

Capital Securities Corporation  
2026 Annual General Meeting

Meeting  
Handbook

Time : 9:00 AM, May 27, 2026

Meeting Method: Hybrid Shareholders' Meeting

Place : 11F, No. 156, Section 3, Minsheng East Road,

Songshan District, Taipei City (Conference room)

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# **Capital Securities Corporation**

## **Meeting Procedure for 2026 Annual General Meeting**

- I. Call the Meeting to Order
- II. Chairperson Takes the Chair
- III. Chairperson Remarks
- IV. Reports Items
- V. Matters for Proposals
- VI. Matters for Discussion
- VII. Extemporary Motions
- VIII. Adjournment

Capital Securities Corporation  
Agenda of 2026 Annual Meeting of Shareholders

- I. Time: 9:00 AM, May 27, 2026 (Wednesday)
- II. Meeting Method: Hybrid Shareholders' Meeting
- III. Place: 11F., No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City (Conference Room)
- IV. Call the Meeting to Order
- V. Chairperson Remarks
- VI. Reports Items:
  - 1. 2025 Business Report. (Handbook pages 5~9)
  - 2. 2025 The Audit Committee's Review Report. (Handbook page 10)
  - 3. 2025 Distribution of Employees' and Directors' Remuneration.( Handbook pages 11)
  - 4. Other.

VII. Matters for Proposals:

- 1. Subject: Adoption of the 2025 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation: The Company's 2025 financial statements and consolidated financial statements were audited by CPAs WU, CHENG YEN and CHEN, YI REN of KPMG, and an unqualified opinion report was issued. The financial statements and business report were submitted to the Audit Committee for review and are now presented to the annual general meeting for acknowledgment.

(Handbook pages 5~9 and 12~31)

Resolution:

- 2. Subject: Adoption of the 2025 Earnings Distribution Plan.

(Proposed by the Board of Directors)

Explanation: 1. For the distribution of earnings in 2025, the Company proposes to distribute cash dividends to shareholders totaling NT\$868,363,239, representing NT\$0.40 per share, and stock dividends totaling NT\$2,843,889,610, representing 1.31 shares per share. Upon approval by the shareholders' meeting, the Board of Directors is authorized to determine the ex-rights and ex-dividend record dates and other related matters.

- 2. Cash dividends are paid up to the dollar (amounts less than one dollar are discarded), and the total odd-lot amount is included in the

Company's other income. Subsequently, if changes in the Company's capital stock result in a change to the number of outstanding shares, and this necessitates a revision of the shareholder dividend payout ratio, the shareholders' meeting intends to authorize the Board of Directors to handle the matter with full discretion.

3. For the Company's 2025 earnings distribution table, please see Attachment. (Handbook page 32)

Resolution:

#### VIII. Matters for Discussion:

1. Subject: Discussion of the Proposal for the Issuance of New Shares via Capitalization of Retained Earnings for 2025. (Proposed by the Board of Directors)

Explanation :

1. According to the 2025 earnings distribution proposal, it is proposed to capitalize NT\$2,843,889,610 of earnings by issuing 284,388,961 new shares at a par value of NT\$ 10 per share. Existing shareholders will be allocated shares proportionally based on their holdings as of the ex-rights record date, with 131 shares allocated free of charge for every 1,000 shares held.
2. Fractional shares that do not amount to one full share may be registered for consolidation with the Company's stock agency by the original shareholders within five days after the cessation of stock transfer. If consolidation is not completed within the time limit, or if the odd shares still do not amount to one full share after consolidation, they will be distributed in cash according to their face value as prescribed in Article 240 of the Company Act (calculated to the nearest dollar, with any fractional amounts discarded). The chairman is authorized to negotiate with specific parties for subscription at face value. For shareholders participating in the book-entry transfer of shares, any odd shares that do not amount to a whole share will be used to cover the expenses of the transfer.
3. Subsequently, if the Company's repurchase of shares, transfer of treasury shares, or cancellation of treasury shares affects the number of outstanding shares, resulting in a change to the stock dividend ratio, the Company intends to request shareholder approval to authorize the Board of Directors to handle related changes to the stock dividend ratio.
4. The rights and obligations attached to the new shares to be issued are the same as those attached to the existing shares of the Company. Following approval by shareholders and upon receipt of approval from the competent

authority, the Company intends to seek shareholder authorization for the Board of Directors to set another ex-rights record date. If this date needs to be changed due to legal requirements or the approval of the competent authority, the Company intends to seek shareholder authorization for the Board of Directors to handle the matter.

Resolution:

2. Subject: Discussion of the amendment to the Company's "Procedures for Acquisition or Disposal of Assets".(Proposed by the Board of Directors)

Explanation :

1. In accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," as amended by the Financial Supervisory Commission on July 24, 2025 (Letter Jin-Guan-Zheng-Fa-Zi No. 1140383333), certain provisions of the Company's "Procedures for Acquisition or Disposal of Assets" are proposed to be amended.
2. The key points of the amendment to Article 11 are as follows:
  - (1) Standards for public announcement and reporting for companies with new paid-in capital of NT\$50 billion or more regarding the acquisition or disposal of equipment for business use by non-related parties.
  - (2) Standards for public announcement and reporting for companies with paid-in capital of NT\$50 billion or more regarding the acquisition or disposal of government bonds, corporate bonds, and general financial bonds not involving equity interests with non-related parties.
  - (3) To accommodate the new standards for announcement and reporting for companies with paid-in capital of NT\$50 billion or more, the calculation of 5% of the paid-in capital and NT\$50 billion of the paid-in capital is specified as applicable to stocks with no par value or with a par value per share other than NT\$10.
3. For the Company's comparison table of amendments to the "Procedures for the Acquisition or Disposal of Assets" and the draft, please see Attachment. (Handbook page 33~52)

Resolution:

IX. Extemporaneous Motions

X. Adjournment.

# Capital Securities Corporation

## Business Report

2025 was a pivotal year for the world as it transitioned from the “post-pandemic inflationary era” to a “new economic order.” AI is moving toward commercialization, and geopolitical fragmentation is reshaping the global supply chain.

AI is transforming its focus from “compute power arms race” to “application monetization.” Generative AI has become a central focus, driving expansion in data centers, GPUs, AI servers, infrastructure, and power demand, while accelerating the development of AI agents and creating a unique self-reinforcing investment cycle. The capital market is tightening requirements for AI-related financial reporting. Start-ups lacking viable business models are facing valuation corrections, while funding is concentrated on tech giants with strong competitive advantages, resulting in market valuations exceeding US\$4 trillion for NVIDIA and Google.

Trump restarted the tariff war after taking office on January 20, 2025. In April, he pushed for “reciprocal tariffs,” triggering a global stock market decline. “Security” has replaced “efficiency” as the new trade standard. The reshoring of manufacturing to the US is gaining momentum, with Taiwan’s semiconductor industry serving as a key indicator. Europe and the US are also increasing tariffs or quotas on China’s electric vehicles and green energy products, leading to escalating trade friction.

The international economic situation is volatile, yet capital remains strong. Stocks in AI applications and the hardware and power sectors supporting the infrastructure – particularly those with genuine earnings and future growth prospects – have performed strongly, while those lacking growth momentum have remained relatively stable.

In 2025, all four major US stock indices reached new highs simultaneously. Japan benefited from its economic recovery, Sanae economics, and a balance between prices and interest rates, with the Nikkei 225 continuing to reach new highs. The TWSE rebounded 67.3% from its April low, climbing 5,928 points to 28,963, a 25.7% gain for the year. TSMC’s 46.6% increase over the year helped propel the TWSE to a new all-time high.

Despite the volatile business environment, the Company’s management team maintained a prudent management philosophy, balancing risks and profits. In 2025, the Company’s overall operating results yielded a profit before tax of NT\$6,516,651 thousand and a net profit after tax of NT\$5,735,934 thousand, achieving a record high.

### **The following is a summary of the Company’s business operations in 2025:**

**I. Brokerage business:** The brokerage market share has continued to grow over the past three years, increasing from 3.44% in 2023 to 3.58% in 2024 and reaching 3.71% in 2025. This represents an 8% increase in market share over three years, ranking the firm as No. 1 among independent securities firms. In terms of separate accounts, the average balance in 2025 was NT\$40.9 billion, and the average balance for unrestricted use was NT\$30.3 billion, both ranking second in the market and demonstrating the growth momentum and stable client base of the leading independent securities firm.

**II.Underwriting Business:** The capital market was active in 2025, with the total amount of lead and co-underwriting reaching approximately NT\$8 billion. The company acted as lead underwriter for the IPO of SysJust, for the SPO of Pan German Universal Motors and Zheng De (convertible corporate bonds), as well as for cash capital increases of Solid State System and Brogent Technologies. Total underwriting volume in 2025 grew significantly by 96% compared with 2024.

**III.Stock transfer agency business:** In 2025, the Company served a total of 391 stock transfer agency clients, an increase of 19 from the previous year, ranking third in the market by number of clients. We also served 62 proxy solicitation clients, up 9 from the previous year.

**IV.Derivatives business:** In 2025, the notional amount of call (put) warrants listed reached NT\$74.3 billion, and 9,240 warrants were issued, ranking third in the market for both figures. Structured product issuance volume for the year totaled NT\$50.5 billion, a 55% increase from the previous year.

**V.Bond business:** The underwriting amount of domestic ordinary corporate bonds during the year was NT\$34.3 billion, accounting for a 4.4% market share. In terms of sustainability bonds, the company underwrote 18 issues totaling NT\$11.2 billion during the year, accounting for 32.7% of its total underwriting volume—a 64% increase from the previous year—ranking second among domestic securities firms. The Company will continue to respond to the green and transition finance action plan, helping companies access funding and support their net-zero transition.

**Capital Securities pursues the vision of “delivering high value-added services beyond customer expectations and becoming customers’ long-term growth partners.” Through the collective efforts of the Company and all colleagues, we received the following awards in 2025:**

I.Awarded the “Social Empowerment Award” at the Asia Responsible Enterprise Awards for the “Capital Reading Program”

II.Awarded “Taiwan’s Best Securities House” by Euromoney magazine

III.Awarded the “Best Securities Broker Brand for Media Volume Taiwan 2025” by International Business Magazine

IV.Awarded the “Best Companies to Work for in Asia,” the “Diversity, Equity & Inclusion Award,” and the “Most Caring Companies Award” by HR Asia

V.Awarded one of the “Top 10 Outstanding Enterprises” at the 19th Golden Torch Award by the Outstanding Enterprise Manager Association, and the “Annual Innovation Design” for the CS Winner Pro APP.

VI.Awarded the “Outstanding Securities Talent Award” at the 18th Golden Goblet Awards by the Securities and Futures Association of the Republic of China.

