Hedging	3,524,076	240,563	1,824,640	(270,823)
Settlement coverage bonds payable of short sale	-	140	3	162
Total	<u>\$21,295,417</u>	<u>\$1,502,607</u>	<u>\$18,525,803</u>	<u>\$319,867</u>

(6) Gains/(losses) on covering of securities borrowing and short sales of bonds with reverse repurchase agreements-net

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Gains	\$639,154	\$146,287	\$723,942	\$460,542
Losses	(1,034,541)	(432,761)	(1,324,445)	(571,174)
Total	<u>\$(395,387)</u>	<u>\$(286,474)</u>	<u>\$(600,503)</u>	<u>\$(110,632)</u>

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(7) Please refer to Note VI.21 for details of gains and losses on derivative instruments.

(8) Expected credit (losses)/gains on reversal

A. Details of expected credit (losses)/gains on reversal are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Financial assets measured at				
FVOCI	\$1,133	\$1,450	\$(326)	\$(879)
Financial assets measured at amortized cost				
Receivables (Note 1)	(13,248)	6,114	(26,115)	3,120
Others (Note 2)	3,164	35,491	1,021	53,901
Total	<u><u>\$(8,951)</u></u>	<u><u>\$43,055</u></u>	<u><u>\$(25,420)</u></u>	<u><u>\$56,142</u></u>

Note 1: Receivables include securities margin loans receivable, trading securities receivable and accounts receivable.

Note 2: Others include cash and cash equivalents, investment in bonds with reverse repurchase agreements, customer margin accounts, security lending deposit, other current assets and other non-current assets.

B. The Company and subsidiaries' total carrying amount and accumulated impairment loss as of June 30, 2026, December 31, 2025 and June 30, 2025 are as follows:

(a) Financial assets measured at fair value through other comprehensive income

The carrying amount of financial assets measured at fair value through other comprehensive income-debt instrument investments are 55,514,234 thousand dollars, 53,022,902 thousand dollars and 50,392,782 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. The accumulated impairment loss recognized are 21,880 thousand dollars, 21,477 thousand dollars and 20,556 thousand dollars as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

(b) Receivables and others

As of June 30, 2026:

Item	Carrying amount	Accumulated impairment loss	Total
Cash and cash equivalents	\$52,716,125	\$(3,536)	\$52,712,589
Investment in bonds with reverse repurchase agreements	34,563,881	(592)	34,563,289
Securities margin loans receivable	87,583,007	(15,198)	87,567,809
Trading securities receivable	35,123,906	(5,480)	35,118,426
Customer margin accounts	149,224,367	(20)	149,224,347
Security lending deposits	54,607,614	(39)	54,607,575
Accounts receivable	169,428,355	(26,472)	169,401,883
Other current assets	79,153,876	(127,425)	79,026,451
Others non-current assets	6,943,497	(830,626)	6,112,871
Total	<u>\$669,344,628</u>	<u>\$(1,009,388)</u>	<u>\$668,335,240</u>

As of December 31, 2025:

Item	Carrying amount	Accumulated impairment loss	Total
Cash and cash equivalents	\$30,371,296	\$(82)	\$30,371,214
Investment in bonds with reverse repurchase agreements	21,086,610	(18)	21,086,592
Securities margin loans receivable	48,665,723	(18,337)	48,647,386
Trading securities receivable	32,095,648	(5,008)	32,090,640
Customer margin accounts	89,758,835	(38)	89,758,797
Security lending deposits	49,940,418	(14)	49,940,404
Accounts receivable	77,696,542	(8,530)	77,688,012
Other current assets	56,504,822	(115,759)	56,389,063
Others non-current assets	6,224,878	(829,710)	5,395,168
Total	<u>\$412,344,772</u>	<u>\$(977,496)</u>	<u>\$411,367,276</u>

As of June 30, 2025:

Item	Carrying amount	Accumulated impairment loss	Total
Cash and cash equivalents	\$33,463,811	\$(1,065)	\$33,462,746
Investment in bonds with reverse repurchase agreements	20,982,270	(12)	20,982,258
Securities margin loans receivable	31,787,245	(7,332)	31,779,913
Trading securities receivable	27,692,377	(6,468)	27,685,909
Customer margin accounts	66,560,611	(41)	66,560,570
Security lending deposits	46,771,791	(1)	46,771,790
Accounts receivable	72,834,845	(8,507)	72,826,338
Other current assets	51,309,570	(122,905)	51,186,665
Other non-current assets	4,993,664	(896,830)	4,096,834
Total	<u>\$356,396,184</u>	<u>\$(1,043,161)</u>	<u>\$355,353,023</u>

C. The Company and subsidiaries' movements of accumulated impairment for the six-month periods ended June 30, 2026 and 2025 are as follows:

(a) Financial assets measured at fair value through other comprehensive income

Item	12-month expected credit losses	Lifetime expected credit losses (collective assessment)	Total
Balance as of January 1, 2026	\$(21,279)	\$(198)	\$(21,477)
(Increase)/decrease	(517)	190	(327)
Exchange differences and others	(74)	(2)	(76)
Balance as of June 30, 2026	<u>\$(21,870)</u>	<u>\$(10)</u>	<u>\$(21,880)</u>
Balance as of January 1, 2025	\$(19,810)	\$(623)	\$(20,433)
(Increase)/ decrease	(1,067)	188	(879)
Exchange differences and others	713	43	756
Balance as of June 30, 2025	<u>\$(20,164)</u>	<u>\$(392)</u>	<u>\$(20,556)</u>

The changes in the impairment of debt instrument investments measured at fair value through other comprehensive income were mainly affected by the derecognition and the newly acquired position during the six-month periods ended June 30, 2026 and 2025.

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(b) Receivables and others

Item	12-month expected credit losses	Lifetime expected credit losses (collective assessment)	Lifetime expected credit losses (credit impaired financial assets)	Lifetime expected credit losses (simplified approach)	Total
Balance as of January 1, 2026	\$(9,003)	\$(1,052)	\$(949,257)	\$(18,184)	\$(977,496)
(Increase)/decrease	(1,477)	985	(1,041)	(23,561)	(25,094)
Financial assets derecognized in					
the current period	-	-	620	-	620
Bad loans write-offs	-	-	1	-	1
Exchange differences and others	(96)	(7)	(7,313)	(3)	(7,419)
Balance as of June 30, 2026	<u>\$(10,576)</u>	<u>\$(74)</u>	<u>\$(956,990)</u>	<u>\$(41,748)</u>	<u>\$(1,009,388)</u>
Balance as of January 1, 2025	\$(10,847)	\$(1,056)	\$(1,079,397)	\$(22,031)	\$(1,113,331)
(Increase)/decrease	908	1,011	53,441	1,661	57,021
Financial assets derecognized in					
the current period	-	-	1,398	-	1,398
Bad loans write-offs	-	-	26	-	26
Exchange differences and others	704	30	10,983	8	11,725
Balance as of June 30, 2025	<u>\$(9,235)</u>	<u>\$(15)</u>	<u>\$(1,013,549)</u>	<u>\$(20,362)</u>	<u>\$(1,043,161)</u>

The changes in the carrying amounts of above mentioned receivables and others were mainly due to the securities trading market situation.

D. Please refer to Note XII.2 for details on measurement of expected credit losses.

(9) Other operating income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Commission income	\$320,150	\$206,952	\$607,684	\$373,577
Exchange gain/(loss)	(126,819)	721,380	(142,707)	637,538
Gain on exercising warrant before expiration date	1,118,256	931	1,651,443	238
Net gain/(loss) on disposal of marketable securities	99,106	(13,055)	88,994	11,063
Net gain/(loss) on the evaluation of marketable securities	121,658	(23,077)	146,678	(69,519)
Others	200,774	59,986	265,977	122,413
Total	<u>\$1,733,125</u>	<u>\$953,117</u>	<u>\$2,618,069</u>	<u>\$1,075,310</u>

(10) Financial cost

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Bonds	\$1,193,693	\$983,014	\$2,063,705	\$2,019,615
Bank borrowing	244,247	180,070	449,509	408,021
Short-term commercial papers and bonds	605,121	124,709	1,011,883	367,455
Corporate bonds	52,934	25,772	78,422	51,260
Lease liabilities	17,319	13,474	34,891	24,898
Securities lending refundable deposits	341,215	225,794	597,700	490,329
Others	122,911	95,091	237,955	175,881
Total	<u>\$2,577,440</u>	<u>\$1,647,924</u>	<u>\$4,474,065</u>	<u>\$3,537,459</u>

(11) Employee benefits expenses, depreciation and amortization

Item	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Employee benefit expenses				
Salary expenses	\$5,159,611	\$2,061,085	\$8,451,247	\$4,003,476
Insurance expenses	122,909	102,452	242,100	205,619
Pension expenses	84,915	71,433	165,835	146,296
Others	99,064	55,371	169,960	129,878
Total	<u>\$5,466,499</u>	<u>\$2,290,341</u>	<u>\$9,029,142</u>	<u>\$4,485,269</u>
Depreciations and amortizations				
Depreciations	\$222,541	\$204,347	\$447,817	\$412,077
Amortizations	31,762	28,165	62,720	55,452
Total	<u>\$254,303</u>	<u>\$232,512</u>	<u>\$510,537</u>	<u>\$467,529</u>

A. Due to the specialty of industry of the Company and subsidiaries, the employee benefit expenses and the depreciation and amortization expenses were classified as operating expenses.

B. The Company appropriates at least employees' bonus 0.1% and no more than directors' remuneration 1.0% of income before tax and before distributing earnings to employees and directors as employees' bonus income and directors' remuneration, respectively. The employees' bonus of 95,000 thousand dollars, 15,000 thousand dollars, 143,000 thousand dollars and 31,000 thousand dollars and the directors' remuneration of 135,000 thousand dollars, 22,000 thousand dollars, 203,000 thousand dollar and 44,000 thousand dollars were recognized under salary expenses based on the current year profit for the three-month periods ended June 30 in 2026 and 2025 and for the six-month periods ended June 30 in 2026 and 2025, respectively.

C. The Company distributed the employees' bonus of 93,000 thousand dollars and 85,000 thousand dollars and directors' remuneration 132,000 thousand dollars and 120,000 dollars on March 6, 2026 and March 5, 2025, respectively, which have no difference from the expenses recognized in 2025 and 2024.

D. The related information about employees' bonus and directors' remuneration from the earnings distribution plan adopted by the Company's board of directors' meeting can be inquired at Market Observation Post System.

(12) Other operating expenses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Postage and telephone expenses	\$124,103	\$107,615	\$237,641	\$210,302
Tax	779,964	308,721	1,316,924	586,428
Computer information expenses	243,139	214,012	467,496	420,881
Professional fee	99,035	59,605	183,190	147,706
Securities borrowed expenses	398,426	213,924	641,245	461,914
Handling fee	531,314	287,538	884,106	562,955
Maintenance and repairs	102,157	80,727	184,122	152,648
TDCC service fee	336,188	103,632	536,386	188,848
Other expenses	279,518	238,761	534,354	460,670
Total	<u>\$2,893,844</u>	<u>\$1,614,535</u>	<u>\$4,985,464</u>	<u>\$3,192,352</u>

(13) Other income and costs

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Interest income	\$1,230,659	\$861,618	\$2,125,526	\$1,731,885
Gains/(losses) from disposal of investment	70,603	(28,308)	296,840	(102,020)
Non-operating financial assets measured at FVTPL	2,734,518	132,369	2,891,464	107,371
Dividend income	84,363	117,921	86,033	125,784
Management service income	163,439	124,958	309,464	253,397
Others	33,029	68,924	79,544	149,112
Total	<u>\$4,316,611</u>	<u>\$1,277,482</u>	<u>\$5,788,871</u>	<u>\$2,265,529</u>

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30. Components of Other Comprehensive Income

For the three-month period ended June 30, 2026

	Arising	Reclassification	Other comprehensive income, before tax	Income tax (expense) income	Other comprehensive income, net of tax
To be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$(130,799)	\$-	\$(130,799)	\$-	\$(130,799)
Unrealized valuation gains/(losses) from debt instrument investments measured at FVOCI	409,228	(170,463)	238,765	(16,540)	222,225
Total	\$278,429	\$(170,463)	\$107,966	\$(16,540)	\$91,426

For the three-month period ended June 30, 2025

	Arising	Reclassification	Other comprehensive income, before tax	Income tax (expense) income	Other comprehensive income, net of tax
To be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$(1,677,099)	\$-	\$(1,677,099)	\$-	\$(1,677,099)
Unrealized valuation gains/(losses) from debt instrument investments measured at FVOCI	223,078	(20,388)	202,690	(8,835)	193,855
Total	\$(1,454,021)	\$(20,388)	\$(1,474,409)	\$(8,835)	\$(1,483,244)

For the six-month period ended June 30, 2026

	Arising	Reclassification	Other comprehensive income, before tax	Income tax (expense) income	Other comprehensive income, net of tax
To be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$60,832	\$-	\$60,832	\$-	\$60,832
Unrealized valuation gains/(losses) from debt instrument investments measured at FVOCI	147,825	(225,090)	(77,265)	12,747	(64,518)
Total	\$208,657	\$(225,090)	\$(16,433)	\$12,747	\$(3,686)

For the six-month period ended June 30, 2025

	Arising	Reclassification	Other comprehensive income, before tax	Income tax (expense) income	Other comprehensive income, net of tax
To be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	\$(1,401,817)	\$-	\$(1,401,817)	\$-	\$(1,401,817)
Unrealized valuation gains/(losses) from debt instrument investments measured at FVOCI	700,791	(33,568)	667,223	(36,992)	630,231
Total	\$(701,026)	\$(33,568)	\$(734,594)	\$(36,992)	\$(771,586)

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31. Income Tax

(1) The major components of income tax expense (benefit) are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Current income tax expense (benefit)				
Current period	\$1,629,272	\$277,519	\$2,707,626	\$764,767
Adjustments of prior periods	(11,533)	(9,095)	(11,870)	(8,983)
Deferred income tax expense (benefit)				
Current period	(106,210)	157,656	(254,216)	77,768
Income tax expense (benefit)	<u>\$1,511,529</u>	<u>\$426,080</u>	<u>\$2,441,540</u>	<u>\$833,552</u>

Income tax relating to components of other comprehensive income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Deferred income tax expense (benefit)				
Financial assets measured at FVOCI	<u>\$16,540</u>	<u>\$8,835</u>	<u>\$(12,747)</u>	<u>\$36,992</u>

(2) Income tax return assessed

The income tax returns assessed of the Company and subsidiaries are as follows:

	Assessment information
The Company	Assessed through 2020
KGI Securities Investment Advisory Co. Ltd.	Assessed through 2024
KGI Insurance Brokers Co. Ltd.	Assessed through 2024
KGI Venture Capital Co. Ltd.	Assessed through 2024
KGI Futures	Assessed through 2024

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(3) Administrative remedy

The income tax return of the Company for the years ended December 31, from 2015 to 2020 was assessed for additional income tax of 1,140,040 thousand dollars. The Company has appealed for administrative remedy. Additional income tax has been recognized into the financial statements.