VII.Awarded the “2025 Sustainable Development Practice Award” by BSI

VIII.Selected by the Taiwan Institute for Sustainable Energy (TAISE) as a winner of the 2025 Taiwan

Corporate Sustainability Awards in the categories of “Sustainable Comprehensive Performance – Top 100 Sustainable Model Enterprises,” “Sustainability Report Award – Gold Award,” and “Sustainable Individual Performance – Talent Development Leadership Award.”

For more awards and honors, please visit the Capital Securities website (<https://www.capital.com.tw/web/#/about/award>).

**The brand value of Capital Securities is “Capital Care,” and the Company has long embraced its role as a corporate citizen. Its ongoing “Capital Reading Program” campaign was honored in 2025 with the “Social Empowerment Award” – one of Asia’s highest accolades in the ESG field – recognized by an international panel of experts.**

I. “Capital Reading Program” won the Social Empowerment Award at the 2025 Asia Responsible Enterprise Awards (AREA), a prestigious recognition considered one of the highest honors in the Asian ESG field. This award affirms the effectiveness of “Capital Reading Program” in promoting educational equity and reducing the urban-rural gap, as acknowledged by a leading authority in Asia. Since 2012, the Company has continuously served over 4,000 students in rural areas through initiatives such as donating reading materials, providing volunteer reading support, and organizing city tours. Moreover, the Company has gradually expanded its reach to multiple counties and cities across Taiwan and is committed to realizing SDGs 4, 10, and 17, key sustainable development goals. This 14-year commitment has not only enabled children to broaden their horizons and enhance their reading and financial literacy, but also fostered a positive cycle of mutual growth between the company and society.

II. For the past 18 years, Capital Securities Group has held annual blood drives, collecting over 22,000 bags of blood to provide a stable and critical supply to Taiwan’s medical system. The scale of these drives has expanded each year, demonstrating our commitment to corporate social responsibility. The 2025 event innovatively combined a “5D anti-fraud awareness campaign,” handmade soaps made by people with disabilities and organic white rice from local small farmers, creating a blood donation drive with multiple benefits: health promotion, social care, financial security education, and local sustainability.

**The following trends and focuses will shape global economic development in 2026:**

### **I. Physical AI implementation**

2026 is the first year for Physical AI, with autonomous driving and AI robots as key indicators. After NVIDIA and Tesla mass-produce humanoid robots, costs are expected to drop significantly, potentially sparking the third hardware revolution following smartphones and electric vehicles. Structural labor shortages in manufacturing will benefit Taiwan’s precision machinery, servo motors, sensors, and the assembly supply chain.

## **II.Labor market restructuring**

AI increasingly replaced entry-level white-collar jobs, customer service roles, and translator positions in 2025. After 2026, the impact of AI on the labor market will extend to highly educated, middle-class professionals, becoming more widespread. Middle-class jobs will undergo comprehensive reevaluation and consolidation, with fewer new jobs created than lost. Musk even predicts a future where human labor is no longer necessary, while Jensen Huang anticipates that AI will present new challenges and create novel employment opportunities.

## **III.Escalation of geopolitical tensions**

In 2025, Panama withdrew from the Belt and Road Initiative and aligned itself with the US. In early 2026, Trump announced a reorganization of geopolitics in the Americas and proposed acquiring Greenland, prompting discussions within the EU and NATO. At the end of February 2026, the US and Israel conducted military strikes against Iran, worsening the situation in the Middle East, driving up energy and financial market volatility, exacerbating global inflationary pressures, and heightening geopolitical risks worldwide.

## **IV.Space Economy 2.0**

In 2026, the cost of heavy-lift launch vehicles will decrease further, enabling global low-Earth orbit satellite deployment and the launch of 6G technology. SpaceX expects to go public in 2026, with an estimated valuation of over US\$1.5 trillion. Taiwan's networking and communications and aerospace supply chain will benefit from the global satellite deployment race.

## **V.Reshaping the economic and trade landscape**

In 2026, global trade fragmentation will split into a US-dominated system (US-Stack) and a China-led system (China-Stack). The trade war will escalate into a market access war, and companies will be forced to choose sides or split their operations. Taiwanese manufacturers must find a balance in the middle. Furthermore, China's weak domestic demand and its push to expand exports of electric vehicles, batteries, solar products, and mature-process chips will also impact emerging markets and the profits of Taiwan's traditional industries.

**In light of the challenges posed by changing economic and financial circumstances, we have formulated the following 2026 operational plans and business development strategies:**

I.With a cross-departmental collaboration mechanism to integrate internal resources, we will strengthen the organization's overall operational capabilities, transform resource advantages into growth momentum, connect various business units to provide one-stop financial services, and achieve group synergy.

II.Wealth management business – high-end and regional strategic positioning:

Build a complete value chain centered on differentiation and professionalism.

Provide real-time, personalized investment advice and global asset allocation through intelligent

investment advisory and overseas sub-brokerage services.

Establish an Asian asset center to cultivate high-net-worth clients.

### III.AI dual-engine transformation – intelligent services and smart investment

1.Introduce intelligent investment advisory, intelligent customer services, and an AI customer tagging system to improve customer satisfaction and loyalty.

2.Enhance trading efficiency, risk hedging capabilities, and investment returns through AI, including AI-assisted equity risk analysis, AI-supported trading, strategic model analysis and parameter optimization, as well as market alerts and forecasting.

### IV.Sustainable talent development – talent development and succession mechanism

1.Business elite development program: Systematically cultivate employees’ professional, service, communication, and data analysis skills, and optimize the salary, bonus, and reward and recognition system.

2.Succession plan: Ensure that there is an appropriate talent pool for each key position, and lay the foundation for the organization’s long-term development with a more comprehensive system.

In the past year, the global economy has undergone significant changes due to the accelerated commercialization of AI and geopolitical restructuring. However, the Company still achieved record profits by leveraging flexible strategies and a professional team, demonstrating its operational resilience and strong execution capabilities. Looking to the future, the Company will continue to strengthen its core capabilities, integrate resources to maximize synergy, and simultaneously deepen its presence in high-end wealth management and Asian asset management centers. We will also combine AI to transform our operations and investment capabilities, and enhance organizational resilience through sustainable talent development to steadily expand our market influence.

At the same time, we firmly believe that truly sustainable profitability is based on sound governance and sustainable business practices. The Company will implement environmental responsibility, engage in social participation, and uphold high standards of corporate governance, creating robust performance while building a long-term, reliable value foundation for our shareholders.

Chairman : Chou, Hsiu-Chen

## **Capital Securities Corporation Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements (including Consolidated Financial Statements) and Earnings Distribution Proposal. The Financial Statements have been audited and certified by Wu, Cheng-Yen and Chen, Yi-Jen of KPMG Certified Public Accountants, who issued an auditors' report of unqualified opinion.

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

Submitted by

2026 General Shareholders' Meeting of Capital Securities Corporation

Capital Securities Corporation  
Convener of the Audit Committee  
Lee, Shen-Yi

April 10, 2026

## 2025 Distribution of Employees' and Directors' Remuneration

- I. The distribution of remuneration to employees for an amount of NT\$100,122,000 and remuneration to directors for an amount of NT\$24,032,875 was resolved in the board meeting of the Company on April 10, 2026. The aforesaid amount accounted for 1.5% and 0.36% of the Company's 2025 earning (the sum of net income before tax and the estimates of remuneration to employees and directors); also, it is to be distributed in cash.
- II. The difference between the amount of remuneration to employees and directors resolved by the Board of Directors and the estimated amount recognized as expense of the fiscal year is as follows:

Unit: New Taiwan Dollar (NT\$)

Item	Remuneration to Employees	Remuneration to Directors
Estimated amount recognized as expense of the fiscal year (A)	100,122,000	66,748,000
Proposed amount of distribution resolved by the Board of Directors (B)	100,122,000	24,032,875
Amount of difference (A – B)	-	42,715,125
Treatment of difference	The difference will be treated as a change of accounting estimate and adjusted to 2026 profit and loss.	

## Independent Auditors' Report

To the Board of Directors of Capital Securities Corporation:

### Opinion

We have audited the financial statements of Capital Securities Corporation("the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended then in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Company's financial statements are stated as follows:

#### 1. Valuation of financial instruments

Please refer to Note 4(f) for the related accounting policy regarding the valuation of financial instruments, Note 5(a) for accounting assumptions and estimation uncertainty of the valuation of financial instruments, Note 6(b) financial assets, Note 6(l) financial liabilities at fair value through profit or loss and Note 6(v)(v), fair value and fair value hierarchy of financial instruments for details.

#### Risk and descriptions of the key audit matter:

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

Procedures performed:

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

2. Goodwill impairment

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

Risk and descriptions of the key audit matter:

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

Procedures performed:

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

**Other Matter**

We did not audit the financial statements of Capital Investment Trust Corporation, an associate of Capital Securities Corporation. Those financial statements were audited by another auditor, whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Capital Investment Trust Corporation, is based solely on the report of another auditor. The recognized investment amount of Capital Investment Trust Corporation under equity method constituted 0.60% and 0.63% of total assets of December 31, 2025 and 2024, respectively, and the recognized profit of loss under using equity method constituted 6.98% and 6.00% of net income before income tax for the years then ended, respectively.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 6, 2026

#### **Notes to Readers**

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL SECURITIES CORPORATION**

**Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
<b>110000 Current assets:</b>				
111100 Cash and cash equivalents (note 6(a))	\$ 5,607,868	2	3,874,686	1
112000 Financial assets at fair value through profit or loss - current (notes 6(b) and 8)	89,030,841	30	68,047,676	27
113200 Financial assets at fair value through other comprehensive income - current (note 6(b))	25,911,825	9	30,534,249	12
114030 Receivable for securities provided as collateral	23,273,590	8	22,137,746	9
114040 Refinancing margin	26,361	-	49,349	-
114050 Refinancing collateral receivable	21,941	-	41,089	-
114060 Receivable of securities business money lending	32,338,389	11	32,677,621	13
114090 Collateral for securities borrowed	183,465	-	140,311	-
114100 Security borrowing margin	13,501,773	5	14,026,729	5
114110 Notes receivable	11,813	-	7,458	-
114130 Accounts receivable (note 6(c))	25,846,472	9	13,281,849	5
114150 Prepayments	61,312	-	75,091	-
114170 Other receivables	195,577	-	80,568	-
114200 Other financial assets - current	116	-	-	-
119095 Amounts held for each customer in the account (note 6(n))	44,167,892	15	35,555,711	14
119990 Other current assets-others	692,493	-	1,287,075	1
	<u>260,871,728</u>	<u>89</u>	<u>221,817,208</u>	<u>87</u>
<b>120000 Non-current assets:</b>				
122000 Financial assets at fair value through profit or loss - non-current (notes 6(b) and 8)	179,227	-	177,730	-
123200 Financial assets at fair value through other comprehensive income - non-current (note 6(b))	4,884,922	2	4,444,378	2
123300 Financial assets at amortized cost - non-current (note 6(b))	5,511,713	2	6,567,032	3
124100 Investments accounted for under equity method (note 6(d))	10,513,961	3	9,050,706	4
125000 Property and equipment (notes 6(e) and 8)	2,163,851	1	2,413,859	1
125800 Right-of-use assets (notes 6(f))	434,499	-	508,192	-
126000 Investment property (notes 6(g) and 8)	4,213,751	1	3,959,267	1
127000 Intangible assets (note 6(h))	3,562,561	1	3,559,782	1
129000 Other non-current assets	1,474,110	1	1,281,167	1
	<u>32,938,595</u>	<u>11</u>	<u>31,962,113</u>	<u>13</u>
<b>Total assets</b>	<b>\$ <u>293,810,323</u></b>	<b><u>100</u></b>	<b><u>253,779,321</u></b>	<b><u>100</u></b>

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL SECURITIES CORPORATION**

**Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and Equity</b>				
<b>210000 Current liabilities:</b>				
211100 Short-term borrowings (note 6(i))	\$ 6,563,030	2	7,304,896	3
211200 Commercial paper payable (note 6(j))	54,271,018	18	41,514,617	16
212000 Financial liabilities at fair value through profit or loss - current (note 6(l))	36,210,214	12	25,584,491	10
214010 Bonds sold under repurchase agreements (note 6(m))	43,305,196	15	53,683,935	21
214040 Guarantee deposited for short sales	2,564,848	1	2,527,527	1
214050 Proceeds payable from short sales	2,863,691	1	2,874,680	1
214070 Securities lending refundable deposits	16,352,311	6	16,292,813	7
214090 Equity for each customer in the account (note 6(n))	44,167,892	15	35,555,711	14
214110 Notes payable	-	-	152	-
214130 Accounts payable (note 6(o))	22,187,408	8	10,423,517	4
214150 Advance receipts	26,889	-	30,465	-
214160 Receipts under custody	290,283	-	817,799	-
214170 Other payables	1,574,140	1	1,070,747	1
214200 Other financial liabilities - current (note 6(w))	8,571,912	3	6,420,134	3
214600 Current income tax liabilities	663,869	-	532,295	-
215100 Provisions - current (note 6(q))	56,472	-	51,149	-
216000 Current lease liabilities (note 6(p))	182,277	-	179,875	-
219000 Other current liabilities	5,199	-	5,163	-
	<u>239,856,649</u>	<u>82</u>	<u>204,869,966</u>	<u>81</u>
<b>220000 Non-Current liabilities:</b>				
221200 Long-term borrowings(note 6(k))	6,000,000	2	4,497,142	2
222000 Financial liabilities at fair value through profit or loss - non current (note 6(l))	184,863	-	112,762	-
224200 Other financial liabilities - non-current (note 6(w))	996,775	-	516,042	-
226000 Non-current lease liabilities(note 6(p))	287,597	-	373,492	-
228000 Deferred income tax liabilities(note 6(r))	702,849	-	807,440	-
229000 Other non-current liabilities (note 6(q))	224,692	-	331,235	-
	<u>8,396,776</u>	<u>2</u>	<u>6,638,113</u>	<u>2</u>
<b>Total liabilities</b>	<u>248,253,425</u>	<u>84</u>	<u>211,508,079</u>	<u>83</u>
301010 Common stock (note 6(s))	21,709,081	8	21,709,081	9
302000 Capital surplus (note 6(s))	2,781,067	1	2,743,257	1
304000 Retained earnings:				
304010 Legal reserve	3,783,173	1	3,299,604	1
304020 Special reserve	7,836,822	3	6,869,685	3
304040 Unappropriated earnings (note 6(s))	6,120,588	2	4,919,483	2
305120 Exchange differences on translation of foreign operations	48,589	-	153,408	-
305140 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,277,578	1	2,576,724	1
<b>Total equity</b>	<u>45,556,898</u>	<u>16</u>	<u>42,271,242</u>	<u>17</u>
<b>Total liabilities and equity</b>	<u>\$ 293,810,323</u>	<u>100</u>	<u>253,779,321</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL SECURITIES CORPORATION**

**Statements of Comprehensive Income**

For the years ended December 31, 2025 and 2024

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

	2025		2024	
	Amount	%	Amount	%
<b>Income:</b>				
401000	\$ 5,277,697	32	5,258,106	36
402000	15,718	-	5,037	-
403000	611,465	4	604,666	4
404000	127,762	1	128,998	1
406000	172,983	1	103,732	1
410000	7,323,896	44	6,448,837	44
421100	186,113	1	170,353	1
421200	4,090,866	25	3,792,354	26
421300	1,286,174	8	1,391,937	10
421500	3,298,465	20	(970,401)	(7)
421600	(3,028,403)	(18)	(1,104,322)	(8)
421610	(2,060,134)	(13)	(71,139)	-
421750	185,379	1	75,396	-
421800	(2,717)	-	(8,305)	-
422200	(683,400)	(4)	252,443	2
424100	139,961	1	145,793	1
424400	647,932	4	(949,011)	(6)
424500	(1,234,164)	(8)	(543,867)	(4)
425100	(1,002)	-	-	-
425300	(3,045)	-	(5,154)	-
428000	134,965	1	(113,685)	(1)
	<u>16,486,511</u>	<u>100</u>	<u>14,611,768</u>	<u>100</u>
<b>Expenses:</b>				
501000	511,990	3	483,379	3
502000	60,538	-	61,972	-
503000	2,217	-	1,885	-
504000	2,108	-	2,230	-
521200	2,460,072	15	2,831,518	20
521640	1,138,594	7	839,876	6
524200	38,199	-	23,478	-
524300	1,603	-	-	-
528000	160,560	1	80,711	-
531000	3,522,806	21	2,921,236	20
532000	403,354	3	407,756	3
533000	3,581,489	22	3,161,941	22
	<u>11,883,530</u>	<u>72</u>	<u>10,815,982</u>	<u>74</u>
<b>Other income (expenses):</b>				
601100	1,238,914	8	1,073,942	8
602000	674,756	4	913,212	6
	<u>1,913,670</u>	<u>12</u>	<u>1,987,154</u>	<u>14</u>
902001	6,516,651	40	5,782,940	40
701000	780,717	5	899,164	6
	<u>5,735,934</u>	<u>35</u>	<u>4,883,776</u>	<u>34</u>
<b>Other comprehensive income:</b>				
<b>Components that may not be reclassified to profit or loss in subsequent periods:</b>				
805510	104,802	1	(203,958)	(1)
805540	386,607	2	283,940	2
805560	(1,260)	-	81,288	-
805599	-	-	-	-
	<u>490,149</u>	<u>3</u>	<u>161,270</u>	<u>1</u>
<b>Components that may be reclassified to profit or loss in subsequent periods:</b>				
805610	(92,465)	(1)	199,602	1
805615	382,944	2	(354,645)	(2)
805660	(26,683)	-	44,025	-
805699	(14,329)	-	22,363	-
	<u>278,125</u>	<u>1</u>	<u>(133,381)</u>	<u>(1)</u>
805000	768,274	4	27,889	-
902006	\$ 6,504,208	39	4,911,665	34
975000	2.64		2.25	
985000	\$ 2.64		2.25	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)  
**CAPITAL SECURITIES CORPORATION**

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024  
 (Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Total other equity interest			Total Equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
\$ 21,709,081	2,743,256	2,889,367	6,049,211	4,201,815	(67,855)	2,722,009	40,246,883	
	-	-	-	4,883,776	-	-	4,883,776	
	-	-	-	(203,640)	221,264	10,265	27,889	
	-	-	-	4,680,136	221,264	10,265	4,911,665	
	-	-	410,237	-	(410,237)	-	-	
	-	-	-	820,474	(820,474)	-	-	
	-	-	-	-	(2,887,307)	-	(2,887,307)	
	-	-	-	-	155,550	(155,550)	-	
21,709,081	2,743,257	3,299,604	6,869,685	4,919,483	153,408	2,576,724	42,271,242	
	-	-	-	5,735,934	-	-	5,735,934	
	-	-	-	106,602	(104,819)	766,491	768,274	
	-	-	-	5,842,536	(104,819)	766,491	6,504,208	
	-	-	483,569	-	(483,569)	-	-	
	-	-	-	967,137	(967,137)	-	-	
	-	-	-	-	(3,256,362)	-	(3,256,362)	
	-	-	-	-	65,637	(65,637)	-	
\$ 21,709,081	2,781,067	3,783,173	7,836,822	6,120,588	48,589	3,277,578	45,856,898	
	37,810	-	-	-	-	-	37,810	

**Balance at January 1, 2024**  
 Net income for the year ended December 31, 2024  
 Other comprehensive income  
 Total comprehensive income  
 Appropriation and distribution of retained earnings: (note 6(\$))  
 Legal reserve  
 Special reserve  
 Cash dividends of common stocks  
 Disposal of investments in equity instruments designated at fair value through other comprehensive income  
 Changes in ownership interests in subsidiaries  
**Balance at December 31, 2024**  
 Net income for the year ended December 31, 2025  
 Other comprehensive income  
 Total comprehensive income  
 Appropriation and distribution of retained earnings: (note 6(\$))  
 Legal reserve  
 Special reserve  
 Cash dividends of common stocks  
 Disposal of investments in equity instruments designated at fair value through other comprehensive income  
 Changes in ownership interests in subsidiaries  
**Balance at December 31, 2025**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL SECURITIES CORPORATION**

**Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 6,516,651	5,782,940
<b>Adjustments:</b>		
<b>Income and expenses items:</b>		
Depreciation expense	355,017	358,967
Amortization expense	48,337	48,789
Expected credit impairment losses	3,045	5,154
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(1,235,614)	1,049,845
Financial cost	2,460,072	2,831,518
Net loss arising from derecognition of financial assets measured at amortized cost	1,002	-
Interest revenue (including financial revenue)	(4,156,351)	(3,860,583)
Dividend revenue	(1,413,666)	(1,467,963)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,238,914)	(1,073,942)
Gain on disposal of investments under equity method	-	(406)
Net loss (gain) on non-operating financial instruments at fair value through profit or loss	39,689	(9,073)
Net gain on lease modifications	(25)	(157)
<b>Subtotal of income of non-cash activities</b>	<u>(5,137,408)</u>	<u>(2,117,851)</u>
<b>Changes in operating assets and liabilities:</b>		
Increase in financial assets at fair value through profit or loss	(17,728,603)	(5,873,973)
Decrease (increase) in financial assets at fair value through other comprehensive income	4,954,858	(7,057,676)
Increase in receivable for securities provided as collateral	(1,135,844)	(5,414,706)
Decrease (increase) in refinancing margin	22,988	(32,730)
Decrease (increase) in receivable on refinancing collateral	19,148	(27,242)
Decrease (increase) in receivable of securities business money lending	339,232	(26,791,117)
Increase in collateral for securities borrowed	(43,154)	(42,937)
Decrease (increase) in security borrowing margin	524,956	(1,531,458)
Increase in notes receivable	(4,355)	(850)
(Increase) decrease in accounts receivable	(12,645,777)	2,664,869
Decrease in prepayments	13,779	48,872
Increase in other receivables	(112,410)	(11,416)
Decrease (increase) in other current assets	594,582	(431,057)
Increase in other financial assets - current	(116)	-
Increase in other non-current assets	(191,827)	(128,211)
Increase in financial liabilities at fair value through profit or loss	8,637,690	4,762,491
(Decrease) increase in bonds sold under repurchase agreements	(10,378,739)	2,227,343
Increase in guarantee deposited for short sales	37,321	523,766
(Decrease) increase in proceeds payable from short sales	(10,989)	580,036
Increase in securities lending refundable deposits	59,498	811,647
Decrease in notes payable	(152)	(14)
Increase in accounts payable	11,798,248	918,630
(Decrease) increase in advance receipts	(3,576)	10,244
(Decrease) increase in receipts under custody	(527,516)	495,350
Increase (decrease) in other payable	505,205	(425,499)
Increase in provision - current	5,323	5,737
Increase in other financial liabilities	2,632,511	2,035,511
Increase in other current liabilities	36	544
Decrease in other non-current liabilities	(1,741)	(49,839)
<b>Total changes in assets and liabilities from operating activities</b>	<u>(12,639,424)</u>	<u>(32,733,685)</u>
<b>Total adjustments</b>	<u>(17,776,832)</u>	<u>(34,851,536)</u>