(4) Pillar Two Rules:

The Pillar Two Rules have been legislated in the registered jurisdictions of some of the Company's overseas subsidiaries, including Hong Kong, Singapore, and Indonesia. According to the Pillar Two rules, the Company and subsidiaries are responsible for paying a top-up tax on the difference between the effective GloBE tax rate and the minimum tax rate of 15% in each tax jurisdiction. The Company and subsidiaries have assessed that the income tax exposure related to Pillar Two mainly arises from subsidiaries operating in the Hong Kong tax jurisdiction, and have recognized current income tax expenses for the related top-up tax.

32. Earnings Per Share

Basic earnings per share ("EPS") amounts are calculated by dividing net income for the year attributable to common stockholders of the Company by the weighted average number of shares outstanding during the year.

	For the three-month periods		For the six-month periods	
	ended June 30		ended June 30	
	2026	2025	2026	2025
Basic EPS				
Attributable to the Company	\$12,030,446	\$1,866,570	\$17,936,284	\$3,709,727
Weighted average number of shares outstanding	1,817,478,544 shares	1,817,478,544 shares	1,817,478,544 shares	1,817,478,544 shares
Basic EPS (NT\$)	\$6.62	\$1.03	\$9.87	\$2.04
Weighted-average number of shares outstanding after retroactive adjustment for stock dividends	2,117,478,544 shares	2,117,478,544 shares	2,117,478,544 shares	2,117,478,544 shares
Basic EPS (NT\$) after retroactive adjustment for stock dividends	\$5.68	\$0.88	\$8.47	\$1.75

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VII. Significant Related Parties Transaction

The following is summary of transactions between the Company and subsidiaries and related parties during the financial reporting periods:

1. Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
KGI Financial Holding Co., Ltd. (KGIFH)	The parent company
KGI Securities (Thailand) Public Company Limited (KGI TH)	The associate
KGI Global Alpha Opportunities Fund (GAOF)	The associate
KGI Diversified Growth Income Fund	The associate
CDIB Capital International Corporation	Other related party
CDIB Capital International (Hong Kong) Corporation Limited (CDIB Capital International)	Other related party
KGI Securities Investment Trust Co. Ltd. (KGI Investment Trust)	Other related party
KGI Bank Co., Ltd. (KGI Bank)	Other related party
KGI Life Insurance Co., Ltd. (KGI Life)	Other related party
CDIB Capital Group (CDIB Capital)	Other related party
CDIB Capital Healthcare Ventures Limited	Other related party
CDIB Capital Healthcare Ventures II Limited Partnership	Other related party
CDIB Venture Capital Corporation (CDIB Venture Capital)	Other related party
CDIB Capital Management Corp. (Capital Management)	Other related party
KGI Asset Management Co., Ltd.	Other related party
JING-HUI Investment Ltd. (JING-HUI Investment)	Other related party
CDIB Capital Growth Partners L.P.	Other related party
CDIB Partners Investment Holding Corporation	Other related party
KGI Finance & Leasing Corp.	Other related party
KGI Charity Foundation (KGI Charity)	Other related party
KGI Culture and Arts Foundation (KGI Culture)	Other related party
Funds managed by KGI Securities Investment Trust Co. Ltd. (KGI Investment Trust Funds) (Note 1)	Other related party
CDIB Capital Investment I Ltd.	Other related party
CDIB Capital Investment II Ltd.	Other related party
CDIB Innolux Fund L.P.	Other related party
CDIB & Partners Investment Holding (Cayman) Ltd. (CDIB&Partners(Cayman))	Other related party
CDIB-Mac Limited Partnership	Other related party
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Other related party
Others	Other related parties

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Note1: According to the Financial Supervisory Commission's announcement on July 11, 2025 entitled "Regarding the IFRS Q&A on the Identification of Related Parties and Whether Retrospective Application is Required," the related rules applied to Company and its subsidiaries from the 2025 consolidated financial reports. After re-identifying the relationships and transactions with KGI Investment Trust Funds, they are no longer considered related parties. According to the Q&A, there is no need to restate the comparative period information or retrospectively adjust previously recognized and disclosed related party relationships and transactions in prior financial statements.

2. Significant transactions with the related-parties

(1) Operating revenue and cost:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
<u>A. Brokerage handling fee revenue</u>				
Associates	\$28	\$50	\$91	\$147
Other related parties				
KGI Life	94,569	39,023	171,245	78,302
KGI Investment Trust Funds	-	7,330	-	21,062
Others	7,361	1,356	11,255	3,718
Total	<u>\$101,958</u>	<u>\$47,759</u>	<u>\$182,591</u>	<u>\$103,229</u>
<u>B. Revenue from underwriting business</u>				
Associates				
KGI TH	\$-	\$500	\$-	\$500
Other related parties				
KGI Life	10,900	-	21,500	-
Total	<u>\$10,900</u>	<u>\$500</u>	<u>\$21,500</u>	<u>\$500</u>
<u>C. Gains/(losses) on disposal of trading securities-net</u>				
Other related parties				
KGI Life	<u>\$(346)</u>	<u>\$(275)</u>	<u>\$(1,669)</u>	<u>\$(1,459)</u>
<u>D. Gains on wealth management</u>				
Other related parties				
KGI Investment Trust	\$4,486	\$3,797	\$9,031	\$8,264
Others	338	-	607	-
Total	<u>\$4,824</u>	<u>\$3,797</u>	<u>\$9,638</u>	<u>\$8,264</u>

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	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
E. <u>Revenue from providing agency service for stock affairs</u>				
Parent company				
KGIFH	\$7,145	\$5,721	\$11,668	\$10,266
Other related parties				
KGI Life	139	39	278	78
Others	63	63	123	123
Total	<u>\$7,347</u>	<u>\$5,823</u>	<u>\$12,069</u>	<u>\$10,467</u>
F. <u>Interest income</u>				
Other related parties				
KGI Life	\$32,648	\$32,648	\$64,937	\$64,937
Others	1,855	3,138	3,314	4,280
Total	<u>\$34,503</u>	<u>\$35,786</u>	<u>\$68,251</u>	<u>\$69,217</u>
G. <u>Dividend income</u>				
Other related parties				
KGI Investment Trust Funds	<u>\$-</u>	<u>\$22,426</u>	<u>\$-</u>	<u>\$41,165</u>
H. <u>Gains/(losses) on trading securities measured at fair value through profit and loss-net</u>				
Other related parties				
KGI Life	<u>\$1,492</u>	<u>\$1,342</u>	<u>\$(10,868)</u>	<u>\$(18,422)</u>
I. <u>Other operating revenue</u>				
Parent company	\$424	\$-	\$418	\$-
Associates				
GAOF	45,107	-	56,786	-
Others	3,832	-	4,790	-
Other related parties				
KGI Life	176,335	99,309	309,569	189,708
Others	9,648	2,673	14,631	4,955
Total	<u>\$235,346</u>	<u>\$101,982</u>	<u>\$386,194</u>	<u>\$194,663</u>
J. <u>Brokerage handling fee expenses</u>				
Associates				
KGI TH	<u>\$7,967</u>	<u>\$3,588</u>	<u>\$17,250</u>	<u>\$5,369</u>
K. <u>Financial costs</u>				
Other related parties				
KGI Life	\$362	\$274	\$686	\$559
KGI Bank	7,673	8,602	11,645	19,241
Others	163	230	341	677
Total	<u>\$8,198</u>	<u>\$9,106</u>	<u>\$12,672</u>	<u>\$20,477</u>

The above transactions were under general trading condition.

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(2) Due from banks (recognized as cash and cash equivalents and other current assets):

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Bank	\$34,169,173	\$22,414,327	\$21,240,965

(3) Financial assets/liabilities measured at fair value through profit or loss-current:

	6/30/26	12/31/25	6/30/25
	Nominal	Nominal	Nominal
	Amounts	Amounts	Amounts
<u>A. Outstanding derivative instruments</u>			
a. Foreign exchange swap contract			
Other related parties			
KGI Bank	\$-	\$17,948	\$13,688
b. Structure notes liabilities			
Other related parties			
Others	\$87,523	\$97,465	\$79,070
	6/30/26	12/31/25	6/30/25
<u>B. Trading Securities</u>			
Other related parties			
KGI Life	\$4,826,298	\$4,824,344	\$4,821,511
KGI Investment Trust Funds	-	-	1,525,913
Total	\$4,826,298	\$4,824,344	\$6,347,424
	6/30/26	12/31/25	6/30/25
<u>C. Open-ended funds, monetary market instruments and other securities</u>			
Associates			
GAOF	\$792,978	\$673,368	\$-
KGI Diversified Growth Income Fund	371,490	-	-
Total	\$1,164,468	\$673,368	\$-

(4) Securities margin loans receivable:

	6/30/26	12/31/25	6/30/25
Other related parties			
Others	\$149,639	\$70,384	\$26,402

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(5) Customer margin accounts:

	6/30/26	12/31/25	6/30/25
Associates	\$19,635	\$23,403	\$20,742
Other related parties			
KGI Bank	2,931,071	602,539	1,160,293
Total	<u>\$2,950,706</u>	<u>\$625,942</u>	<u>\$1,181,035</u>

(6) Accounts receivables:

	6/30/26	12/31/25	6/30/25
Associates			
KGI TH	\$3,165,847	\$1,428,853	\$1,276,649
Other related parties			
KGI Life	130,306	72,904	442,323
KGI Investment Trust Funds	-	-	973,678
Others	63,661	13,330	81,626
Total	<u>\$3,359,814</u>	<u>\$1,515,087</u>	<u>\$2,774,276</u>

(7) Other receivables (recognized as other current assets):

	6/30/26	12/31/25	6/30/25
Parent company	\$203	\$562	\$-
Other related parties			
KGI Life	330	341	318
KGI Bank	50,727	38,145	24,251
KGI Investment Trust	1,456	3,300	3,117
Others	1,046	2,446	48
Total	<u>\$53,762</u>	<u>\$44,794</u>	<u>\$27,734</u>

(8) Other restricted assets (recognized as other current assets):

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Bank	<u>\$4,651,945</u>	<u>\$4,646,366</u>	<u>\$3,283,394</u>

(9) Short-term borrowings

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Bank	<u>\$-</u>	<u>\$314,380</u>	<u>\$2,990,200</u>

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(10) Commercial papers payable

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Bank	\$5,032	\$699,082	\$-

(11) Futures customers' equity:

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Bank	\$174,419	\$109,273	\$157,309
KGI Investment Trust Funds	-	-	200,708
Others	113	546	242
Total	\$174,532	\$109,819	\$358,259

(12) Accounts payable:

	6/30/26	12/31/25	6/30/25
Associates			
KGI TH	\$3,204,106	\$1,574,475	\$1,248,030
Others	123,002	-	-
Other related parties			
KGI Life	268,307	206,871	-
Others	123,464	68,005	107,621
Total	\$3,718,879	\$1,849,351	\$1,355,651

(13) Other accounts payable:

	6/30/26	12/31/25	6/30/25
Parent company	\$2,527	\$2,552	\$2,371
Other related parties			
KGI Life	3,902	3,931	3,895
KGI Bank	15,296	15,560	14,497
CDIB Capital International	10,819	10,973	10,151
Others	150	-	-
Total	\$32,694	\$33,016	\$30,914

(14) Current income tax liabilities:

Detail of income tax refundable/payable resulting from the consolidated income tax return:

	6/30/26	12/31/25	6/30/25
Due to KGIFH (the parent company)	\$2,333,460	\$3,120,794	\$2,407,204

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(15) Bonds transactions with related parties are as follows:

A. Purchase and sale of bonds

		For the six-month periods ended June 30, 2026	
		Purchase of bonds	Sale of bonds
Other related parties			
Others		\$-	\$32,435
		For the six-month periods ended June 30, 2025	
		Purchase of bonds	Sale of bonds
Other related parties			
Others		\$92,291	\$161,943

B. Collateralized transactions - liabilities for bond with repurchase agreements

		For the six-month periods ended June 30, 2026	
		Committed amount	Agreed amount upon maturity
Other related parties			
Others		\$47,652	\$47,737
		For the six-month periods ended June 30, 2025	
		Committed amount	Agreed amount upon maturity
Other related parties			
Others		\$10,013	\$10,031

(16) Significant leases with related parties are as follows:

Right-of-use asset

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Life	\$84,294	\$54,232	\$60,395

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Lease liabilities

	6/30/26	12/31/25	6/30/25
Current			
Other related parties			
KGI Life	\$13,735	\$8,710	\$11,506
Non-Current			
Other related parties			
KGI Life	73,923	48,844	51,990
Total	<u>\$87,658</u>	<u>\$57,554</u>	<u>\$63,496</u>

Finance lease receivable (recognized as other current assets and other non-current assets)

	6/30/26	12/31/25	6/30/25
Parent company	\$60,463	\$59,218	\$-
Other related parties			
KGI Bank	309,593	303,219	-
CDIB Capital International	258,874	253,545	-
Total	<u>\$628,930</u>	<u>\$615,982</u>	<u>\$-</u>

Refundable deposits (recognized as other non-current assets)

	6/30/26	12/31/25	6/30/25
Other related parties			
KGI Life	<u>\$3,393</u>	<u>\$3,375</u>	<u>\$3,303</u>

Depreciations and amortizations

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Other related parties				
KGI Life	<u>\$3,293</u>	<u>\$3,216</u>	<u>\$6,536</u>	<u>\$6,432</u>

Rental income (recognized as other income and costs)

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Other related parties				
CDIB Capital	\$1,293	\$1,281	\$2,609	\$2,584
JING-HUI Investment	3,427	3,393	6,911	6,843
Others	110	109	221	219
Total	<u>\$4,830</u>	<u>\$4,783</u>	<u>\$9,741</u>	<u>\$9,646</u>

The above lease prices were determined by market and received monthly.