(English Translation of Financial Statements Originally Issued in Chinese)

**CAPITAL SECURITIES CORPORATION**

**Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash generated from operating activities	\$ (11,260,181)	(29,068,596)
Interest received	4,207,645	3,492,119
Dividends received	2,162,062	2,016,732
Interest paid	(2,492,233)	(3,007,097)
Income taxes paid	(739,405)	(601,284)
<b>Net Cash flows used in operating activities</b>	<u>(8,122,112)</u>	<u>(27,168,126)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(5,001)	(862,000)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,410	676
Acquisition of financial assets at amortized cost	(667,136)	(1,239,300)
Proceeds from disposal of financial assets at amortized cost	1,597,633	-
Proceeds from capital reduction of investments accounted for under equity method	-	7,400
Acquisition of investments accounted for using equity method	(1,032,436)	-
Increase in deferred debits	(1,403)	(205)
Acquisition of property and equipment	(178,128)	(124,839)
Acquisition of intangible assets	(51,979)	(42,663)
<b>Net cash flows used in investing activities</b>	<u>(335,040)</u>	<u>(2,260,931)</u>
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings	(741,866)	2,013,045
Increase in commercial papers payable	12,756,401	28,424,448
Proceeds from long-term borrowings	6,000,000	4,500,000
Repayments of long-term borrowings	(4,500,000)	-
Payment of lease liabilities	(191,140)	(181,899)
Cash dividends paid	(3,256,362)	(2,887,307)
<b>Net cash flows provided by financing activities</b>	<u>10,067,033</u>	<u>31,868,287</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>123,301</u>	<u>87,807</u>
<b>Increase in cash and cash equivalents</b>	<u>1,733,182</u>	<u>2,527,037</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>3,874,686</u>	<u>1,347,649</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 5,607,868</u>	<u>3,874,686</u>

See accompanying notes to financial statements.

## **Independent Auditors' Report**

To the Board of Directors of  
Capital Securities Corporation:

### **Opinion**

We have audited the consolidated financial statements of Capital Securities Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Group's financial statements are stated as follows:

## 1. Valuation of financial instruments

Please refer to Note 4(g) for the related accounting policy regarding the valuation of financial instruments, Note 5(a) for accounting assumptions and estimation uncertainty of the valuation of financial instruments, Note 6(b) financial assets, Note 6(n) financial liabilities at fair value through profit or loss and Note 6(x)(v), fair value and fair value hierarchy of financial instruments for details.

### Risk and descriptions of the key audit matter:

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

### Procedures performed:

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

## 2. Goodwill impairment

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

### Risk and descriptions of the key audit matter:

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

### Procedures performed:

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

## **Other Matter**

We did not audit the financial statements of Capital Investment Trust Corporation, an associate of Capital Securities Corporation. Those financial statements were audited by another auditor, whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Capital Investment Trust Corporation, is based solely on the report of another auditor. The recognized investment amount of Capital Investment Trust Corporation under equity method constituted 0.49% and 0.52% of consolidated total assets of December 31, 2025 and 2024, respectively, and the recognized profit of loss under using equity method constituted 6.13% and 5.28% of consolidated net income before income tax for the years then ended, respectively.

The Group has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion with other matters paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 6, 2026

#### **Notes to Readers**

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

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

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

**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2025		December 31, 2024		
	Amount	%	Amount	%	
<b>Assets</b>					
<b>Current assets:</b>					
110000					
111100	Cash and cash equivalents (note 6(a))	\$ 14,666,156	4	9,289,189	3
112000	Financial assets at fair value through profit or loss - current (notes 6(b) and 8)	91,246,381	26	69,363,225	22
113200	Financial assets at fair value through other comprehensive income - current (note 6(b))	26,484,889	8	31,059,002	10
114010	Bonds purchased under resale agreements (note 6(c))	210,718	-	250,121	-
114030	Receivable for securities provided as collateral	23,394,006	7	22,406,866	7
114040	Refinancing margin	26,361	-	49,349	-
114050	Refinancing collateral receivable	21,941	-	41,089	-
114060	Receivable of securities business money lending	32,338,389	9	32,677,621	11
114070	Customers' margin account (note 6(e))	57,416,523	16	48,810,284	16
114080	Receivable - futures margin	1	-	-	-
114090	Collateral for securities borrowed	277,904	-	542,368	-
114100	Security borrowing margin	13,594,435	4	14,378,972	5
114110	Notes receivable	11,813	-	7,458	-
114130	Accounts receivable (note 6(d))	25,984,058	7	13,784,088	4
114150	Prepayments	79,422	-	95,292	-
114170	Other receivables	529,722	-	491,011	-
114200	Other financial assets - current	116	-	-	-
114300	Leverage contract trading - customers' margin account	572,040	-	907,903	-
114600	Current income tax assets	621	-	1,126	-
119095	Amounts held for each customer in the account (note 6(p))	44,167,892	12	35,555,711	12
119990	Other current assets-others	780,419	-	3,216,222	1
		331,803,807	93	282,926,897	91
<b>Non-current assets:</b>					
120000					
122000	Financial assets at fair value through profit or loss - non-current (notes 6(b) and 8)	179,227	-	177,730	-
123200	Financial assets at fair value through other comprehensive income - non-current (note 6(b))	5,168,875	1	4,710,452	2
123300	Financial assets at amortized cost - non-current (note 6(b))	5,511,713	2	6,567,032	2
124100	Investments accounted for under equity method (note 6(f))	1,827,971	-	1,668,360	1
125000	Property and equipment (notes 6(g) and 8)	2,895,225	1	3,151,015	1
125800	Right-of-use assets (note 6(h))	493,474	-	560,957	-
126000	Investment property (notes 6(i) and 8)	3,689,539	1	3,422,160	1
127000	Intangible assets (note 6(j))	3,625,945	1	3,616,766	1
129000	Other non-current assets	2,203,900	1	1,887,133	1
		25,595,869	7	25,761,605	9
<b>Total assets</b>		\$ 357,399,676	100	308,688,502	100