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(17) Employee benefit expenses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Other related parties				
KGI Life	\$10,274	\$10,390	\$20,581	\$19,367

(18) Other operating expenses

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Associates	\$-	\$1	\$-	\$6
Other related parties				
KGI Charity	15,000	15,000	15,000	15,000
KGI Bank	17,293	4,466	25,244	9,022
KGI Culture	-	4,375	8,610	11,375
Others	622	(152)	1,062	11,773
Total	\$32,915	\$23,690	\$49,916	\$47,176

(19) Other income and costs (excluding rental income)

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Parent company	\$468	\$-	\$933	\$-
Associates	10	15	22	34
Other related parties				
KGI Life	14	15	29	(871)
KGI Bank	215,500	132,880	396,815	263,525
Others	5,804	4,356	12,201	7,621
Total	\$221,796	\$137,266	\$410,000	\$270,309

(20) Information about key management personnel compensation

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Short-term employee benefit	\$230,264	\$89,073	\$390,835	\$183,011
Post-employment benefits	565	442	1,101	920
Share-based payment transaction	1,122	3,190	2,412	6,949
Total	\$231,951	\$92,705	\$394,348	\$190,880

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(21) The following assets serve as guarantee for short-term loan to KGI Bank (other related parties):

	6/30/26	12/31/25	6/30/25
Property and equipment and investment property	\$520,284	\$521,984	\$523,684

VIII. Assets Pledged

The following assets have been pledged to financial institutions to serve as guarantees for loans or financial instruments:

Description of the Assets	6/30/26	12/31/25	6/30/25
Financial assets measured at FVTPL-current			
Trading securities-dealing	\$23,658,289	\$642,622	\$718,741
Futures margin-securities	242,250	1,334,235	-
Other current assets-restricted (Note)	2,992,500	2,992,500	3,411,000
Non-current assets held for sale (Note)	474,728	472,222	-
Financial assets measured at amortized cost (Note)	-	-	146,641
Property and equipment	4,080,175	4,095,816	4,110,743
Investment property	517,395	519,365	521,335
Total	\$31,965,337	\$10,056,760	\$8,908,460

Note: As of June 30, 2026 and December 31, 2025, amounts related to non-current assets held for sale have been reclassified.

IX. Significant Contingent Liabilities and Unrecognized Commitments

1. One of the executive vice presidents of the merged entities, Jen-Hsin Securities Co., Ltd., claimed the ownership of stocks of Jen-Hsin Securities Co., Ltd. while certain clients of Jen-Hsin Securities Co., Ltd. also claimed ownership of the same lot of securities. The executive vice president declined to surrender the shares; hence, Jen-Hsin Securities Co., Ltd. petitioned a motion with the Taipei District Court on November 6, 2002 in order to repossess such shares. Because Jen-Hsin Securities Co., Ltd. has been merged into the Company, such case is taken over by the Company as a result. Also, in July 2004, the abovementioned clients requested the Court for the repossession of such shares from the Company, and the Company shall pay cash of 90,379 thousand dollars and assumed interest in lieu. During the process of litigation, said clients changed the claim to require the Company as first class debtor to pay 90,379 thousand dollars and assumed interest and executive vice president as secondary debtor to pay 2,000 thousand stocks of Jen-Hsin Securities Co., Ltd. and 73,946 thousand dollars and assumed interest because the original judgment has been rendered and the Company was unable to retrieve the stocks. The case was dismissed by the High Court on November 23, 2022. The abovementioned client died during the litigation procedure, therefore, the heir assumed the action. The heir filed an appeal against the judgment made by the High Court. On November 30, 2023, the Supreme Court overruled the abovementioned seventh instance retrial decision and returned it to the High Court for the eighth retrial. This case is currently pending by the High Court.

2. Securities and Futures Investors Protection Center sued the Company and claimed that due to the fact that the Company was the lead underwriter of Taiwan Kolin Co., Ltd. 2nd convertible bonds, and the Company failed to perform sufficient audits on the contents disclosed in the prospectus of Taiwan Kolin Co., Ltd. 2nd convertible corporate bonds, the Company constituted violation Articles 20 and 32 of Securities and Exchange Act and Article 184 and 185 of Civil Code. The plaintiffs sued the Company and Taiwan Kolin Co., Ltd. with jointly liability amounting to 133,308 thousand dollars plus 5% interest. The Taipei District Court ruled in the Company's favor in first instance on January 29, 2021. This case is currently pending at the High Court as Securities and Futures Investors Protection Center brought an appeal.
3. For the need of securities borrowing margin, the Company requested the bank guarantees for 8,810,000 thousand dollars.
4. The case of loan recovery between Global Treasure Investments Limited and Minda Consultancy Limited:

According to the loan contract signed on May 9, 2000, Global Treasure Investments Limited (GT) lent Minda Consultancy Limited (Minda) HKD 10,000 thousand dollars. However, Minda reneged on the contract and GT appealed to the Court against Minda for returning HKD 9,192 thousand dollars and additional interests. This case is currently in the process of Hong Kong court.

5. The contention about pledged stocks between Digital Imaging Solution Global Ltd., Minda Consultancy Limited, KGI Limited, and Global Treasure Investments Limited:

The plaintiffs, Digital Imaging Solution Global Ltd. (Digital) and Minda Consultancy Limited ("Minda") claimed that Global Treasure Investments Limited (GT) broke the pledged contract since GT and its fund manager including KGI Limited disposed 2,000 thousand shares of eCyberChina without the agreement of Digital and Minda based on the pledged stock derived from the loan, HKD 10,000 thousand dollars, between Minda and indirectly obtained the pledged stock 35,000 thousand shares of eCyberChina. Digital and Minda appealed to the Court and claimed HKD 119,130 thousand dollars and relevant expenses and interests against GT in November 2007. In February 2008, the plaintiffs also sued KGI Limited but the Hong Kong Court rejected the case on July 21, 2008. The plaintiffs appealed to the Court of Appeal and the Court of Appeal rejected Digital's appeal in December 2008. This case of Minda's part is currently proceeded by Court of Appeal.

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

The Company's subsidiary, KGI Finance Limited, resolved in its board meeting held on July 28, 2026, to subscribe for KGI Global Alpha Opportunities Fund for an additional USD 6,000 thousand.

XII. Others

1. Financial risk management objectives and policies

(1) Financial risk management objectives

In order to manage the operation risk effectively and strengthen competitiveness, the Company formulates its risk management policies according to the regulatory requirements, KGIFH “Risk Management Policy” and the Company’s business development strategy, as its risk management guidelines.

(2) Risk management organization

The organization structure of risk management includes the Board of Directors, risk management unit, business departments and other related departments in charge, which is built to monitor, plan and execute risk management. The Company’s business departments and back offices should comply with risk management regulations and report all anomalies and effects to Risk Management Committee (“RMC”) and Investment Review Committee (“IRC”) in time. The function and responsibility of risk management organizations are as follows:

The Board of Directors is the principal decision making unit for risk management. It undertakes ultimate responsibility for risk management and monitors the overall execution of the risk management system.

The primary function and responsibility of committees are as follows: RMC carries out decisions made by the Board of Directors; examines the Company and each department’s risk budgets, risk-based limits, and related management mechanism; considers risk management policies; and reviews risk reports submitted by each department to determine or adjust strategies accordingly. IRC examines securities underwriting, underwriting counseling cases, and general long-term investment cases. Merchandise Review Committee (“MRC”) establishes merchandise evaluation mechanism and reviews financial instruments before the Company makes transactions.

The Company’s business departments engage in formulating risk management mechanism, perform daily risk management and submit reports, and conduct internal control procedures in compliance with legal and risk management regulations.

Risk management unit ensures risk management policies approved by the Board of Directors are executed; develops various risk management standards, and measures and monitors daily risks in compliance with them; produces and submits risk management reports periodically (by day, week, or month) to key management; and constructs or assists in constructing risk management information system.

Legal affair department is responsible for providing legal consultations, drafting contracts, reviewing and preserving major contracts and monitoring litigation cases.

Legal compliance department is responsible for conveying laws, providing legal consultation, negotiating and facilitating communications. It is also responsible for making sure that all operations and management guidelines are up-to-date as related regulations are amended. It also supervises as all units conduct an overview of the feasibility of legal compliance.

Fund dispatching department handles all the requests and needs for funds from all departments and maintains loan commitments with financial institutions to lower capital cost and to manage capital liquidity risk.

Internal audit department inspects periodically how risk management guidelines are implemented in the Company and how business departments are operating and provide suggestions when necessary. It reports deficiencies or anomalies to the Board of Directors and follow up improvements.

Financial department, settlement department, information department, and other related departments should comply with risk management regulations, understand the risks originated from their activities, and take necessary risk management mechanism into account when establishing operation guidelines, and manage their delegated field, evaluation, price affirmation, profit or loss statement preparation, transaction process and confirmation, settlement activity, account affirmation, asset management, information security, and information maintenance.

(3) Risk management system

The content of the Company's structure of risk management system covers major risks faced by the Company which includes market risk, credit risk, liquidity risk, operating risk and legal risk.

The risk management policies, various risk management standards and operation of merchandise guidelines are established by competent unit. The competent unit makes a draft and asks the related department for the advice, constructs policies according to the parent company's regulations, then submits the proposal to RMC for approval.

(4) Risk management mechanism

The process of various risk managements includes risk identification, risk measurement, risk monitoring and control and risk reports. And the evaluation and the measurement of important risk are as follows:

A. Market risk

The Company restricts the risk level to which it is exposed to an acceptable level through structuring risk management system, enacting market risk management policies, and formulating merchandise operation guidelines. It also restrains risk through allocating venture capital, subject to management strategies and risk appetite, setting various risk-based limits, and conducting risk monitoring on a daily basis.

The Company implemented the MSCI Risk Manager, a market risk management system, as a quantitative management instrument. The system integrates all holding positions and provides in a daily basis various analyzing metrics and comprehensive computation results, including equity risk, interest rate risk, commodity risk, and exchange rate risk, etc., as well as adjustment and application of diverse derivatives models. Also, the risk management unit controls risk-based limits by business units on the daily basis to enforce control of market risk and venture capital allocation.

To establish estimation effectiveness of value at risk (VaR) model, risk management unit conducts back testing periodically. Additionally, it builds various scenarios for stress testing and scenario analysis, to understand the risk tolerance level of the Company.

B. Credit risk

The Company sets proper credit limits by considering the Company's net value, risk measurement and concentration of risk, and by taking into account the credit rating of issuers or counterparties, the traits of transactions, and the characters of instruments, etc. The Company would periodically inspect the credit records of counterparties, holding positions, and collaterals, then report the use of various credit risk limits to key management as well as related departments.

While considering the credit risk of counterparties, the Company adapts the third parties' credit evaluations, such as TCRI of Taiwan Economic Journal, Taiwan Ratings, S&P, Moody's and Fitch. The Company compares its own evaluation to the third parties' results to categories of levels 1 to 9. The Company updates the information about counterparties and credit evaluations of transactions timely and the Company is able to adjust the limit of credit risk while evaluation changes.

To properly manage the Company's credit risk, the risk management unit applies for credit risk capital toward Board of Directors annually. Establish proper credit risk expected loss limitation amount relating to the whole company, single level, or single firm, etc. Also, set Pre-settlement Risk (PSR) limits and different risk limitation amount including countries, industries, groups, high-risk industries/groups, etc. Routinely examine the Company's credit risk exposure and the use of various credit risk limitation amount.

C. Liquidity risk

The liquidity risk could be divided into two categories: market liquidity risk and fund liquidity risk. The measurement of market liquidity risk is the trading volume of holding position of the Company and serves as the basis of information disclosure. The fund liquidity risk management has established independent fund transfer unit, considering the timing and net cash flow of need by various departments, to effectively control the fund liquidity risk.

D. Operating risk and other risks

All units conduct operation risk management respectively by their own business. This management contains authorization related to operation risk, process, operation content, plan following the division of front and back desk operation and principle of segregation of duties. Operation risk controls include information security and maintenance, clearing, trade confirmation, statements preparation, segregation of duties, relating party trade control as well as the internal control, etc.

Each unit is responsible to examine and control its own business operating risk. In addition to the compliance of law and regulation, the internal audit department would implement control by the regulation and procedure of internal control system to ensure the effectiveness of risk management.

In the event of abnormal occurrences in any unit, the Company shall follow the “Operation Guidelines Governing the Reporting and Handling Procedures of Abnormal Events and Significant Incidents”. The audit unit shall investigate the nature of the abnormal event and follow up on corrective actions based on the investigation results. The risk management unit is responsible for collecting and reporting operational risk loss events and regularly reporting them to the Risk Management Committees of the Company and the Parent company in order to manage the loss efficiently. When there is a significant risk event, the Company follows the “Key Points of Reporting Significant Risk” of the parent company and the Company’s “Operation Guidelines Governing the Reporting and Handling Procedures of Abnormal Events and Significant Incidents”. The risk management unit will review and see if this significant event is reported in time.

The Company is qualified for adopting Delta-Plus sensitivity analysis method for options under advanced calculation of Bank of International Settlement ratio for securities companies. In order to calculate BIS ratio and other financial commodity valuation models required for other statutory ratios, the Company has implemented model management.

The Company detects operation risk regularly. The detection items include financial institution capital adequacy, asset qualities, management abilities, profitability, liquidity, sources of profit, foreign exposure, investment positions, off balance sheet items and client complaints or arguments. Each detection and warning indicator is evaluated by the specific unit according to the review frequency. The responsible unit will send the result and the variation information to the risk management sector for monitoring and filing purposes.

(5) Risk hedge and mitigation strategy

The Company has set up policies such as the “Handling Procedure of Selling and Buying Securities and Trading Derivatives Financial Instruments” and the “Operation Guidelines of Operating Derivatives Financial Instruments”, in order to hedge and reduce the risk, the policies are as follows:

- A. Before conducting a transaction of derivatives, each segment shall first make sure whether the nature of the transaction is trading or hedging. After the transaction is conducted, the nature of the transaction cannot be changed at will.

- B. The nature of the transaction shall refer to selling and buying derivatives at the expected prices bearing risks in order to make gains by the price difference. Hedging shall refer to trading derivatives to reduce the market risk of assets or liabilities or expected transactions.
- C. The positions held for hedging shall include both the hedging position and hedged position as a portfolio and be aware of the profit/loss changes between the hedging and hedged positions.

2. Analyses of credit risk

(1) Source of credit risk

The credit risks that the Company and subsidiaries are exposed to during financial transactions include issuer's credit risk and counterparties' credit risk, etc.

- A. Issuer's credit risk refers to the risk of financial loss that the Company and subsidiaries face while possessing financial debt instruments or deposits in banks when an issuer (or guarantor) or a bank defaults, files for bankruptcy or liquidates assets and in turn cannot honor the stipulations and fulfill the obligation of paying back (or fulfilling a guarantee).
- B. Counterparties' credit risk refers to the risk of financial loss that the Company and subsidiaries face when counterparty in derivative financial instrument transaction does not complete a transaction or fulfill a payment obligation on the appointed date.

(2) Credit risk management

The credit risk management of the Company and subsidiaries' investments, fixed-income securities and other financial assets and counterparties are managed by each business unit subject to the internal control procedures and relevant specifications. As most of the investments and counterparties reach a good external credit rating, credit risk is extremely low.

(3) Definition of default and credit impairment of financial assets

- A. The Company and subsidiaries define default of financial assets, the same as impairment of financial assets. If there are any evidence indicating issuers or counterparties are not able to fulfill contractual obligations or they have financial difficulty, such as:
 - I. Issuers and counterparties have bankrupted or it is becoming probable that they will enter bankruptcy or other financial reorganization;
 - II. A breach of contract of the issuers and counterparties' other financial instruments has occurred;
 - III. The disappearance of an active market for that financial asset because of financial difficulties; or
 - IV. The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

- B. The above mentioned definition of default and credit impairment apply to all the financial assets held by the Company and subsidiaries, which is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument.
- C. When financial assets don't meet definition of default and impairment after assessment, they will not be recognized in credit-impaired financial assets any longer.
- D. The Company and subsidiaries shall directly reduce the gross carrying amount of a financial asset when they have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

(4) Description of credit risk on each financial asset

A. Cash and cash equivalents

The Company and subsidiaries mainly put bank deposit and cash in the banks with good credit and deposits specific amount of cash as collateral in the customers' margin account designated by the future corporations. The Company and subsidiaries regularly assess finance, operating activities and credit risk situation of each financial institution and future corporation, which serves as the management of credit risk. Considering the result of assessment, the credit risk is under control.

B. Financial assets measured at FVTPL-current

The above mentioned financial assets include debentures, convertible bonds and CB Asset Swap. The debentures held by the Company were issued by large-scale listed corporations or financial institutions; the convertible bonds held by the Company were issued by domestic listed corporations and parts of them are backed by bank guarantees. As the Company transfers the credit risk through issuing CB Asset Swap and Credit Linked Note in order to reduce issuers' exposure to credit risk, the issuers' credit risk is under control.

C. Financial assets measured at fair value through other comprehensive income (excluding equity instrument investments) and financial assets measured at amortized cost

The abovementioned financial assets are mainly long-term bonds. The Company keeps a close eye on credit grade of each investment and issuer' (or credit rating agency) financial situation in order to minimize the credit risk.

D. Investment in bonds with reverse repurchase agreements

The counterparties with whom the Company and subsidiaries do bond investments with reserve repurchase agreement are mainly the financial institutions and corporations with good credit. The factor that counterparties' securities are held by the Company and subsidiaries as collateral effectively reduces counterparties' exposure to credit risk.

E. Receivables

Receivables include securities margin loans receivable, trading securities receivable and accounts receivable. The main credit risk is Securities margin loans receivable and trading securities receivable. The Company and subsidiaries closely monitor market fluctuations and customers' credibility and take measures to minimize the credit risk according to the regulations.

F. Customer margin accounts

As the specific accounts of customer margin are opened in the banks with good credit and financial institutions and corporations with investment grade, there is no significant credit risk.

G. Stock borrowing collateral price and security lending deposits

When the Company borrow securities, the Company should deposit margin in the specific financial institutions. The factor that securities are held by us reduces counterparties' amount of exposure to credit risk.

H. Others non-current assets

Other non-current assets include operation guarantee deposits, clearing and settlement fund and guarantee deposits. The Company and subsidiaries assess counterparty based on the materiality of the amounts deposited. As there are many counterparties and the amount of that is not significant, the credit risk is effectively decentralized. Therefore, the credit risk is extremely low.

(5) Measurement of expected credit losses

A. Consideration of the forward-looking information

The Company and subsidiaries consider the forward-looking information to decide if there is a significant increase in credit risk and to measure expected credit losses.

The probability of default used for measuring impairment on debt instrument investments, excluding ones measured at fair value through profit or loss, is based on probability of default information including forward-looking macroeconomic information published regularly by international credit rating institutions.

Apart from debt instrument investments, analyses on financial instruments are performed using historical data. Economic factors relevant to expected credit loss of each portfolio have been identified with reference to optimal estimations published by authorities or academic institutions. Optimal estimations are reevaluated and corrected on every financial statement date.

B. Receivables and others

The Company and domestic subsidiaries

The Company and domestic subsidiaries measure the loss allowance by lifetime expected credit loss under IFRS 9. The lifetime expected credit loss is based on the historical experience, current information and forward-looking information and calculated by regression model. Considering the Company and subsidiaries' historical experience, since no significant difference exists among different client groups, grouping analysis is not conducted.

The foreign subsidiaries

As the credit loss of financial assets recognized initially is not significantly increased, they are measured by 12-month expected credit loss. Otherwise, they are measured by lifetime expected credit loss. The measurement is based on customers' past record of default, credibility, current information and prospective information. Since no significant difference exists among different client groups, grouping analysis is not conducted.

C. Debt instrument investments (excluding ones measured at fair value through profit or loss)

The above mentioned instruments were at low credit risk upon acquisition, and an assessment is made at each reporting date as to whether the credit risk has substantially increased and whether the credit has been impaired. The assessment is categorized into " Low credit risk (Stage 1) ", " Credit risk significantly increased (Stage 2) " and, " Credit-impaired (Stage 3) ". The Company and subsidiaries mainly determines whether credit risk significantly increases since initial recognition based on external credit rating and the rating change (being downgraded from investment grade to non-investment grade or the rating since initial recognition is lowered to a certain grade), and that other market information related to the issuer indicating significant increases in credit risk. The Company and subsidiaries also consider credit impairment based on default financial difficulties, bankruptcy, financial restructuring or a combination of impacts from certain events that may cause credit impairment on the financial assets. If the credit risk on financial assets is considered low on the balance sheet date, the Company and subsidiaries shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses as the credit risk is assumed to not significantly increase since initial recognition; and the Company and subsidiaries shall measure the loss allowance for financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly or been impaired since initial recognition.

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In order to measure expected credit loss, The Company and subsidiaries calculated both 12-month and lifetime expected credit losses by considering the 12-month and lifetime probability of default, loss given default multiplied by exposure at default which is measured using amortized cost of financial assets, and taking into account the effect of time value of money.

The probability of default is the probability of breaching a contract by issuer or counterparty; the loss given default is the loss ratio when they breach a contract. Both of them are based on the information on probability of default and loss given default published regularly by international credit rating institutions.

- (6) The assessment technique or significant assumption used to evaluate the expected credit loss by the Company and subsidiaries have no change for the six-month periods ended June 30, 2026 and 2025.

3. Analyses of capital liquidity risk

(1) Cash flow analysis

Statement of cash flow analysis for financial assets

6/30/26

Financial Assets	Collection period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash and cash equivalents	\$32,193,830	\$17,878,164	\$2,640,595	\$-	\$-	\$52,712,589
Financial assets measured at FVTPL-current	207,449,830	4,628,757	3,689,818	4,619,459	367,387	220,755,251
Financial assets measured at FVOCI-current	37,765,230	1,967,819	1,118,771	1,416,891	-	42,268,711
Hedging financial assets-current	-	10,617	26,239	156,787	(30,624)	163,019
Investment in bonds with reverse repurchase agreements	-	31,833,828	-	2,790,766	-	34,624,594
Receivables	162,184,618	27,000,534	102,904,378	-	-	292,089,530
Customer margin accounts	119,125,033	30,099,314	-	-	-	149,224,347
Stock borrowing collateral price and security lending deposits	1,435,558	45,253,529	8,359,195	-	-	55,048,282
Other current assets	75,308,551	2,937,365	797,210	912	-	79,044,038
Financial assets measured at FVTPL-non-current	-	-	-	895,603	6,812,753	7,708,356
Financial assets measured at FVOCI-non-current	-	-	-	8,724,414	4,458,999	13,183,413
Others non-current assets	-	-	-	374,574	5,619,254	5,993,828
Total	\$635,462,650	\$161,609,927	\$119,536,206	\$18,979,406	\$17,227,769	\$952,815,958
Percentage	66.69%	16.96%	12.55%	1.99%	1.81%	100%

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Statement of cash flow analysis for financial liabilities

6/30/26

Financial Liabilities	Payment period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Short-term borrowings	\$-	\$29,306,716	\$-	\$-	\$-	\$29,306,716
Commercial papers payable	-	97,759,524	35,751,092	-	-	133,510,616
Financial liabilities measured at FVTPL-current	23,086,767	4,395,567	11,210,123	18,381,112	6,234,747	63,308,316
Hedging financial liabilities-current	-	(7,901)	16,819	8,343	1,155	18,416
Liabilities for bonds with repurchase agreements	-	135,349,212	9,216,283	508,451	-	145,073,946
Payables	179,851,430	20,075,948	2,798,744	-	-	202,726,122
Guarantee deposit received from security lending	-	9,391,278	63,413,382	-	-	72,804,660
Futures customers' equity	118,528,280	27,523,697	-	-	-	146,051,977
Equity for each customer in the account	30,489,079	-	-	-	-	30,489,079
Amounts collected for others/ Other payable/ Other current liabilities	2,437,674	3,091,569	8,212,766	-	-	13,742,009
Other financial liabilities-current	-	19,893,859	5,570,151	3,581	3,381	25,470,972
Lease liabilities-current	-	151,958	435,967	-	-	587,925
Long-term liabilities-current portion	-	-	3,600,000	-	-	3,600,000
Bonds payable	-	-	-	6,400,000	12,100,000	18,500,000
Lease liabilities-non-current	-	-	-	1,696,333	602,621	2,298,954
Other non-current liabilities	-	-	-	369,092	80,235	449,327
Total	\$354,393,230	\$346,931,427	\$140,225,327	\$27,366,912	\$19,022,139	\$887,939,035
Percentage	39.91%	39.07%	15.79%	3.08%	2.15%	100%

Statement of capital liquidation gap

6/30/26

	Collection (payment) period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash inflow	\$635,462,650	\$161,609,927	\$119,536,206	\$18,979,406	\$17,227,769	\$952,815,958
Cash outflow	354,393,230	346,931,427	140,225,327	27,366,912	19,022,139	887,939,035
Amount of cash flow gap	\$281,069,420	\$(185,321,500)	\$(20,689,121)	\$(8,387,506)	\$(1,794,370)	\$64,876,923

Statement of cash flow analysis for financial assets

12/31/25

Financial Assets	Collection period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash and cash equivalents	\$14,229,407	\$15,328,407	\$813,400	\$-	\$-	\$30,371,214
Financial assets measured at FVTPL-current	138,221,379	1,998,288	2,159,553	2,772,183	335,987	145,487,390
Financial assets measured at FVOCI-current	36,212,270	3,780,549	2,049,578	477,211	-	42,519,608
Hedging financial assets-current	-	-	-	49,577	45,623	95,200
Investment in bonds with reverse repurchase agreements	-	21,149,992	-	-	-	21,149,992
Receivables	76,344,265	17,150,183	64,940,911	-	-	158,435,359
Customer margin accounts	65,094,342	24,664,455	-	-	-	89,758,797
Stock borrowing collateral price and security lending deposits	101,542	39,696,340	10,171,889	-	-	49,969,771
Other current assets	52,858,830	2,779,590	761,700	7,268	-	56,407,388
Financial assets measured at FVTPL-non-current	-	-	-	887,324	3,997,546	4,884,870
Financial assets measured at FVOCI-non-current	-	-	-	7,253,069	3,193,437	10,446,506
Others non-current assets	-	371	-	372,313	4,962,946	5,335,630
Total	\$383,062,035	\$126,548,175	\$80,897,031	\$11,818,945	\$12,535,539	\$614,861,725
Percentage	62.30%	20.58%	13.16%	1.92%	2.04%	100.00%

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Statement of cash flow analysis for financial liabilities