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

**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>Liabilities and Equity</b>				
<b>210000 Current liabilities:</b>				
211100 Short-term borrowings (note 6(k))	\$ 6,563,030	2	7,304,896	2
211200 Commercial paper payable (note 6(l))	54,271,018	15	41,514,617	14
212000 Financial liabilities at fair value through profit or loss - current (note 6(n))	36,493,070	10	26,097,565	9
214010 Bonds sold under repurchase agreements (note 6(o))	43,285,089	12	53,622,868	17
214040 Guarantee deposited for short sales	2,564,848	1	2,527,527	1
214050 Proceeds payable from short sales	2,863,691	1	2,874,680	1
214070 Securities lending refundable deposits	16,352,311	5	16,292,813	5
214080 Futures traders' equity (note 6(e))	57,279,256	16	48,552,145	16
214090 Equity for each customer in the account (note 6(p))	44,167,892	13	35,555,711	12
214100 Leverage contract trading - customers' equity	571,630	-	907,350	-
214110 Notes payable	-	-	152	-
214130 Accounts payable (note 6(q))	22,387,114	6	11,429,911	4
214150 Advance receipts	33,054	-	34,281	-
214160 Receipts under custody	299,580	-	825,388	-
214170 Other payables	1,915,410	1	1,414,546	-
214200 Other financial liabilities - current (note 6(y))	8,571,912	2	6,420,134	2
214600 Current income tax liabilities	811,011	-	655,028	-
215100 Provisions - current (note 6(s))	68,403	-	61,267	-
216000 Current lease liabilities (note 6(r))	210,608	-	199,337	-
219000 Other current liabilities	32,840	-	54,888	-
	<u>298,741,767</u>	<u>84</u>	<u>256,345,104</u>	<u>83</u>
<b>220000 Non-Current liabilities:</b>				
221200 Long-term borrowings (note 6(m))	6,000,000	2	4,497,142	2
222000 Financial liabilities at fair value through profit or loss - non-current (note 6(u))	184,863	-	112,762	-
224200 Other financial liabilities - non-current (note 6(y))	996,775	-	516,042	-
226000 Non-current lease liabilities (note 6(r))	321,010	-	409,190	-
228000 Deferred income tax liabilities (note 6(t))	722,421	-	836,027	-
229000 Other non-current liabilities	228,037	-	335,762	-
	<u>8,453,106</u>	<u>2</u>	<u>6,706,925</u>	<u>2</u>
<b>Total liabilities</b>	<u>307,194,873</u>	<u>86</u>	<u>263,052,029</u>	<u>85</u>
<b>Equity attributable to shareholders of the parent:</b>				
301010 Common stock (note 6(u))	21,709,081	6	21,709,081	7
302000 Capital surplus (note 6(u))	2,781,067	1	2,743,257	1
304000 Retained earnings:				
304010 Legal reserve	3,783,173	1	3,299,604	1
304020 Special reserve	7,836,822	2	6,869,685	2
304040 Unappropriated earnings (note 6(u))	6,120,588	2	4,919,483	2
305120 Exchange differences on translation of foreign operations	48,589	-	153,408	-
305140 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,277,578	1	2,576,724	1
<b>Total equity attributable to the parent company</b>	<u>45,556,898</u>	<u>13</u>	<u>42,271,242</u>	<u>14</u>
306000 Non-controlling interests	4,647,905	1	3,365,231	1
<b>Total equity</b>	<u>50,204,803</u>	<u>14</u>	<u>45,636,473</u>	<u>15</u>
<b>Total liabilities and equity</b>	<u>\$ 357,399,676</u>	<u>100</u>	<u>308,688,502</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	2025		2024	
	Amount	%	Amount	%
<b>Income:</b>				
401000	\$ 7,162,589	37	7,128,833	42
402000	15,718	-	5,037	-
403000	611,465	3	604,658	3
404000	127,762	1	128,998	1
406000	172,983	1	103,732	1
410000	7,364,668	38	6,537,604	38
421100	185,362	1	169,671	1
421200	4,100,690	22	3,819,086	22
421300	1,307,755	7	1,412,477	8
421500	3,324,262	17	(934,128)	(5)
421600	(3,225,248)	(17)	(1,061,569)	(6)
421610	(2,064,953)	(11)	(63,427)	-
421750	185,379	1	75,396	-
421800	(2,717)	-	(8,305)	-
422200	(683,400)	(3)	252,443	1
424100	546,308	3	319,734	2
424400	986,464	5	(882,448)	(5)
424500	(1,097,729)	(6)	(440,024)	(3)
424800	28,420	-	9,018	-
424900	38,287	-	24,774	-
425100	(1,002)	-	-	-
425300	(21,106)	-	(4,872)	-
428000	169,034	1	(47,598)	-
	<u>19,230,991</u>	<u>100</u>	<u>17,149,090</u>	<u>100</u>
<b>Expenses:</b>				
501000	1,179,692	6	959,087	6
502000	71,159	-	74,770	-
503000	2,217	-	1,885	-
504000	2,108	-	2,230	-
521200	2,553,884	13	2,915,410	17
521640	1,141,648	6	839,876	5
524100	351,999	2	330,340	2
524300	219,978	1	214,318	1
528000	170,212	1	87,508	1
531000	4,545,312	24	3,829,558	22
532000	497,967	3	490,947	3
533000	4,074,669	21	3,603,942	21
	<u>14,810,845</u>	<u>77</u>	<u>13,349,871</u>	<u>78</u>
<b>Other income (expenses):</b>				
601000	505,534	3	385,857	2
602000	2,491,687	13	2,387,295	14
	<u>2,997,221</u>	<u>16</u>	<u>2,773,152</u>	<u>16</u>
902001	7,417,367	39	6,572,371	38
701000	1,091,244	6	1,170,296	7
	<u>6,326,123</u>	<u>33</u>	<u>5,402,075</u>	<u>31</u>
<b>Other comprehensive income:</b>				
805500	<b>Components that may not be reclassified to profit or loss in subsequent periods:</b>			
805510	106,892	1	(203,732)	(1)
805540	385,228	2	367,036	2
805550	6,782	-	7,675	-
805599	-	-	-	-
	<u>498,902</u>	<u>3</u>	<u>170,979</u>	<u>1</u>
805600	<b>Components that may be reclassified to profit or loss in subsequent periods:</b>			
805610	(140,555)	(1)	277,528	2
805615	382,944	2	(354,645)	(2)
805699	(14,329)	-	22,363	-
	<u>256,718</u>	<u>1</u>	<u>(99,480)</u>	<u>-</u>
805000	755,620	4	71,499	1
902006	<u>7,081,743</u>	<u>37</u>	<u>5,473,574</u>	<u>32</u>
<b>Net income attributable to:</b>				
913100	\$ 5,735,934	30	4,883,776	28
913200	590,189	3	518,299	3
	<u>\$ 6,326,123</u>	<u>33</u>	<u>\$ 5,402,075</u>	<u>31</u>
<b>Total comprehensive income attributable to:</b>				
914100	\$ 6,504,208	34	4,911,665	29
914200	577,535	3	561,909	3
	<u>\$ 7,081,743</u>	<u>37</u>	<u>\$ 5,473,574</u>	<u>32</u>
975000	2.64		2.25	
985000	<u>2.64</u>		<u>2.25</u>	

See accompanying notes to consolidated financial statements.

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

**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to the parent company							Total equity attributable to the parent company	Non-controlling interests	Total Equity
	Stock	Retained earnings	Special reserve	Legal reserve	Capital surplus	Unappropriated earnings	Exchange differences on translation of foreign operations			
<b>Balance at January 1, 2024</b>	21,709,081	2,743,256	2,889,367	6,049,211	4,201,815	(67,856)	2,722,009	40,246,883	3,117,641	43,364,524
Net income for the year ended December 31, 2024	-	-	-	4,883,776	-	-	-	4,883,776	518,299	5,402,075
Other comprehensive income	-	-	-	(203,640)	221,264	-	10,265	21,889	43,610	71,499
Total comprehensive income	-	-	-	4,680,136	221,264	-	10,265	4,911,665	561,909	5,473,574
Appropriation and distribution of retained earnings: (note 6(u))	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	410,237	-	(410,237)	-	-	-	-	-
Special reserve	-	-	-	820,474	(820,474)	-	-	-	-	-
Cash dividends of common stocks	-	-	-	-	(2,887,307)	-	-	-	-	(2,887,307)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,55,550	-	(1,55,550)	-	-	-
Changes in ownership interests in subsidiaries	-	1	-	-	-	-	-	-	1	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2024	21,709,081	2,743,257	3,299,604	6,869,685	4,919,483	153,408	2,576,724	42,271,242	3,365,231	45,636,473
Net income for the year ended December 31, 2025	-	-	-	-	5,735,934	-	-	5,735,934	590,189	6,326,123
Other comprehensive income	-	-	-	-	1,06,602	(104,819)	766,491	768,274	(12,654)	755,620
Total comprehensive income	-	-	-	-	5,842,536	(104,819)	766,491	6,504,208	577,535	7,081,743
Appropriation and distribution of retained earnings: (note 6(u))	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	483,569	-	(483,569)	-	-	-	-	-
Special reserve	-	-	-	967,137	(967,137)	-	-	-	-	-
Cash dividends of common stocks	-	-	-	-	(3,256,362)	-	-	(3,256,362)	-	(3,256,362)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	65,637	-	(65,637)	-	-	-
Changes in ownership interests in subsidiaries	-	37,810	-	-	-	-	-	37,810	-	37,810
Changes in non-controlling interests	-	-	-	-	-	-	-	-	705,139	705,139
<b>Balance at December 31, 2025</b>	<b>21,709,081</b>	<b>2,781,067</b>	<b>3,783,173</b>	<b>7,836,822</b>	<b>6,120,588</b>	<b>48,589</b>	<b>3,277,578</b>	<b>45,556,898</b>	<b>4,647,905</b>	<b>50,204,803</b>

See accompanying notes to consolidated financial statements.

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

**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 7,417,367	6,572,371
<b>Adjustments:</b>		
<b>Income and expenses items:</b>		
Depreciation expense	438,825	435,440
Amortization expense	59,142	55,507
Expected credit impairment losses	21,106	4,872
Net (gain) loss on financial assets or liabilities at fair value through profit	(1,256,592)	1,005,860
Financial cost	2,553,884	2,915,410
Net loss arising from derecognition of financial assets measured at amortized cost	1,002	-
Interest revenue (including financial revenue)	(5,772,497)	(5,361,950)
Dividend revenue	(1,443,610)	(1,500,819)
Share-based payment	10,427	-
Shares of profit of associates and joint ventures accounted for using equity method	(505,534)	(385,857)
Gain on disposal of investments under equity method	-	(406)
Net gain on non-operating financial instruments at fair value through profit or loss	(41,151)	(13,828)
Impairment loss on non-financial assets	-	6,504
Net gains on lease modifications	(25)	(157)
<b>Subtotal of income of non-cash activities</b>	<u>(5,935,023)</u>	<u>(2,839,424)</u>
<b>Changes in operating assets and liabilities:</b>		
Increase in financial assets at fair value through profit or loss	(18,521,955)	(6,200,511)
Decrease (increase) in bonds purchased under resale agreements	39,404	(189,913)
Increase in receivable for securities provided as collateral	(988,699)	(5,009,112)
Decrease (increase) in refinancing margin	22,988	(32,730)
Decrease (increase) receivable on refinancing collateral	19,148	(27,242)
Decrease (increase) in receivable of securities business money lending	339,232	(26,791,117)
Increase in customers' margin account	(8,606,239)	(9,935,603)
Decrease in margin receivable of futures trading	237	282
Decrease (increase) in collateral for securities borrowed	264,464	(327,602)
Decrease (increase) in security borrowing margin	784,537	(1,795,021)
Increase in notes receivable	(4,355)	(850)
(Increase) decrease in accounts receivable	(12,297,864)	2,881,566
Decrease in prepayments	12,128	56,873
Increase in other receivables	(25,405)	(298,174)
Increase in other financial assets - current	(116)	-
Decrease (increase) in financial assets at fair value through other comprehensive income	4,876,982	(7,141,622)
Decrease (increase) in leverage contract trading-customers' margin account	335,863	(195,448)
Decrease (increase) in other current assets	2,435,803	(1,212,082)
Increase in other non-current assets	(313,465)	(135,106)
(Decrease) increase in bonds sold under repurchase agreements	(10,337,779)	2,197,702
Increase in financial liabilities at fair value through profit or loss	8,402,652	5,056,496
Increase in guarantee deposited for short sales	37,321	523,766
(Decrease) increase in proceeds payable from short sales	(10,989)	580,036
Increase in securities lending refundable deposits	59,498	811,647
Increase in futures traders' equity	8,727,111	9,789,969
(Decrease) increase in leverage contract trading - customers' equity	(335,720)	173,817
Decrease in notes payable	(152)	(14)
Increase in accounts payable	10,991,561	459,577
(Decrease) increase in advance receipts	(1,227)	11,852
(Decrease) increase in receipts under custody	(525,808)	497,454
Increase (decrease) in other payable	503,395	(322,645)
Increase in provision - current	7,136	6,480
Increase in other financial liabilities	2,632,511	2,035,511
(Decrease) increase in other current liabilities	(22,048)	11,279
Decrease in other non-current liabilities	(3,203)	(49,857)
<b>Total changes in assets and liabilities from operating activities</b>	<u>(11,503,053)</u>	<u>(34,570,342)</u>
<b>Total adjustments</b>	<u>(17,438,076)</u>	<u>(37,409,766)</u>

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

**CAPITAL SECURITIES CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash generated from operating activities	\$ (10,020,709)	(30,837,395)
Interest received	5,810,129	5,004,214
Dividends received	1,801,334	1,638,579
Interest paid	(2,586,943)	(3,093,155)
Income taxes paid	(1,034,032)	(914,859)
<b>Net Cash flows used in operating activities</b>	<u>(6,030,221)</u>	<u>(28,202,616)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(5,273)	(862,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,578	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,410	676
Acquisition of financial assets at amortized cost	(667,136)	(1,239,300)
Proceeds from disposal of financial assets at amortized cost	1,597,633	-
Proceeds from capital reduction of investments accounted for under equity method	4	7,400
Acquisition of property and equipment	(236,845)	(168,980)
Acquisition of intangible assets	(69,276)	(52,114)
Increase in deferred debits	(1,218)	(498)
Increase in prepayments for business facilities	(1,897)	(5,681)
<b>Net cash flows provided by (used in) investing activities</b>	<u>629,980</u>	<u>(2,320,497)</u>
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings	(741,866)	1,430,462
Increase in commercial papers payable	12,756,401	28,424,448
Proceeds from long-term borrowings	6,000,000	4,500,000
Repayments of long-term borrowings	(4,500,000)	-
Payment of lease liabilities	(219,604)	(212,739)
Cash dividends paid	(3,571,391)	(3,201,626)
Issuance of common stock for cash by subsidiaries	1,047,564	-
Proceed from right of inclusion options exercised	-	2
<b>Net cash flows provided by financing activities</b>	<u>10,771,104</u>	<u>30,940,547</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>6,104</u>	<u>273,575</u>
<b>Increase in cash and cash equivalents</b>	<u>5,376,967</u>	<u>691,009</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>9,289,189</u>	<u>8,598,180</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 14,666,156</u>	<u>9,289,189</u>

See accompanying notes to consolidated financial statements.