12/31/25

Financial Liabilities	Payment period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Short-term borrowings	\$-	\$22,198,154	\$-	\$-	\$-	\$22,198,154
Commercial papers payable	-	68,321,011	16,369,454	-	-	84,690,465
Financial liabilities measured at FVTPL-current	10,871,871	5,479,832	4,873,097	12,194,949	5,009,817	38,429,566
Hedging financial liabilities-current	-	(12,889)	28,072	51,874	2,095	69,152
Liabilities for bonds with repurchase agreements	-	114,701,634	2,102,584	-	-	116,804,218
Payables	89,165,166	9,326,547	3,442,643	-	-	101,934,356
Guarantee deposit received from security lending	-	10,705,719	51,983,674	-	-	62,689,393
Futures customers' equity	64,710,188	22,909,358	-	-	-	87,619,546
Equity for each customer in the account	20,425,068	-	-	-	-	20,425,068
Amounts collected for others/ Other payable/ Other current liabilities	1,761,033	1,509,207	6,406,739	-	-	9,676,979
Other financial liabilities-current	-	4,357,527	1,225,550	3,913	3,386	5,590,376
Lease liabilities-current	-	116,229	390,556	-	-	506,785
Long-term liabilities-current portion	-	-	3,600,000	-	-	3,600,000
Bonds payable	-	-	-	2,700,000	3,000,000	5,700,000
Lease liabilities-non-current	-	-	-	1,634,392	511,366	2,145,758
Other non-current liabilities	-	-	39	378,801	80,929	459,769
Total	\$186,933,326	\$259,612,329	\$90,422,408	\$16,963,929	\$8,607,593	\$562,539,585
Percentage	33.23%	46.15%	16.07%	3.02%	1.53%	100.00%

Statement of capital liquidation gap

12/31/25

	Collection (payment) period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash inflow	\$383,062,035	\$126,548,175	\$80,897,031	\$11,818,945	\$12,535,539	\$614,861,725
Cash outflow	186,933,326	259,612,329	90,422,408	16,963,929	8,607,593	562,539,585
Amount of cash flow gap	\$196,128,709	\$(133,064,154)	\$(9,525,377)	\$(5,144,984)	\$3,927,946	\$52,322,140

Statement of cash flow analysis for financial assets

6/30/25

Financial Assets	Collection period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash and cash equivalents	\$17,638,210	\$14,487,236	\$1,337,300	\$-	\$-	\$33,462,746
Financial assets measured at FVTPL-current	88,339,735	1,968,636	995,133	2,667,365	210,131	94,181,000
Financial assets measured at FVOCI-current	35,592,538	615,889	4,278,248	151,263	-	40,637,938
Hedging financial assets-current	-	-	-	-	100,040	100,040
Investment in bonds with reverse repurchase agreements	-	20,963,045	83,154	-	-	21,046,199
Receivables	67,085,134	17,119,839	48,050,198	41,143	-	132,296,314
Customer margin accounts	45,972,575	20,587,995	-	-	-	66,560,570
Stock borrowing collateral price and security lending deposits	4,702,911	16,316,101	25,806,549	-	-	46,825,561
Other current assets	47,196,433	3,029,679	954,759	5,794	-	51,186,665
Financial assets measured at FVTPL-non-current	-	-	-	713,020	3,771,403	4,484,423
Financial assets measured at FVOCI-non-current	-	-	-	6,632,197	2,776,042	9,408,239
Financial assets measured at amortized cost-non-current	-	-	-	149,510	-	149,510
Others non-current assets	-	-	6,753	37,007	3,949,769	3,993,529
Total	\$306,527,536	\$95,088,420	\$81,512,094	\$10,397,299	\$10,807,385	\$504,332,734
Percentage	60.78%	18.86%	16.16%	2.06%	2.14%	100.00%

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Statement of cash flow analysis for financial liabilities

6/30/25

Financial Liabilities	Payment period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Short-term borrowings	\$-	\$17,173,429	\$-	\$-	\$-	\$17,173,429
Commercial papers payable	-	24,890,364	-	-	-	24,890,364
Financial liabilities measured at FVTPL-current	26,561,070	6,031,251	1,951,296	10,832,782	4,448,609	49,825,008
Hedging financial liabilities-current	-	(15,395)	16,181	65,788	7,508	74,082
Liabilities for bonds with repurchase agreements	-	117,374,908	297,330	-	-	117,672,238
Payables	77,108,139	11,053,801	3,519,646	-	-	91,681,586
Guarantee deposit received from security lending	-	13,977,178	36,319,850	-	-	50,297,028
Futures customers' equity	45,577,100	19,388,864	-	-	-	64,965,964
Equity for each customer in the account	17,286,869	-	-	-	-	17,286,869
Amounts collected for others/ Other payable/ Other current liabilities	1,229,055	932,551	4,519,713	-	735	6,682,054
Other financial liabilities-current	-	8,185,358	58,625	3,480	3,152	8,250,615
Lease liabilities-current	-	118,728	340,846	-	-	459,574
Bonds payable	-	-	-	6,300,000	3,000,000	9,300,000
Lease liabilities-non-current	-	-	-	1,176,943	35,534	1,212,477
Other non-current liabilities	-	-	-	394,446	78,503	472,949
Total	\$167,762,233	\$219,111,037	\$47,023,487	\$18,773,439	\$7,574,041	\$460,244,237
Percentage	36.45%	47.61%	10.22%	4.08%	1.64%	100.00%

Statement of capital liquidation gap

6/30/25

	Collection (payment) period					Total
	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	
Cash inflow	\$306,527,536	\$95,088,420	\$81,512,094	\$10,397,299	\$10,807,385	\$504,332,734
Cash outflow	167,762,233	219,111,037	47,023,487	18,773,439	7,574,041	460,244,237
Amount of cash flow gap	\$138,765,303	\$(124,022,617)	\$34,488,607	\$(8,376,140)	\$3,233,344	\$44,088,497

The Company has established statement of capital liquidation gap to estimate the financial assets and liabilities in future cash flows which can affect the Company and subsidiaries when it comes to fund dispatching. The cash flow gap statements as of June 30, 2026, December 31, 2025 and June 30, 2025 show that the sums from deducting cash outflow from cash inflow are 64,876,923 thousand dollars, 52,322,140 thousand dollars and 44,088,497 thousand dollars, respectively, all indicating sufficient fund liquidity.

Although an analysis of funds gap shows that part of periods of the cash outflow exceeded cash inflow. Net cash inflow calculated from net spot financial assets are sufficient to cover the other periods of net cash outflows, an indicator of sufficient fund liquidity.

(2) Control mechanism of capital liquidity risk

The independent fund-dispatching department established by the Company takes into consideration the needs of net cash flow and their timings from various departments and predicts future cash flows based on the requests submitted by departments with a need for funds. The department has also established a simulation analysis mechanism for capital flows after considering short-term capital dispatching in Taiwan as well as international or cross-market transactions in order to better predict future needs of funds and set up contingency measures.

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The Company also offers suggestions over a secure amount of reserve fund and reports it to the President. The department reviews the standard amount of reserve capital and will take the following action if available capitals (including cash, short-term investment and available financing credit) are below 120% of the safe reserve amount:

- A. Except all due payments and those whose use of capital cannot be restricted due to the nature of their business, all the requests for capitals from all business departments need to be approved by the fund-dispatching department in order to maintain a safe amount of reserve capital.
- B. Fund-dispatching department will hold a meeting with relevant departments to formulating emergency measures, which includes disposal of low yield or unnecessary assets, expanding repurchase agreements with the Central Bank of Taiwan, financing from securities finance corporations or exploring other fund-raising methods that will increase available funds to the Company.

4. Market risk analysis

Market risk is the risk of potential economic value reduction for securities or financial contracts that the Company and subsidiaries hold due to the fluctuations of the market risk factors. Such factors include interest rates (including credit spread) and risk of equity securities, exchange rates and commodity risk.

The Company utilizes risk factor sensitivity and value at risk to measure and contain market risks. The Company also holds regular stress test to help the management understand the estimated influence on the income of investment portfolio under potential extreme events or circumstances.

(1) Risk factor sensitivity

Using product identification and analysis procedure held by the Company, the corresponding market risk factor can be determined. Individual risk factor's entire exposure can be measured by observing how the value of a financial instrument changes as each risk factor changes. The Company and subsidiaries monitor the following risk factor sensitivities:

- A. Interest rate risk sensitivity: measured by the change of present value of future cash flows of the measured holding with each yield curve or credit spread moved 0.01% horizontally.
- B. Equity securities risk sensitivity: measured by the change of the value of investment portfolio with the price of the underlying assets linked to the equity securities, which could be divided into two types by distribution of financial instrument:
 - (a) Equity delta: measured by the change of present value of stock with the price of the underlying assets linked to the equity securities. (As the potential loss amount given that the TAIEX and stock of respective companies drop 1%).
 - (b) Debt delta: measured by the change of present value of bond with the price of the underlying assets linked to the debt securities. (As the potential loss amount given that the beneficiary certificates and funds, included preferred stocks and bond ETF drop 1%).

C. Exchange rate risk sensitivity: measured by the change of present values of corresponding holdings of currencies with exchange rate for each currency (As the potential loss amount given that the foreign currencies depreciate 1% against NTD).

D. Commodity risk sensitivity: measured by the change of the fair value of related commodities with the fair value of other kinds of commodities (As the potential loss amount given that the fair value decreases 1%).

The risk sensitivities in the investment portfolio held by the Company and subsidiaries are as follows:

Comparisons of risk sensitive factors

Risk sensitivity	6/30/26	12/31/25	6/30/25
Interest rate risk	\$4,949	\$6,430	\$4,507
Equity securities risk			
Equity delta	11,744,735	6,048,266	6,848,972
Debt delta	(233,398)	(353,461)	(364,758)
Exchange rate risk	2,493,284	1,393,823	759,576
Commodity risk sensitivity	(20,062)	138	(783)

(2) Risk value

Risk value (“VAR”) is a statistical measurement used to measure the maximum potential loss of a portfolio in a certain future time horizon and confidence level. The Company and subsidiaries use parametric in estimating a value at risk at 99% of confidence interval at duration of 1 day. This means that among 100 trading days, 1 trading days might see the loss of the positions exceeding the value at risk estimated the day before. The Company and subsidiaries continue to conduct back testing daily to ensure the reliability of the estimations made by the risk value model.

The comparison of risk value in the investment portfolio held by the Company and subsidiaries are as follows:

Risk type	For the six-month periods ended June 30, 2026			6/30/26
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	\$319,618	\$132,426	\$478,255	\$342,225
Interest rate	576,022	166,153	925,129	623,836
Exchange rate	104,406	58,560	161,437	69,679
Commodity	19,113	1,855	51,883	3,067

Risk type	For the six-month periods ended June 30, 2025			6/30/25
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	\$238,699	\$112,024	\$564,528	\$310,387
Interest rate	284,702	132,037	528,958	289,546
Exchange rate	93,962	39,415	263,336	138,627
Commodity	11,736	856	57,106	12,772

(3) Stress test

Stress test is one of the risk management tools. It mainly measures the effects on profit/loss of extreme changes in market risk factors in an investment portfolio, helping a company's Board of Directors and management understand how potential extreme incidents can affect the market risk sensitivity and the profit/loss of an investment portfolio.

The main methods of stress test are historic and hypothetical scenario analysis. The test results are reported to Risk Management Committee and Board of Directors periodically.

5. Fair value of financial instruments

(1) Types of financial instruments

Financial Instruments	6/30/26	12/31/25	6/30/25
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss:			
Mandatorily Measured at fair value through profit or loss	\$228,300,416	\$150,259,793	\$98,569,678
Hedging Financial assets	163,019	95,200	100,040
Financial assets measured at fair value through other comprehensive income	55,452,124	52,966,114	50,046,177
Financial assets measured at amortized cost (Note 1)	668,595,781	411,275,388	355,454,066
Total	<u>\$952,511,340</u>	<u>\$614,596,495</u>	<u>\$504,169,961</u>
<u>Financial liabilities</u>			
Financial liabilities measured at fair value through profit or loss:			
Held for trading	\$52,890,109	\$31,458,994	\$43,668,211
Designated initially at fair value through profit or loss	8,814,831	5,417,487	5,061,173
Hedging Financial liabilities	18,416	69,152	67,318
Financial liabilities measured at amortized cost (Note 2)	823,746,063	523,236,910	409,324,615
Total	<u>\$885,469,419</u>	<u>\$560,182,543</u>	<u>\$458,121,317</u>

Note 1: Financial assets measured at amortized cost include cash and cash equivalents excluding cash on hand, investment in bonds with reverse repurchase agreements, accounts receivable, securities margin loans receivable, refinancing margin, refinancing deposits receivable, trading securities receivable, customer margin accounts, stock borrowing collateral price, security lending deposits, other current assets, financial assets measured at amortized cost-non-current and other non-current assets.

Note 2: Financial liabilities measured at amortized cost include short-term borrowings, commercial papers payable, liabilities for bonds with repurchase agreements, short sale margins, payables for short sale collateral received, guarantee deposit received from security lending, futures customers' equity, equity for each customer in the account, notes payable, accounts payable, amount collected for other parties, other payable, other financial liabilities-current, other current liabilities, lease liabilities including current and non-current, bonds payable including one due within one year and guarantee deposits received.

(2) Valuation techniques and assumptions in estimating fair value

The Company and subsidiaries adopt the following methods and assumptions in estimating the fair value of financial instruments:

- A. Financial assets and financial liabilities measured at amortized cost of a short-term financial instrument is measured by its book value on the balance sheet. Short-term financial instruments usually expire soon and therefore it is reasonable to use their book value to estimate their fair value.
- B. For financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, their market prices should be their fair values when there are standard conditions and open quotes available in an active market; if there is no open quote available in active market, then the fair value can be determined through self-evaluation, using evaluation methods, model assumption and metrics similar to the ones used by market participants towards the financial assets. Discounted cash flow method is used to evaluate financial liability products when there is no quote available from an active market. The discount rate equals the return rate of the financial liability products with identical terms and characteristics in the market, including the debtor's credit record, interest frequency and the contract's remaining duration, etc.
- C. Transactions of derivatives are evaluated using evaluation models while non-option derivatives are evaluated using discounted cash flow method. Options are evaluated using Black-Scholes Model. The market metrics used in such evaluations come from market price information in the centralized market and independent and trustworthy financial information institutions such as stock exchange, futures exchange, GreTai Securities Market, Reuters and Bloomberg. Prices are based on the market average price calculated from closing price, final settlement price and the quoted prices in active markets that is collected regularly.
- D. Due to the uncertain duration, fair values of the guaranteed deposits of other non-current assets and liabilities are measured by its book value.
- E. Fair value of bonds payable is measured by the discounted predicted cash flows. The discounted rate is based on the similar terms (similar due date).