**Capital Securities Corporation**  
**Statement of Earnings Distribution**  
**2025**

Unit: NTD

No.	Items	Amount	Notes
1	Unappropriated earnings of prior years	212,415,511	
2	Add : Gain on rereasurements of defined benefit plans	106,602,032	
3	Net Income of 2025	5,735,933,321	
4	The disposal gains of investments in equity instruments at fair value through other comprehensive income of 2025	65,636,362	
	Subtotal	6,120,587,226	
	Less :		
5	Legal Reserve	590,817,172	((2)+(3)+(4))*10%
6	Special Reserve	1,181,634,343	((2)+(3)+(4))*20%
	Unappropriated earnings Available for Distribution	4,348,135,711	
	Distribution items :		
7	Cash Dividends to Shareholders	868,363,239	NT\$ 0.40 per share
8	Stock Dividends to Shareholders	2,843,889,610	NT\$ 1.31 per share
9	Unappropriated earnings	635,882,862	

Chairman : Chou, Hsiu-Chen  
President : Lee, Wen-Chu  
Head of Accounting : Miao, Tzu-ching

**Capital Securities Corporation**  
**Comparison Table of Amendments to the Procedures for the**  
**Acquisition or Disposal of Assets**

Provisions after amendment	Provisions before amendment	Description
<p>Article 11: Information disclosure and public announcement</p> <p>I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission's (FSC) designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of the event:</p> <p>(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivative transactions reaching the limits on aggregate losses or losses on individual contracts.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party,</p>	<p>Article 11: Information disclosure and public announcement</p> <p>I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission's (FSC) designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of the event:</p> <p>(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivative transactions reaching the limits on aggregate losses or losses on individual contracts.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party,</p>	<p>Amendments were made to Article 31 and Article 35 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Provisions after amendment	Provisions before amendment	Description
<p>and the transaction amount reaches the following requirements:</p> <ol style="list-style-type: none"> <li>1. A public company with a paid-in capital of less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.</li> <li>2. A public company with a paid-in capital of NT\$10 billion or more, but <u>less than NT\$50 billion</u>, and the transaction amount reaches NT\$1 billion or more.</li> <li>3. <u>A public company with a paid-in capital of NT\$50 billion or more, and the transaction amount reaches 5% or more of the company's paid-in capital.</u></li> </ol> <p>(V) Where real property is acquired under an arrangement involving engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore, the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p><u>(VI) For a public company with a paid-in capital of NT\$50 billion or more, the following securities – government bonds, ordinary corporate bonds, and general financial bonds not involving equity (excluding subordinated bonds) – listed on the stock exchange or traded at the business premises of securities firms, other than the circumstances specified in the proviso of Subparagraph 7, provided that the trading counterparty is not a related party and the transaction amount</u></p>	<p>and the transaction amount reaches the following requirements:</p> <ol style="list-style-type: none"> <li>1. A public company with a paid-in capital of less than NT\$10 billion, and the transaction amount reaches NT\$500 million or more.</li> <li>2. A public company with a paid-in capital of NT\$10 billion and more, and the transaction amount reaches NT\$1 billion or more.</li> </ol> <p>(V) Where real property is acquired under an arrangement involving engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore, the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p>	

Provisions after amendment	Provisions before amendment	Description
<p data-bbox="264 210 647 286"><u>reaches or exceeds 5% of the company's paid-in capital.</u></p> <p data-bbox="201 293 730 741"><u>(VII)</u> Asset transactions, disposal of claims by financial institutions, or investment in mainland China, other than those in the preceding <u>six</u> subparagraphs, reach 20% of the company's paid-in capital or NT\$300 million or more (subject to regulations of the competent authority). However, this shall not apply to the following circumstances:</p> <ol data-bbox="264 748 730 2051" style="list-style-type: none"> <li data-bbox="264 748 730 943">1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</li> <li data-bbox="264 949 730 1973">2. An investor who specializes in investment in trading marketable securities on stock exchanges or at the business premises of securities dealers; in subscribing to foreign government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds) offered and issued in the primary market; in subscribing to or redeeming securities investment trust funds or futures trust funds; in subscribing to or repurchasing index-linked securities; or in subscribing to securities through a securities firm as part of its underwriting services or in its capacity as the counseling/recommending securities firm for Emerging Stock Market companies, in accordance with the regulations of the Taipei Exchange.</li> <li data-bbox="264 1980 730 2051">3. Trading of bonds under repurchase and resale</li> </ol>	<p data-bbox="762 293 1294 741"><u>(VI)</u> Asset transactions, disposal of claims by financial institutions, or investment in mainland China, other than those in the preceding <u>five</u> subparagraphs, reach 20% of the company's paid-in capital or NT\$300 million or more (subject to regulations of the competent authority). However, this shall not apply to the following circumstances:</p> <ol data-bbox="826 748 1294 2051" style="list-style-type: none"> <li data-bbox="826 748 1294 943">1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</li> <li data-bbox="826 949 1294 1973">2. An investor who specializes in investment in trading marketable securities on stock exchanges or at the business premises of securities dealers; in subscribing to foreign government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds) offered and issued in the primary market; in subscribing to or redeeming securities investment trust funds or futures trust funds; in subscribing to or repurchasing index-linked securities; or in subscribing to securities through a securities firm as part of its underwriting services or in its capacity as the counseling/recommending securities firm for Emerging Stock Market companies, in accordance with the regulations of the Taipei Exchange.</li> <li data-bbox="826 1980 1294 2051">3. Trading of bonds under repurchase and resale</li> </ol>	

Provisions after amendment	Provisions before amendment	Description
<p>agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(VIII) The calculation method for the transaction amounts in Subparagraphs 1 to <u>7</u> in the preceding paragraph is as follows. “Within one year” refers to the year prior to the date of the transaction, and any portion already announced in accordance with regulations need not be counted toward the transaction amount.</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>II. If any errors or omissions are discovered in the items the Company is required to announce according to regulations, the Company shall re-announce all items within two days of becoming aware of them.</p>	<p>agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(VII) The calculation method for the transaction amounts in Subparagraphs 1 to <u>6</u> in the preceding paragraph is as follows. “Within one year” refers to the year prior to the date of the transaction, and any portion already announced in accordance with regulations need not be counted toward the transaction amount.</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>II. If any errors or omissions are discovered in the items the Company is required to announce according to regulations, the Company shall re-announce all items within two days of becoming aware of them.</p>	

Provisions after amendment	Provisions before amendment	Description
<p>III. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>IV. After the Company announces and reports the transaction as stipulated in Paragraph 1 of this Article, it shall announce and report relevant information on the website designated by the FSC within two days of the fact occurring if any of the following circumstances apply:</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p>V. The announcement format is processed according to the attachment listed in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>VI. For the calculation of 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of the Company whose shares have no par value or a par value other than NT\$10 for the calculation of transaction amounts of 20% of paid-</p>	<p>III. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>IV. After the Company announces and reports the transaction as stipulated in Paragraph 1 of this Article, it shall announce and report relevant information on the website designated by the FSC within two days of the fact occurring if any of the following circumstances apply:</p> <p>(I) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(III) Change to the originally publicly announced and reported information.</p> <p>V. The announcement format is processed according to the attachment listed in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>VI. For the calculation of 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or have a par value other than NT\$10, for the calculation of transaction amounts equal to 20% of</p>	

Provisions after amendment	Provisions before amendment	Description
<p>in capital, 10% of equity attributable to owners of the parent shall be substituted; <u>for the calculation of transaction amounts of 5% of paid-in capital, 2.5% of equity attributable to owners of the parent shall be substituted</u>; for the calculation of transaction amount relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted; <u>for the calculation of transaction amount relative to paid-in capital of NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent shall be substituted.</u></p>	<p>paid-in capital, 10% of equity attributable to owners of the parent shall be used instead; for the calculation of transaction amounts relative to a paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be used instead.</p>	

**Capital Securities Corporation**  
**Procedures for the Acquisition or Disposal of Assets (Draft)**

Formulation: June 16, 2003  
1st amendment: June 14, 2005  
2nd amendment: June 15, 2007  
3rd amendment: June 27, 2012.  
4th amendment: June 18, 2014  
5th amendment: June 27, 2016  
6th amendment: June 26, 2017  
7th amendment: June 24, 2019  
8th amendment: June 22, 2020  
9th amendment: June 27, 2022  
10th amendment: May 27, 2026.

Article 1: The Company’s acquisition or disposal of assets shall be handled in accordance with these Procedures and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter referred to as the “Regulations”) formulated by the Financial Supervisory Commission (hereinafter referred to as the “FSC”). However, where financial laws and regulations or the competent authorities provide otherwise, such provisions shall prevail.

Article 2: The term “assets” as used in these Procedures includes the following:

- I. Securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property) and equipment.
- III. Memberships.
- IV. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of through merger, demerger, acquisition, or share transfer as required by law.
- IX. Other major assets

Article 3: The Company shall acquire real property not for business use and right-of-use assets, with the total amount of securities and the limit for each security governed by the regulations of the competent authority.

Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:

- I. May not have been previously convicted and sentenced to imprisonment of one year or more for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or other occupational crimes. However, this provision does not apply if three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel concerned in this article shall comply with the self-regulatory guidelines of their respective professional associations and the following items:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

For acquisition or disposal of assets through court auction procedure, documentation issued by the court may be used in lieu of an appraisal report or CPA's opinion.

Article 5: Procedures for the acquisition and disposal of securities

- I. Evaluation and operating procedures
 

The purchase and sale of securities investments by the Company shall be handled in accordance with the relevant operating procedures of the Company's internal control system investment cycle.
- II. Determination procedures for transaction terms and authorized amounts
  - (I) For the acquisition or disposal of long-term securities investment, the executive unit shall make an assessment. If the transaction amount is less than NT\$300 million (exclusive), the chairman is authorized to decide; if the amount is NT\$300 million or more, it shall be submitted to the Board of Directors for resolution.
  - (II) Except for long-term investments, the acquisition or disposal of securities investments is evaluated by the executive unit and submitted to the general manager for approval.
- III. Executive unit
 

When the Company acquires or disposes of securities, it shall be submitted for approval according to the approval authority stipulated in the preceding paragraph, and the relevant

responsible unit shall be in charge of implementation upon approval.

- IV. The Company acquiring or disposing of securities shall, prior to the date of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant, prior to the date of the event, to provide an opinion regarding the reasonableness of the transaction price. However, this does not apply if the securities are publicly quoted in an active market or if the FSC has stipulated otherwise.
- V. The transaction amount under this Article shall be calculated in accordance with Article 11, Paragraph 1, Subparagraph (VII). However, appraisal reports issued by professional appraisers or accountant's opinions obtained as required need not be counted toward the transaction amount.

Article 6: Procedures for the acquisition or disposal of real property, equipment, intangible assets, or right-of-use assets, or memberships.

I. Evaluation and operating procedures

The Company shall acquire or dispose of real property, equipment, intangible assets, right-of-use assets, or membership interests in accordance with the relevant operating rules of the Company's internal control system for the real property, plant, and equipment cycle.

II. Determination procedures for transaction terms and authorized amounts

(I) The transactions to be submitted to the Board of Directors for resolution are as follows:

- 1. Acquisition or disposal of real property.
- 2. The transaction amount for the acquisition or disposal of equipment, intangible assets, right-of-use assets, or memberships reaches or exceeds NT\$300 million.

(II) In the acquisition or disposal of real property or its right-of-use assets, the transaction conditions and prices shall be determined with reference to the publicly assessed value, appraised value, actual transaction prices of neighboring real property. An analysis report shall be prepared and submitted for approval in accordance with the approval authority limits set out in Subparagraph (I) of this Paragraph.

(III) The acquisition or disposal of equipment or its right-of-use assets shall be conducted via one of the following methods – inquiry, price comparison, negotiation, or bidding – and submitted for approval in accordance with the approval authority limits set out in Subparagraph (I) of this Paragraph.

(IV) In the acquisition or disposal of intangible assets, right-of-use assets, or memberships, the transaction conditions and price shall be determined with reference to the fair market price or an expert appraisal report, and an analysis report shall be prepared. The matter shall then be submitted for approval in accordance with the approval authority limits set out in Subparagraph (I) of this paragraph.

III. Executive unit

When the Company acquires or disposes of real property, equipment, intangible assets, or right-of-use assets or memberships, implementation shall be the responsibility of the relevant authority and responsible units after submission for approval in accordance with the authority limits outlined in the preceding paragraph.

IV. Appraisal reports on real property, equipment or right-of-use assets

In acquiring or disposing of real property, equipment, or right-of-use assets thereof, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company – unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets held for business use – shall obtain an appraisal report (the items to be recorded in the appraisal report are detailed in the attachment of the handling criteria set by the FSC) from a professional real property appraiser prior to the date of the event, and shall further comply with the following provisions:

- (I) In special circumstances where a transaction must adopt a restricted, specific, or special price as its pricing reference, such transaction shall first be approved by resolution of the Board of Directors. The same requirement applies to any subsequent changes in the transaction terms.
- (II) For transactions that reach or exceed NTD 1 billion, valuations from at least two professional valuers shall be obtained.
- (III) If the valuations concluded by the professional valuers exhibit any of the following, a certified public accountant must be engaged to provide opinions on the reasons for the discrepancies and the appropriateness of the transaction price, unless all valuation results for assets acquired are higher than the transaction price, or all valuation results for assets disposed of are lower than the transaction price.
  1. The valued price differs from the transaction price by 20% or above.
  2. When the values estimated by at least two professional valuers differ by 10% or more.
- (IV) Where professional valuation is used, the valuer's report must be dated no further than three months from the contract date. However, if the report still applies to the same government-declared current value and is no more than six months old, an opinion can be accepted from the original valuer instead.
- V. Where the Company acquires or disposes of intangible assets or right-of-use assets or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of the event to render an opinion on the reasonableness of the transaction price.
- VI. The transaction amount under this Article shall be calculated in accordance with Article 11, Paragraph 1, Subparagraph (VII); however, appraisal reports issued by a professional appraiser or opinions provided by a certified public accountant (CPA), obtained as required, shall not be included in the calculation of the transaction amount.

Article 7: Related party transactions

- I. The Company shall comply with the provisions of Article 5 and Article 6 when acquiring or disposing of assets with related parties, and if the transaction amount reaches more than 10% of the Company's total assets, an appraisal report issued by a professional real property appraiser or a CPA's opinion shall also be obtained in accordance with the provisions of the preceding two Articles. In addition to the above requirements, the procedures for relevant resolutions and the evaluation of the reasonableness of transaction terms shall be carried out as stipulated below. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

- II. When the Company intends to acquire or dispose of real property or the right to use real property from or to any related party, or to acquire or dispose of assets other than real property from or to any related party where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of its total assets, or NT\$300 million or more, excluding the purchase or sale of domestic government bonds, repurchase or reverse repurchase bond transactions, or the subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the following information shall be submitted to and approved by the Audit Committee and the Board of Directors before entering into the transaction contract and making any payment:
- (I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.
  - (II) The reason for choosing the related party as a transaction counterparty.
  - (III) When the Company acquires real property or its right-of-use assets from a related party, information related to the appraisal of the rationality of the predetermined transaction terms in accordance with the requirements stipulated in Subparagraphs (I) to (IV), Paragraph 6 of this Article.
  - (IV) The related party's original acquisition date and price, the transaction counterparty, and its relationship to the company and related parties.
  - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
  - (VI) An appraisal report issued by a professional real property appraiser or a CPA's opinion shall also be obtained pursuant to Paragraph 1 of this Article.
  - (VII) Restrictive covenants and other important stipulations associated with the transaction.
- III. When the Company and its subsidiaries, or subsidiaries in which the Company directly or indirectly holds 100% of the outstanding shares or total capital, engage in the following transactions within NT\$500 million (inclusive), the Board of Directors may authorize the chairman to initially decide on such matters, with the decisions to be subsequently submitted to the most recent meeting of the Board of Directors for ratification.
- (I) Acquisition or disposal of equipment or right-of-use assets for business use.
  - (II) Acquisition or disposal of right-of-use assets for real property for business use.
- IV. Where the Company or the Company's subsidiary that is not a domestic public company engages in the transaction as described in paragraph 2 and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in Paragraph 2 to the shareholders' meeting for approval prior to entering into a transaction contract and paying the amount. However, this restriction does not apply to transactions between the Company and its subsidiaries or between subsidiaries.
- V. The calculation of the transaction amounts in Paragraph 2 and the preceding paragraph shall be carried out in accordance with Subparagraph (VII), Paragraph 1 of Article 11, provided that amounts approved by the shareholders' meeting, the Audit Committee, and the Board of Directors as required need not be counted toward the transaction amount.
- VI. Evaluation of the reasonableness of transaction costs
- (I) When the Company acquires real property or its right-of-use assets from a related party, the reasonableness of the transaction costs shall be evaluated as follows:
    - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The so-called "necessary interest on

funding” is calculated based on the weighted average interest rate on borrowing in the year the company purchases the property, provided it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan, provided that the actual cumulative amount loaned by the financial institution is 70% or more of the financial institution’s appraised loan value of the property, and the loan period is one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
  - (III) When the Company acquires real property or its right-of-use assets from a related party, it shall evaluate the cost of the real property or its right-of-use assets in accordance with the requirements stipulated in Subparagraphs (I) and (II), Paragraph 6 of this Article, and consult a certified public accountant for a second review and expression of substantive opinion.
  - (IV) When the Company acquires real property or its right-of-use assets from a related party, and the results of the Company’s appraisal, conducted in accordance with the requirements stipulated in Subparagraphs (I) and (II), Paragraph 6 of this Article, are uniformly lower than the transaction price, the matter shall be handled in accordance with Subparagraph (V), Paragraph 6 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
    1. For related parties who acquire or rent vacant land for construction, proof shall be provided to meet one of the following conditions:
      - (1) Where undeveloped land is appraised in accordance with the means stipulated in Subparagraphs (I) and (II), Paragraph 6 of this Article, and structures according to the related party’s construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The so-called “reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
      - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
    2. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions

completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land, as described in the preceding paragraph, in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters, or parcels close in publicly announced current value. Transactions involving similarly sized parcels, in principle, refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. Within the preceding year refers to the year preceding the date of the acquisition of the real property or the obtainment of the right-of-use assets thereof.

(V) If the Company acquires real property or right-of-use assets thereof from a related party, and the results of appraisals conducted in accordance with Subparagraphs (I) and (II), Paragraph 6 of this Article are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Paragraph 1, Article 41 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, the special reserve called for under the first paragraph of Article 41 of the Act shall be set aside pro rata in proportion to the public company's equity stake in the other company.
2. The independent directors serving on the Audit Committee shall be appointed and serve in accordance with Article 218 of the Company Act.
3. Actions taken pursuant to the first two points of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company and public companies whose investments in the Company are accounted for under the equity method, and are provided with the special reserve described above, may not utilize the special reserve until they have recognized a loss on the decline in market value of the assets they purchased or leased at a premium, or until the assets have been disposed of, the leasing contract has been terminated, adequate compensation has been made, the status quo ante has been restored, other evidence confirms that there was nothing unreasonable about the transaction, and the FSC has given its consent.

(VI) When the Company acquires real property or rights-of-use assets from a related party under any of the following circumstances, it shall follow the appraisal and operational procedures prescribed in Paragraphs 1 to 5 of this Article. The provisions of Subparagraphs (I), (II), and (III) of Paragraph 6 regarding the reasonableness of transaction costs shall not apply.

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with

the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

(VII) If there is other evidence indicating that the Company's acquisition of real property or its right-of-use assets from a related party was not an arm's length transaction, the matter shall be handled in accordance with Subparagraph (V), Paragraph 6 of this Article.

**Article 8: Acquisition or disposal of receivables from financial institutions**

In principle, the Company does not engage in transactions involving the acquisition or disposal of claims of financial institutions. If the Company wishes to engage in transactions for the acquisition or disposal of claims from financial institutions, it shall submit such actions to the Board of Directors for approval, followed by the establishment of evaluation and processing procedures.

**Article 9: Acquisition or disposal of derivatives**

- I. The Company conducts derivatives trading or engages in derivatives trading in accordance with the provisions of other laws applicable to securities firms and futures commission merchants and other financial licensed businesses, and is exempt from the provisions of Chapter 2, Section 4 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" governing derivatives trading.
- II. The Company and its subsidiaries that are not domestic public companies shall enter the status of their derivatives trading as of the end of the previous month into the information reporting website designated by the FSC by the 10th day of each month, and comply with announcement or filing requirements under relevant regulations.