(3) Financial assets measured at amortized cost

Excluding the following items, the book value of the Company and subsidiaries' financial instruments measured at amortized cost is the reasonable approximation of their fair value. The fair value of the other financial assets and liabilities measured at amortized cost is as follows:

	6/30/26		12/31/25		6/30/25	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>						
Financial assets measured at						
amortized cost	\$-	\$-	\$-	\$-	\$146,641	\$149,307
<u>Financial liabilities</u>						
Long-term liabilities-						
current portion	3,600,000	3,595,484	3,600,000	3,579,484	-	-
Bonds payable	18,560,976	18,570,824	5,700,000	5,710,370	9,300,000	9,189,526

(4) Hierarchy of financial instruments at fair value

A. Definitions of fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable, either directly or indirectly, from an active market.

Level 3: inputs that are not based on observable inputs from an active market.

For assets and liabilities measured at fair value on a recurring basis, the Company re-evaluates their classification at every end of the reporting period to determine the amount of any transfer between different levels of the fair value hierarchy.

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B. Hierarchy of financial instruments measured at fair value

The Company and subsidiaries do not have any financial assets measured at fair value on a non-recurring basis. Assets and liabilities measured at fair value on a recurring basis, presented by fair value hierarchy are as follows:

6/30/26

Financial instruments measured at fair value	Level 1	Level 2	Level 3	Total
<u>Non-derivative instruments</u>				
Assets				
Financial assets measured at FVTPL				
Stocks	\$82,520,483	\$-	\$7,176,348	\$89,696,831
Bonds	22,902,812	60,347,167	1,042,650	84,292,629
Others	33,814,966	1,033,912	792,978	35,641,856
Financial assets measured at FVOCI				
Bonds	40,143,925	15,308,199	-	55,452,124
Liabilities				
Financial liabilities measured at FVTPL				
Stocks	5,840,224	-	-	5,840,224
Bonds	1,005,531	6,905,108	-	7,910,639
Others	9,964,524	-	-	9,964,524
<u>Derivative instruments</u>				
Assets				
Financial assets measured at FVTPL	8,014,198	10,210,242	444,660	18,669,100
Hedging Financial assets	-	163,019	-	163,019
Liabilities				
Financial liabilities measured at FVTPL	6,100,208	24,810,346	7,078,999	37,989,553
Hedging Financial liabilities	-	18,416	-	18,416

12/31/25

Financial instruments measured at fair value	Level 1	Level 2	Level 3	Total
<u>Non-derivative instruments</u>				
Assets				
Financial assets measured at FVTPL				
Stocks	\$43,821,357	\$-	\$4,529,369	\$48,350,726
Bonds	16,106,154	47,965,853	-	64,072,007
Others	23,266,429	672,912	673,368	24,612,709
Financial assets measured at FVOCI				
Bonds	38,406,140	14,559,974	-	52,966,114
Liabilities				
Financial liabilities measured at FVTPL				
Stocks	882,980	-	-	882,980
Bonds	255,167	4,325,088	-	4,580,255
Others	5,711,587	-	-	5,711,587
<u>Derivative instruments</u>				
Assets				
Financial assets measured at FVTPL	4,911,546	7,758,866	553,940	13,224,351
Hedging Financial assets	-	95,200	-	95,200
Liabilities				
Financial liabilities measured at FVTPL	2,410,266	15,938,888	7,352,506	25,701,660
Hedging Financial liabilities	-	69,152	-	69,152

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6/30/25

Financial instruments measured at fair value	Level 1	Level 2	Level 3	Total
<u>Non-derivative instruments</u>				
Assets				
Financial assets measured at FVTPL				
Stocks	\$9,224,878	\$-	\$4,057,605	\$13,282,483
Bonds	16,068,726	44,378,498	-	60,447,224
Others	14,523,834	646,493	1,044,921	16,215,248
Financial assets measured at FVOCI				
Stocks	-	-	19,446	19,446
Bonds	37,263,757	12,762,974	-	50,026,731
Liabilities				
Financial liabilities measured at FVTPL				
Stocks	14,783,246	-	-	14,783,246
Bonds	-	4,410,651	-	4,410,651
Others	9,053,110	-	1,042,979	10,096,089
<u>Derivative instruments</u>				
Assets				
Financial assets measured at FVTPL	2,479,331	5,608,804	536,588	8,624,723
Hedging Financial assets	-	100,040	-	100,040
Liabilities				
Financial liabilities measured at FVTPL	813,205	12,162,704	6,463,489	19,439,398
Hedging Financial liabilities	-	67,318	-	67,318

Note 1: The classification of the chart above is consistent with the one of the balanced sheets.

Note 2: While using valuation model to measure the fair value, if the inputs include observable market data and unobservable parameters, the Company and subsidiaries should determine if the inputs will have material effect on the measurement of fair value. If the unobservable inputs have material effect on the measurement, the fair value should be classified as level 3.

(A) Transfers between Level 1 and Level 2 during the period at recurring basis

There are no transfers between Level 1 and Level 2 for the six-month periods ended of June 30, 2026 and 2025.

(B) Reconciliation for level 3 fair value measured at recurring basis

The beginning balances and ending balances of financial assets and liabilities measured on a recurring basis at level 3 of fair value hierarchy are reconciled as follows:

- a. Reconciliation for fair value assets measurements in Level 3 of the fair value hierarchy changes

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For the six-month period ended June 30, 2026

Financial instruments measured at fair value	Beginning balances (A)	Amounts recognized (B)		Increase (C)		Decrease (D)		Ending balances (E)=(A)+(B)+(C)+(D)
		in profit or loss	in OCI	Acquisition	Transfer to Level 3 (Note 1)	Disposal	Transfer out of Level 3 (Note 2)	
Financial Assets								
<u>Derivative instruments</u>								
Financial assets measured at FVTPL	\$553,940	\$(2,416)	\$-	\$397,665	\$-	\$(504,529)	\$-	\$444,660
<u>Non-derivative instruments</u>								
Financial assets measured at FVTPL	5,202,737	2,952,492	-	1,330,471	198,483	(164,067)	(508,140)	9,011,976

For the six-month period ended June 30, 2025

Financial instruments measured at fair value	Beginning balances (A)	Amounts recognized (B)		Increase (C)		Decrease (D)		Ending balances (E)=(A)+(B)+(C)+(D)
		in profit or loss	in OCI	Acquisition	Transfer to Level 3 (Note 1)	Disposal	Transfer out of Level 3 (Note 2)	
Financial Assets								
<u>Derivative instruments</u>								
Financial assets measured at FVTPL	\$-	\$30,822	\$-	\$506,642	\$-	\$(876)	\$-	\$536,588
<u>Non-derivative instruments</u>								
Financial assets measured at FVTPL	4,060,998	58,471	-	1,044,921	24,819	(52,500)	(34,183)	5,102,526
Financial assets measured at FVOCI	21,459	-	(2,013)	-	-	-	-	19,446

Note 1: Some of the Company's investments have been transferred to Level 3 because observable market data for these investments changed from being available to unavailable.

Note 2: Due to basis of fair value of financial instruments changed from self-valuation to active market quotation.

b. Reconciliation for fair value liabilities measurements in Level 3 of the fair value hierarchy changes.

For the six-month period ended June 30, 2026

Financial instruments measured at fair value	Beginning balances (A)	Amounts recognized (B)		Increase (C)		Decrease (D)		Ending balances (E)=(A)+(B)+(C)+(D)
		in profit or loss	in OCI	Acquisition	Transfer to Level 3	Disposal	Transfer out of Level 3	
Financial Liabilities								
<u>Derivative instruments</u>								
Financial liabilities measured at FVTPL	\$7,352,506	\$(32,406)	\$-	\$894,773	\$-	\$(1,135,874)	\$-	\$7,078,999

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For the six-month period ended June 30, 2025

Financial instruments measured at fair value	Beginning balances (A)	Amounts recognized (B)		Increase (C)		Decrease (D)		Ending balances (E)=(A)+(B)+(C)+(D)
		in profit or loss	in OCI	Acquisition	Transfer to Level 3	Disposal	Transfer out of Level 3 (Note)	
Financial Liabilities								
<u>Derivative instruments</u>								
Financial liabilities measured at FVTPL	\$6,146,111	\$(619,065)	\$-	\$1,349,727	\$-	\$(413,284)	\$-	\$6,463,489
<u>Non-derivative instruments</u>								
Financial liabilities measured at FVTPL	-	15,644	-	1,027,335	-	-	-	1,042,979

- c. Total gains or losses from financial assets and liabilities still held by the Company and subsidiaries for the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Total gains or losses				
Recognized in profit or loss	<u>\$2,589,461</u>	<u>\$648,899</u>	<u>\$2,905,920</u>	<u>\$580,023</u>
Recognized in other comprehensive income	<u>\$-</u>	<u>\$(1,688)</u>	<u>\$-</u>	<u>\$(2,013)</u>

- d. During the period from January 1 to June 30, 2026, the Company and its subsidiaries revised the valuation methodology for certain unlisted equity securities. In view of the stability of the investees' earnings and dividend payout patterns, the Company adopted the dividend discount model as the valuation model, which better reflects the fair value of such investments.

(C) Significant unobservable input information of level 3 fair value measured on recurring basis

The following table presents the Company and subsidiaries' primary level 3 financial instruments measured on a recurring basis, the quantitative information of significant unobservable inputs, used to measure fair value, and the sensitivity analysis for variation of those inputs.

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6/30/26	Fair Value	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value
<u>Financial assets:</u>					
Non-derivatives					
Financial assets measured at FVTPL-equity instrument and debt instrument	\$8,218,998	Purchasing price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	26%-29%	The higher the discount for lack of liquidity is, probably the lower the fair value of assets is.
		Dividend Discount Model	Dividend growth rate	2%	The higher the dividend growth rate, the higher the fair value.
			Discount rate	5.29%-7.38%	The lower the discount rate, the higher the fair value.
			Average five-year cash dividend	2.44-4.03	The higher the cash dividend, the higher the fair value.
			Black-Scholes Model	Risk-free rate of return	1.08%
		Volatility		41.24%	The higher the volatility is, the higher the fair value of put options may be.
		Martingale pricing technique	History volatility	31.00%~326.94 %	Depending on contract terms.
Financial assets measured at FVTPL - Other Instruments	792,978	Asset method	Not applicable	Not applicable	Not applicable
Derivatives					
Financial assets measured at FVTPL	444,660	Martingale pricing technique	History volatility	31.00%~326.94 %	Depending on contract terms.
Structured notes-options Credit derivative - TRS		Credit product pricing technique	Default probability	0.02%-2.23%	The higher the default rate is, the lower the fair value may be.
			Recovery rate	67%	The higher the recovery rate is, the higher the fair value may be.
<u>Financial liabilities:</u>					
Derivatives					
Financial liabilities measured at FVTPL Structured notes-options	7,078,999	Martingale pricing technique	History volatility	0.00%-85.71%	Depending on contract terms.

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12/31/25	Fair Value	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value
<u>Financial assets:</u>					
Non-derivatives					
Financial assets measured at FVTPL-equity instrument	\$4,529,369	Purchasing price	Not applicable	Not applicable	Not applicable
		Market approach	Discount for lack of liquidity	26%-29%	The higher the discount for lack of liquidity is, probably the lower the fair value of assets is.
		Asset method	Liquidity and minority interest discount	11%	The higher the liquidity and minority interest discount is, the lower the fair value of assets may be.
		Black-Scholes Model	Risk-free rate of return	1.13%	The higher the risk-free rate of return is, the lower the fair value of put options may be.
			Volatility	43.48%	The higher the volatility is, the higher the fair value of put options may be.
Financial assets measured at FVTPL - Other Instruments	673,368	Asset method	Not applicable	Not applicable	Not applicable
Derivatives					
Financial assets measured at FVTPL	553,940	Credit product pricing technique	Default probability	0.02%-2.11%	The higher the default rate is, the lower the fair value may be.
Credit derivative - TRS			Recovery rate	68%	The higher the recovery rate is, the higher the fair value may be.
<u>Financial liabilities:</u>					
Derivatives					
Financial liabilities measured at FVTPL	7,352,506	Martingale pricing technique	History volatility	0.00%-28.51%	Depending on contract terms.
Structured notes-options					

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6/30/25	Fair Value	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value
<u>Financial assets:</u>					
Non-derivatives					
Financial assets measured at FVTPL-equity instruments	\$4,057,605	Purchasing price	Not applicable	Not applicable	Not applicable
		Market approach	Liquidity discount	26%-29%	The higher the liquidity discount is, the lower the fair value of assets may be.
		Asset method	Liquidity and minority interest discount	11%	The higher the liquidity and minority interest discount is, the lower the fair value of assets may be.
		Black-Scholes Model	Risk-free rate of return	1.26%	The higher the risk-free rate of return is, the lower the fair value of put options may be.
			Volatility	41.09%	The higher the volatility is, the higher the fair value of put options may be.
Financial assets measured at FVTPL - Other Instruments	1,044,921	Asset method	Not applicable	Not applicable	Not applicable
Derivatives					
Financial assets measured at FVTPL	536,588	Credit Product Pricing Technique	Default Probability	0.02%-2.35%	The higher the default rate is, the lower the fair value may be.
Credit derivative - TRS			Recovery Rate	67%	The higher the recovery rate is, the higher the fair value may be.
<u>Financial liabilities:</u>					
Non-derivatives					
Financial liabilities measured at FVTPL - Other	1,042,979	Asset method	Not applicable	Not applicable	Not applicable
Derivatives					
Financial liabilities measured at FVTPL	6,463,489	Martingale Pricing Technique	History Volatility	0.00%-35.59%	Depending on contract terms.
Structured notes-options					

The Company adopts equally weighted moving average historical volatility when applying Martingale Pricing Technique. Original contract is taken into account while determining reasonable days to sample: with expiration period less than 6 months, the sampled days will be 20~180 days; with expiration period between 6 months to 12 months, the sampled days will be 20~360 days; with expiration period longer than 12 months, the sampled days will be 20 days unto original expiration days.

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The Company and subsidiaries adopt in discreet the valuation models and inputs, the fair value measurements should be reasonable. The effect of possible changes of valuation inputs on the current profit or loss is shown below:

6/30/26	Sensitivity of the input to fair value		Recognized in profit/loss		Recognized in OCI	
	Inputs	Changes	Gain	Loss	Gain	Loss
<u>Financial assets:</u>						
Non-derivative instruments						
Financial assets measured at FVTPL						
Equity instruments and debt instruments (purchasing price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market method)	Discount for lack of liquidity	- 1% / +1%	\$937	\$936	\$-	\$-
Equity instruments (dividend discount model)	Dividend growth rate	+0.5% / -0.5%	816,855	628,438	-	-
	Discount rate	- 0.5% / +0.5%	919,289	708,540	-	-
	Average five-year cash dividend	+0.25/-0.25	485,307	485,712	-	-
debt instruments(martingale pricing technique)	History volatility	-25% / +25%	9,246	11,914	-	-
Derivatives						
Financial assets measured at FVTPL						
Structured notes-options	History volatility	+25% / -25%	10,944	8,645	-	-
Credit derivative - TRS	Default probability	-1% / +1%	867	1,369	-	-
	Recovery Rate	+1% / -1%	72	72	-	-
<u>Financial liabilities:</u>						
Derivatives						
Financial liabilities measured at FVTPL						
Structured notes-options	History volatility	-25% / +25%	970	601	-	-

12/31/25	Sensitivity of the input to fair value		Recognized in profit/loss		Recognized in OCI	
	Inputs	Changes	Gain	Loss	Gain	Loss
<u>Financial assets:</u>						
Non-derivative instruments						
Financial assets measured at FVTPL						
Equity instruments (purchasing price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market method)	Discount for lack of liquidity	-1% / +1%	\$1,668	\$1,667	\$-	\$-
Equity instruments (asset method)	Liquidity and minority interest discount	-1% / +1%	4,265	4,831	-	-
Derivatives						
Financial assets measured at FVTPL						
Credit derivative - TRS	Default probability	-1% / +1%	390	1,832	-	-
	Recovery Rate	+1% / -1%	33	33	-	-
<u>Financial liabilities:</u>						
Derivatives						
Financial liabilities measured at FVTPL						
Structured notes-options	History volatility	-25% / +25%	-	-	-	-

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6/30/25	Sensitivity of the input to fair value		Recognized in profit/loss		Recognized in OCI	
	Inputs	Changes	Gain	Loss	Gain	Loss
<u>Financial assets:</u>						
Non-derivatives						
Financial assets measured at FVTPL						
Equity instruments (purchasing price)	Not applicable	Not applicable				
Equity instruments (market method)	Liquidity discount	-1% / +1%	\$1,636	\$1,637	\$-	\$-
Equity instruments (asset method)	Liquidity and minority interest discount	-1% / +1%	4,782	4,433	-	-
Derivatives						
Financial assets measured at FVTPL						
Credit derivative - TRS	Default probability	-1% / +1%	1,025	1,684	-	-
	Recovery Rate	+1% / -1%	94	94	-	-
<u>Financial liabilities:</u>						
Derivatives						
Financial liabilities measured at FVTPL						
Structured notes-options	Historical Volatility	-25% / +25%	1	-	-	-

Evaluation process for level 3 fair value measurements

When fair value for a financial instrument is not accessible or does not have any active market, the Company follows its “Asset valuation operation procedures”. The risk management unit evaluates whether the fair value is reasonable, and the accounting department recognizes the instrument according to their conclusion.

- (5) The fair value hierarchy of assets not measured in, but required to disclose fair value

6/30/26

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets measured at amortized cost-non-current	\$-	\$-	\$-	\$-
<u>Non-financial assets:</u>				
Investments accounted for using the equity method	2,939,434	-	-	2,939,434
Investment properties	-	-	1,551,103	1,551,103
<u>Financial liabilities</u>				
Long-term liabilities-current portion	3,595,484	-	-	3,595,484
Bonds payable	18,570,824	-	-	18,570,824

12/31/25

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets measured at amortized cost-non-current	\$-	\$-	\$-	\$-
<u>Non-financial assets:</u>				
Investments accounted for using the equity method	2,764,208	-	-	2,764,208
Investment properties	-	-	1,421,029	1,421,029
<u>Financial liabilities</u>				
Long-term liabilities-current portion	3,579,484	-	-	3,579,484
Bonds payable	5,710,370	-	-	5,710,370

6/30/25

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets measured at amortized cost-non-current	\$149,307	\$-	\$-	\$149,307
<u>Non-Financial assets:</u>				
Investments accounted for using the equity method	2,268,734	-	-	2,268,734
Investment properties	-	-	1,421,029	1,421,029
<u>Financial liabilities:</u>				
Bonds payable	9,189,526	-	-	9,189,526

A. Investments accounted for using the equity method is significant investment in associates. Please refer to Note VI.12 and VI.15 for the valuation information of fair value of investments accounted for using the equity method and investment properties mentioned above.

B. The methods of valuation of financial assets and liabilities refer to Note XII.5(2).

6. Transfer of financial assets

(1) Transferred financial assets that are not derecognized in their entirety

In the Company and subsidiaries' daily operational transactions, most transferred financial assets that are not derecognized in their entirety are either liabilities for bonds with attached repurchase agreements to serve as pledge for opposing party, or lent securities based on securities lending agreements. Such transactions are pledged margin loans in their nature, securities are transferred to opponents when transactions occur. Therefore, cash flows from the securities are also transferred, the Company and subsidiaries recognize only the liabilities arising from the responsibilities of repurchasing those bonds at fixed or market price in the future. In the effective period of mentioned transactions, the Company and subsidiaries are not allowed to use, sell, or pledge those transferred financial assets, but still retain their interest rate risk, credit risk, and market risk, so they are not derecognized in their entirety.

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Information on financial assets and related financial liabilities that are not derecognized in their entirety:

6/30/26					
Financial assets	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Fair value of net position
Financial assets measured at FVTPL					
Collateralized transactions	\$55,957,294	\$52,932,248	\$55,957,294	\$52,932,248	\$3,025,046
Financial assets measured at FVOCI					
Collateralized transactions	35,853,754	33,758,413	35,853,754	33,758,413	2,095,341
Financial assets measured at amortized cost					
Collateralized transactions	20,191,195	20,320,346	20,191,195	20,320,346	(129,151)

12/31/25					
Financial assets	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Fair value of net position
Financial assets measured at FVTPL					
Collateralized transactions	\$40,099,034	\$39,329,737	\$40,099,034	\$39,329,737	\$769,297
Financial assets measured at FVOCI					
Collateralized transactions	35,742,256	33,575,415	35,742,256	33,575,415	2,166,841
Financial assets measured at amortized cost					
Collateralized transactions	8,903,185	8,957,266	8,903,185	8,957,266	(54,081)

6/30/25					
Financial assets	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities	Fair value of transferred financial assets	Fair value of related financial liabilities	Fair value of net position
Financial assets measured at FVTPL					
Collateralized transactions	\$33,946,225	\$33,085,496	\$33,946,225	\$33,085,496	\$860,729
Financial assets measured at FVOCI					
Collateralized transactions	34,898,611	32,541,494	34,898,611	32,541,494	2,357,117
Financial assets measured at amortized cost					
Collateralized transactions	11,850,275	11,845,325	11,850,275	11,845,325	4,950

(2) Transferred financial assets that are derecognized in their entirety

The Company engages in asset swap transactions through trading convertible bonds, acquired through underwriting or dealing, sells them to opponent, and receives consideration. Within contract period, the Company swaps with opponent agreed interest return for interest and interest premium derived from the convertible bond. Also, the Company has the right to repurchase the convertible bond at any time before maturity date. The Company does not retain control on transferred asset because the transaction opponent can sell the financial asset to a third party, and there is no need to impose any restriction on the third party when such transfer occurs. The Company only retains the option to buy the trade object. The maximum exposure to loss is the book value of the asset.

The following table analyzes information of transferred financial assets that are derecognized in their entirety and related financial liabilities:

Period	Type of continuing involvement	Cash outflow of repurchasing transferred (derecognized) financial assets	Carrying amount of continuing involvement in statement of financial position	Fair value of continuing involvement		Maximum exposure to loss
			Financial assets measured at fair value through profit or loss	Asset	Liability	
6/30/26	Long call option	\$17,097,200	\$3,684,393	\$3,684,393	\$-	\$3,684,393
12/31/25	Long call option	\$16,947,300	\$2,744,278	\$2,744,278	\$-	\$2,744,278
6/30/25	Long call option	\$15,382,100	\$1,992,083	\$1,992,083	\$-	\$1,992,083

The following table discloses a maturity analysis of the undiscounted cash outflows of repurchasing transferred (derecognized) financial assets. Information on cash flow is based on circumstances of each financial reporting date.

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Period	Type of continuing involvement	Spot	In 3 months	3-12 months	1-5 years	Over 5 years	Total
6/30/26	Long call option	\$-	\$916,600	\$3,823,700	\$12,356,900	\$-	\$17,097,200
12/31/25	Long call option	\$-	\$453,500	\$4,789,400	\$11,704,400	\$-	\$16,947,300
6/30/25	Long call option	\$-	\$403,900	\$2,185,200	\$12,793,000	\$-	\$15,382,100

For the type of continuing involvement “long call option”, the following table discloses the gain or loss recognized at the date of transfer of the assets, and income and expenses recognized, both in the reporting period and cumulatively, from the Company’s continuing involvement in the derecognized financial assets.

Period	Type of continuing involvement	Gain or loss recognized at the date of transfer	Income and expenses recognized in the reporting period	Income and expenses recognized cumulatively
6/30/26	Long call option	\$(15,993)	\$(207,632)	\$(223,625)
12/31/25	Long call option	\$1,952	\$(598,789)	\$(596,837)
6/30/25	Long call option	\$(8,156)	\$(817,931)	\$(826,087)

7. Offsetting financial assets and financial liabilities

The disclosure requirements in IFRS 7 for offsetting financial assets and financial liabilities do not apply to the Company and subsidiaries’ transactions on derivative instrument assets and derivative instrument liabilities. The Company and subsidiaries are allowed to offset the mentioned instruments only in the event of default and insolvency or bankruptcy.

The Company and subsidiaries enter with opponent into collateralized liabilities for bonds with repurchase agreements, in which the Company and subsidiaries provide securities as collaterals. The Company and subsidiaries also enter with opponent into collateralized bond investments under resell agreements, in which the Company and subsidiaries receive securities as collaterals (that are not recognized in statement of financial position). Only in the event of default and insolvency or bankruptcy are these transactions allowed to set off, they do not meet the offsetting criterion in international accounting standards. Hence, the related liabilities for bonds with repurchase agreements and investments in bonds with reverse repurchase agreements are reported separately in the statement of financial position.

The following tables disclose information on offsetting of financial assets and financial liabilities mentioned above:

6/30/26						
Financial assets subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial assets (a)	Gross amount of recognized financial liabilities set off in the statement of financial position (b)	Net amounts of financial assets presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note 1)	Cash collateral received	
Derivative (Note 2)	\$10,741,760	\$-	\$10,741,760	\$-	\$3,249,293	\$7,492,467
Resell agreement	34,563,289	-	34,563,289	34,563,289	-	-
Total	\$45,305,049	\$-	\$45,305,049	\$34,563,289	\$3,249,293	\$7,492,467

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6/30/26						
Financial liabilities subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial liabilities (a)	Gross amount of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note 1)	Cash collateral in pledge	
Derivative (Note 2)	\$23,092,931	\$-	\$23,092,931	\$-	\$4,958,112	\$18,134,819
Repurchase agreement	144,874,397	-	144,874,397	144,874,397	-	-
Total	\$167,967,328	\$-	\$167,967,328	\$144,874,397	\$4,958,112	\$18,134,819

12/31/25						
Financial assets subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial assets (a)	Gross amount of recognized financial liabilities set off in the statement of financial position (b)	Net amounts of financial assets presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note 1)	Cash collateral received	
Derivative (Note 2)	\$8,343,807	\$-	\$8,343,807	\$-	\$1,331,315	\$7,012,492
Resell agreement	21,086,592	-	21,086,592	21,086,592	-	-
Total	\$29,430,399	\$-	\$29,430,399	\$21,086,592	\$1,331,315	\$7,012,492

12/31/25						
Financial liabilities subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial liabilities (a)	Gross amount of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note 1)	Cash collateral in pledge	
Derivative (Note 2)	\$17,943,058	\$-	\$17,943,058	\$-	\$2,369,096	\$15,573,962
Repurchase agreement	116,633,466	-	116,633,466	116,633,466	-	-
Total	\$134,576,524	\$-	\$134,576,524	\$116,633,466	\$2,369,096	\$15,573,962

6/30/25						
Financial assets subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial assets (a)	Gross amount of recognized financial liabilities set off in the statement of financial position (b)	Net amounts of financial assets presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note1)	Cash collateral received	
Derivative (Note 2)	\$6,178,840	\$-	\$6,178,840	\$-	\$892,342	\$5,286,498
Resell agreement	20,982,258	-	20,982,258	20,982,258	-	-
Total	\$27,161,098	\$-	\$27,161,098	\$20,982,258	\$892,342	\$5,286,498

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6/30/25						
Financial liabilities subject to offsetting, enforceable master netting arrangement or similar agreements						
Description	Gross amount of recognized financial liabilities (a)	Gross amount of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c)=(a)-(b)	Related amounts not set off in the statement of financial position(d)		Net amount (e)=(c)-(d)
				Financial instruments (Note1)	Cash collateral in pledge	
Derivative (Note2)	\$13,631,444	\$-	\$13,631,444	\$-	\$1,705,399	\$11,926,045
Repurchase agreement	117,186,719	-	117,186,719	117,186,719	-	-
Total	\$130,818,163	\$-	\$130,818,163	\$117,186,719	\$1,705,399	\$11,926,045

Note1: Including amounts subject to a master netting arrangement and amounts related to non-cash financial collateral.

Note2: Including hedging derivative instruments.

8. Capital management

The main objective of the Company and subsidiaries in capital management is to maintain a healthy credit rating and capital ratio to support the corporation's operation and maximize shareholders' interests. The Company and subsidiaries will manage and adjust the capital structure based on the economic situation, possibly by adjusting dividends, returning capital or issuing new shares.

The company's Capital adequacy ratios as of June 30, 2026 December 31, 2025 and June 30, 2025 are disclosed as follows:

(1) Capital adequacy ratio

Item	6/30/26	12/31/25	6/30/25
Qualified net equity Capital	\$47,519,017	\$36,946,887	\$30,322,690
Equivalent amount of operating risk	17,860,368	12,387,797	10,976,869
Capital adequacy ratio	266%	298%	276%

Item	For the six-month periods ended June 30	
	2026	2025
Average	256%	341%
Maximum	282%	404%
Minimum	228%	276%

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(2) Equivalent amounts and percentages of operating risks

Item	6/30/26		12/31/25	
	Amount	Percentage	Amount	Percentage
Market risk	\$6,319,081	35.38%	\$4,720,069	38.10%
Credit risk	8,110,171	45.41%	4,884,744	39.43%
Operational risk	3,431,116	19.21%	2,782,984	22.47%
Total	<u>\$17,860,368</u>	<u>100.00%</u>	<u>\$12,387,797</u>	<u>100.00%</u>

Item	6/30/25	
	Amount	Percentage
Market risk	\$3,544,468	32.29%
Credit risk	4,649,417	42.36%
Operational risk	2,782,984	25.35%
Total	<u>\$10,976,869</u>	<u>100.00%</u>

9. Others

(1) The specific risk for futures dealer business

The futures dealer needs to maintain adequate liquidity in case its clients fail to fulfill the contracts in the futures transactions with the features of low financial leverage nature and unpredictable market fluctuation. If the dealing business fails to maintain the amount of margin, the open contracts may be closed. Thus, the margin may be lost entirely and may require further payment on deficiency.

(2) Restrictions and enforcement of the Company and subsidiaries' various financial ratios under ROC Futures Commission Merchant Laws.

Futures department of the Company

Article #	Calculation Formula	6/30/26		12/31/25		Standard	Execution
		Calculation	Percentage	Calculation	Percentage		
17	<u>Stockholders' equity</u> (Total liabilities—Futures customers' equity)	<u>5,898,615</u> 1,269	4,648.17	<u>3,344,221</u> 484	6,908.96	≥1	Satisfied
17	<u>Current assets</u> Current liabilities	<u>17,860,170</u> 1,001	17,845.13	<u>7,594,392</u> 484	15,689.56	≥1	"
22	<u>Stockholders' equity</u> Minimum paid-in capital	<u>5,898,615</u> 400,000	1,474.65%	<u>3,344,221</u> 400,000	836.06%	≥60% ≥40%	"
22	<u>Net capital amount after adjustment</u> The total amount of customer's margin required by the non-offset position for the futures dealer	<u>3,839,026</u> 7,294,255	52.63%	<u>1,448,560</u> 3,283,942	44.11%	≥20% ≥15%	"

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Article #	Calculation Formula	6/30/25		Standard	Execution
		Calculation	Ratio		
17	<u>Stock holders' equity</u> (Total liabilities – Futures customers' equity)	<u>3,317,193</u> 1,317,338	2.52	≥1	Satisfied
17	<u>Current assets</u> Current liabilities	<u>6,260,553</u> 1,316,093	4.76	≥1	"
22	<u>Stockholders' equity</u> Minimum paid-in capital	<u>3,317,193</u> 400,000	829.30%	≥60% ≥40%	"
22	<u>Net capital amount after adjustment</u> The total amount of customer's margin required by the non-offset position for the futures dealer	<u>2,297,810</u> 1,394,691	164.75%	≥20% ≥15%	"

KGI Futures

Article #	Calculation Formula	6/30/26		12/31/25		Standard	Execution
		Calculation	Percentage	Calculation	Percentage		
17	<u>Stockholders' equity</u> (Total liabilities – Futures customers' equity)	<u>8,565,886</u> 956,362	8.96	<u>5,290,719</u> 1,424,351	3.71	≥1	Satisfied
17	<u>Current assets</u> Current liabilities	<u>120,674,844</u> 114,871,208	1.05	<u>57,888,696</u> 54,473,752	1.06	≥1	"
22	<u>Stockholders' equity</u> Minimum paid-in capital	<u>8,565,886</u> 745,000	1,149.78%	<u>5,290,719</u> 745,000	710.16%	≥60% ≥40%	"
22	<u>Net capital amount after adjustment</u> The total amount of customer's margin required by the non-offset position for the futures dealer	<u>8,179,611</u> 28,150,617	29.06%	<u>4,481,345</u> 13,585,088	32.99%	≥20% ≥15%	"

Article #	Calculation Formula	6/30/25		Standard	Execution
		Calculation	Ratio		
17	<u>Stock holders' equity</u> (Total liabilities – Futures customers' equity)	<u>4,811,392</u> 708,347	6.79	≥1	Satisfied
17	<u>Current assets</u> Current liabilities	<u>48,068,864</u> 45,034,023	1.07	≥1	"
22	<u>Stockholders' equity</u> Minimum paid-in capital	<u>4,811,392</u> 745,000	645.82%	≥60% ≥40%	"
22	<u>Net capital amount after adjustment</u> The total amount of customer's margin required by the non-offset position for the futures dealer	<u>3,936,561</u> 11,995,130	32.82%	≥20% ≥15%	"

- (3) According to Article 17 of Enforcement Rules of the Trust Enterprise Act, the balance sheet and the statement of income of trust business and trust property catalog of the Company are disclosed as follows:

As approved by the Jin-Guan-Zheng-Quan Letter No.0990066178, the Company engages in new business of wealth management by trust, which is to conduct trust business concerning specific and separate money management. In addition, with the approval of Jin-Guan-Zeng-Quan Letter No. 1000039836, the Company was permitted to engage in trust business concerning specific and separate securities management and separately managed securities trust (securities lending business) specified in the operating range or methods as designated by the clients.

A. Balance sheet of trust business

	6/30/26	12/31/25	6/30/25
Cash in bank	\$3,722,136	\$2,869,419	\$3,117,331
Financial assets			
Bonds	14,843,190	15,313,507	14,369,664
Stocks	49,026,564	33,555,006	24,195,207
Funds	33,373,566	29,844,183	21,644,203
Structured notes	13,222,617	9,740,091	8,410,803
Derivatives	-	283	-
Receivables	545,017	510,206	616,274
Total trusted assets	<u>\$114,733,090</u>	<u>\$91,832,695</u>	<u>\$72,353,482</u>
	6/30/26	12/31/25	6/30/25
Payables	\$294,435	\$118,104	\$355,691
Taxes payables	343	97	683
Trust capital	64,260,911	63,449,828	59,119,352
Net income for current period	46,112,026	26,120,757	10,199,891
Accumulated profit or loss	4,940,307	3,068,770	3,079,524
Deferred carried forward	(623)	20,649	995
Others	(874,309)	(945,510)	(402,654)
Total trusted liabilities	<u>\$114,733,090</u>	<u>\$91,832,695</u>	<u>\$72,353,482</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

B. Income statement of trust business

	For the three-month periods		For the six-month periods	
	ended June 30		ended June 30	
	2026	2025	2026	2025
Revenues				
Interest income	\$225,879	\$193,106	\$403,504	\$403,280
Rent income	2,806	7,939	6,387	11,447
Dividend income	404,708	283,120	794,052	579,246
Realized investment gain	1,080,583	391,633	1,802,320	684,385
Unrealized investment gain	16,404,329	3,089,648	45,938,641	14,045,637
Other income	(15,782)	(1,727,447)	1,992,192	992,140
Total revenue	<u>18,102,523</u>	<u>2,237,999</u>	<u>50,937,096</u>	<u>16,716,135</u>
Expenses				
Management expense	528	1,136	1,102	1,714
Taxes expense	9,907	8,119	22,245	10,388
Handling fee	65,666	25,953	109,561	48,089
Realized investment loss	246,695	328,062	555,974	704,463
Unrealized investment loss	(1,026,235)	(464,455)	3,078,934	3,551,252
Other expense	165,772	1,586,114	1,057,254	2,200,338
Total expense	<u>(537,667)</u>	<u>1,484,929</u>	<u>4,825,070</u>	<u>6,516,244</u>
Income before tax	18,640,190	753,070	46,112,026	10,199,891
Income tax	-	-	-	-
Net income	<u>\$18,640,190</u>	<u>\$753,070</u>	<u>\$46,112,026</u>	<u>\$10,199,891</u>

C. Trust property catalog

	6/30/26	12/31/25	6/30/25
Cash in bank	\$3,722,136	\$2,869,419	\$3,117,331
<u>Financial assets</u>			
Bonds	14,843,190	15,313,507	14,369,664
Stocks	49,026,564	33,555,006	24,195,207
Funds	33,373,566	29,844,183	21,644,203
Structured notes	13,222,617	9,740,091	8,410,803
Derivatives	-	283	-
Total	<u>\$114,188,073</u>	<u>\$91,322,489</u>	<u>\$71,737,208</u>

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D. The trust capital consigned to the Company is set up as an independent account and prepared its own financial statements. The consigned assets and gains or losses of consigned assets are not included in the Company's financial statements.

(4) According to Zheng-Gre-Fu Letter No.1030026386, disclose the information as following:

Offshore Securities Unit of the Company engaged in custody and investment of funds affairs on behalf of customers. Related bank deposits under such affairs on June 30, 2026, December 31, 2025 and June 30, 2025 are USD 8,164 thousand, USD 18,008 thousand and USD 16,170 thousand, respectively.

(5) Foreign currencies having significant effect on the Company and subsidiaries' financial assets and liabilities are as follows:

Financial instruments	6/30/26			12/31/25		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary Items</u>						
USD	\$7,435,468	31.84	\$236,735,177	\$5,070,558	31.44	\$159,406,328
HKD	235,359	4.06	955,728	280,430	4.04	1,132,415
JPY	73,747,362	0.20	14,473,254	46,565,182	0.20	9,350,288
EUR	518,537	36.29	18,817,713	505,828	36.90	18,665,069
CNY	15,212	4.69	71,332	40,759	4.50	183,309
ZAR	32,547	1.94	63,142	70,128	1.90	132,892
KRW	64,596	21.90	1,414,652	5,168	21.03	108,729
<u>Non-monetary Items</u>						
USD	2,961,049	31.84	94,269,535	2,479,808	31.44	77,958,657
JPY	5,082	0.20	998	8,058	0.20	1,618
EUR	20,316	36.29	737,261	11,615	36.90	428,580
CNY	14,412	4.69	67,580	178,726	4.50	803,803
AUD	482,707	21.90	10,571,282	300,402	21.03	6,317,460
<u>Investments accounted for using the equity method</u>						
USD	99,992	31.84	3,183,442	103,369	31.44	3,249,711
<u>Financial liabilities</u>						
<u>Monetary Items</u>						
USD	9,417,266	31.84	299,829,678	6,913,974	31.44	217,359,657
HKD	213,972	4.06	868,896	257,069	4.04	1,038,059
JPY	73,157,597	0.20	14,357,541	46,069,193	0.20	9,250,694
EUR	536,655	36.29	19,475,205	515,085	36.90	19,006,627
CNY	21,650	4.69	101,520	55,490	4.50	249,557
ZAR	22,402	1.94	43,459	55,088	1.90	104,392
AUD	475,538	21.90	10,414,290	280,456	21.03	5,898,038
<u>Non-monetary Items</u>						
USD	673,594	31.84	21,445,224	423,408	31.44	13,311,086

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Financial instruments	6/30/25		
	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$4,824,115	29.90	\$144,032,477
HKD	558,981	3.81	2,089,371
JPY	32,274,497	0.21	7,655,532
EUR	515,602	35.05	18,070,205
CNY	98,396	4.17	410,679
ZAR	95,479	1.68	160,500
KRW	5,282,468	0.02	116,472
AUD	22,265	19.54	434,345
<u>Non-monetary Items</u>			
USD	2,329,123	29.90	69,635,198
JPY	-	0.21	-
EUR	18,219	35.05	638,572
CNY	317,364	4.17	1,324,933
AUD	271,063	19.54	5,296,563
<u>Investments accounted for using the equity method</u>			
USD	95,350	29.90	2,851,155
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	6,500,406	29.90	194,158,207
HKD	537,019	3.81	2,005,764
JPY	36,724,578	0.21	7,541,451
EUR	529,775	35.05	18,566,985
CNY	72,171	4.17	301,197
ZAR	78,730	1.68	132,345
AUD	269,106	19.54	5,257,641
<u>Non-monetary Items</u>			
USD	404,967	29.90	12,109,311

Due to various types of functional currencies, it is inefficient for the Company and subsidiaries to disclose information on exchange differences by foreign currencies having significant effect on the Company and subsidiaries. Exchange differences (including realized and unrealized) are losses 126,819 thousand dollars, gains 721,380 thousand dollars, losses 142,707 thousand dollars and gains 637,538 thousand dollars for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

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(6) The reconciliation of liabilities from financing activities

For the six-month periods ended June 30, 2026

	Short-term borrowings	Commercial paper payable	Lease liabilities	Bonds payable
January 1, 2026	\$22,198,154	\$84,690,465	\$2,437,623	\$5,700,000
Cash flows	7,108,562	48,820,151	(240,700)	12,800,000
Non-cash movement				
Lease movement	-	-	425,166	-
Foreign exchange differences and other movement	-	-	43,478	60,976
June 30, 2026	<u>\$29,306,716</u>	<u>\$133,510,616</u>	<u>\$2,665,567</u>	<u>\$18,560,976</u>

For the six-month periods ended June 30, 2025

	Short-term borrowings	Commercial paper payable	Lease liabilities	Bonds payable
January 1, 2025	\$16,019,594	\$64,568,529	\$1,197,710	\$9,300,000
Cash flows	1,153,835	(39,678,165)	(241,722)	-
Non-cash movement				
Lease movement	-	-	651,463	-
Foreign exchange differences and other movement	-	-	(31,072)	-
June 30, 2025	<u>\$17,173,429</u>	<u>\$24,890,364</u>	<u>\$1,576,379</u>	<u>\$9,300,000</u>