**Article 10 Merger, demerger, acquisition or transfer of shares**

- I. Evaluation and operating procedures
  - (I) In the event of a merger, demerger, acquisition or transfer of shares, the Company shall, before the convention of the Board for resolution, retain certified public accountants, lawyers or securities underwriters to express opinion on the rationality of the ratio of share swap, acquisition, price, the cash paid to the shareholders or other assets, and present the opinions to the Board for discussion and decision. However, the requirement to obtain the aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.
  - (II) The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting, and deliver it together with the expert opinion referred to in Subparagraph (I) of this Article and the notice of the shareholders' meeting, for shareholders' reference in deciding whether to approve the merger, demerger, or acquisition. However, this

restriction shall not apply where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition.

Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

## II. Other matters

- (I) Dates of board meetings: A company participating in a merger, demerger, or acquisition shall convene a board meeting and a shareholders' meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise provided by law or the FSC has been notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall convene a board meeting on the same day, unless otherwise provided by law or the FSC has been notified in advance of extraordinary circumstances and grants consent.
- (II) Record retention: When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
  1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to the disclosure of the information.
  2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
  3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of the board meetings.
- (III) Information Reporting: When participating in a merger, demerger, acquisition, or transfer of shares of a listed company or a company whose shares are traded at a securities dealer's premises, the company shall, within two days (inclusive) from the date of approval of the resolution by the Board of Directors, submit the information specified in Points 1 and 2, Subparagraph 2 of this Article, to the Financial Supervisory Commission (FSC) for recordation, using the prescribed format via the Internet-based information system.
- (IV) Prior confidentiality undertaking: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to the public disclosure of the information. Additionally, they may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (V) The share exchange ratio or acquisition price may not be changed arbitrarily, except as

provided in the following circumstances, which shall be stipulated in the contract.

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

(VI) Contract Details: The rights and obligations of the companies participating in a merger, demerger, acquisition, or transfer of shares shall be clearly stipulated in the contract, which shall also specify the following matters:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

(VII) Change in the number of companies participating in a merger, demerger, acquisition, or share transfer: After the information has been publicly disclosed, if any party to the merger, demerger, acquisition, or share transfer intends to conduct another merger, demerger, acquisition, or share transfer with another company, the procedures or legal actions that have already been completed for the original transaction shall be re-performed by all participating companies, except where the number of participating companies decreases and a shareholders' meeting has adopted a resolution authorizing the board of directors to alter its authority, in which case the participating companies may be exempted from convening another shareholders' meeting to adopt a new resolution.

(VIII) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall enter into an agreement and shall comply with the procedures set forth in Paragraph 2, Subparagraph (I) regarding the date of the board meeting; Paragraph 2, Subparagraph (II) regarding the retention of information; Paragraph 2, Subparagraph (III) regarding information reporting; Paragraph 2, Subparagraph (IV) regarding prior confidentiality

- undertakings; and Paragraph 2, Subparagraph (VII) regarding changes in the number of companies participating in the merger, demerger, acquisition, or transfer of shares.
- (IX) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not listed on a stock exchange or whose shares are traded at a securities dealer's premises, the Company shall enter into an agreement and comply with the provisions of Subparagraph (II), Paragraph 2 of this Article regarding the retention of information, and Subparagraph (III) of this Article regarding information reporting.

Article 11: Information disclosure and public announcement

- I. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the Financial Supervisory Commission's (FSC) designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of the event:
- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivative transactions reaching the limits on aggregate losses or losses on individual contracts.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches the following requirements:
1. Where the paid-in capital of the company is less than NT\$10 billion, and the transaction amount equals or exceeds NT\$500 million.
  2. Where the paid-in capital of the company is NT\$10 billion or more but less than NT\$50 billion, and the transaction amount equals or exceeds NT\$1 billion.
  3. Where the paid-in capital of the company is NT\$50 billion or more, and the transaction amount equals or exceeds 5% of the company's paid-in capital.
- (V) Where real property is acquired under an arrangement involving engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore, the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (VI) For a public company with a paid-in capital of NT\$50 billion or more, the following securities – government bonds, ordinary corporate bonds, and general financial bonds not involving equity (excluding subordinated bonds) – listed on the stock exchange or traded at the business premises of securities firms, other than the circumstances specified in the proviso of Subparagraph 7, provided that the trading counterparty is not a related party and the transaction amount reaches or exceeds 5% of the company's

paid-in capital.

(VII) Asset transactions, disposal of claims by financial institutions, or investment in mainland China, other than those in the preceding six subparagraphs, reach 20% of the company's paid-in capital or NT\$300 million or more (subject to regulations of the competent authority). However, this shall not apply to the following circumstances:

1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
2. An investor who specializes in investment may engage in trading marketable securities on stock exchanges or at the business premises of securities dealers; subscribe to foreign government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds) offered and issued in the primary market; subscribe to or redeem securities investment trust funds or futures trust funds; subscribe to or repurchase index-linked securities; or subscribe to securities through a securities firm as part of its underwriting services or in its capacity as the counseling/recommending securities firm for Emerging Stock Market companies, in accordance with the regulations of the Taipei Exchange.
3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(VIII) The calculation method for the transaction amounts in Subparagraphs 1 to 7 in the preceding paragraph is as follows. "Within one year" refers to the year prior to the date of the transaction, and any portion already announced in accordance with regulations need not be counted toward the transaction amount.

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

II. If any errors or omissions are discovered in the items the Company is required to announce according to regulations, the Company shall re-announce all items within two days of becoming aware of them.

III. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

IV. After the Company announces and reports the transaction as stipulated in Paragraph 1 of this Article, it shall announce and report relevant information on the website designated by the FSC within two days of the fact occurring if any of the following circumstances apply:

- (I) Change, termination, or rescission of a contract signed in regard to the original

transaction.

(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(III) Change to the originally publicly announced and reported information.

- V. The announcement format is processed according to the attachment listed in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
- VI. For the calculation of 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of the Company whose shares have no par value or a par value other than NT\$10 for the calculation of transaction amounts of 20% of paid-in capital, 10% of equity attributable to owners of the parent shall be substituted; for the calculation of transaction amounts of 5% of paid-in capital, 2.5% of equity attributable to owners of the parent shall be substituted; for the calculation of transaction amount relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted; for the calculation of transaction amount relative to paid-in capital of NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent shall be substituted.

Article 12: Procedures for controlling the acquisition or disposal of assets by subsidiaries:

- I. Subsidiaries shall also formulate and implement the “Procedures for the Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
- II. Subsidiaries shall check whether the procedures for the acquisition or disposal of assets they establish comply with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” and whether acquisition and disposal of asset transactions are conducted in accordance with the relevant matters stipulated in the procedures they establish.
- III. Internal audit shall review the self-inspection reports of subsidiaries and related matters.
- IV. The Company shall announce and report the acquisition or disposal of assets for a subsidiary that is not a domestic public company and has reached the standards for announcement and reporting set forth in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
- V. The announcement and reporting standard of subsidiaries regarding the requirement of paid-in capital or total assets is based on the Company’s paid-in capital or total assets.

Article 13: If any employee of the Company breaches these procedures in the acquisition or disposal of assets, they shall be disciplined in accordance with the Company’s personnel work rules and relevant regulations, depending on the severity of the violation.

Article 14: Supplementary provisions

- I. The establishment of or amendments to these procedures shall be approved by a majority of all members of the Audit Committee, submitted to the Board of Directors for resolution, and then proposed for approval by shareholders. If the approval of a majority of all members of the Audit Committee as required is not obtained, these procedures may be implemented upon approval by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The entire Audit

Committee and the entire Board of Directors are calculated based on the actual number of serving members.

- II. The Company shall obtain or dispose of assets in accordance with these procedures or other applicable laws and regulations, and such transactions must first be approved by a majority of all members of the Audit Committee before being submitted to the Board of Directors for resolution. If the approval of a majority of all members of the Audit Committee as required is not obtained, these procedures may be implemented upon approval by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The entire Audit Committee and the entire Board of Directors are calculated based on the actual number of serving members.

## Capital Securities Corporation

### Articles of Incorporation

#### Chapter 1 General Provisions

Article 1: The Company was incorporated in accordance with the provisions of the Company Act and is named Capital Securities Corp.

Article 2: The business scope of the Company is as follows:

- I. H301011 Securities Brokerage.
- II. H401011 Futures Brokerage.
- III. H408011 Futures Introducing Broker.
- IV. H105011 Trust.
- V. H304011 Securities Investment Consulting.
- VI. H405011 Futures Advisory.

Article 2-1 The Company's business scope is as follows:

- I. Underwriting of securities.
- II. Trading securities on a centralized exchange on its own account.
- III. Trading securities on a centralized exchange on behalf of clients.
- IV. Trading securities on its own account at its business premises.
- V. Trading securities on its business premises on behalf of clients.
- VI. Engaging in margin trading and short selling of securities.
- VII. Acting as an agent for shareholder matters relating to securities.
- VIII. Acting as a broker for foreign securities.
- IX. Engaging in short-term bills business.
- X. Engaging in futures introducing business.
- XI. Engaging in proprietary trading of securities-related futures.
- XII. Engaging in securities business loans.
- XIII. Acting as an agent for clients' entrusted use of surplus funds from securities trading.
- XIV. Engaging in trust business.
- XV. Engaging in international securities business.
- XVI. Other securities-related businesses approved by the competent authority.

Article 3: The Company is headquartered in Taipei City and may establish branch offices domestically and internationally as deemed necessary by the Board of Directors.

Article 4: The Company's public announcements shall be posted in newspapers, electronic newspapers, or on the

website established or designated by the central competent authority, unless otherwise required by the securities competent authority.

Article 4-1: The Company may make equity investments in industries permitted by the competent authority, and the total investment amount as a percentage of paid-in capital, unless otherwise stipulated by law, is not limited by the total equity investment amount under Article 13 of the Company Act.

Article 4-2: Where necessary for business needs, the Company may offer guarantees within the scope approved by the competent authority.

#### Chapter 2 Shares

Article 5: The total capital of the Company is set at NT\$30 billion, divided into 3 billion shares, with a par value of NT\$10 per share, and the Board of Directors is authorized to issue the shares in tranches. Preferred shares may be issued within the aforementioned total number of shares.

150 million shares of the aforementioned total number of shares are reserved for the issuance of stock warrants, and the Board of Directors is authorized to issue them in tranches as business needs require.

Article 6: The shares of the Company are all in registered form and shall be signed or sealed by the chairman and two or more directors. They shall be duly certified or authenticated by a competent authority or a certifying institution appointed by the competent authority before issuance.

The shares issued by the Company may be uncertificated and shall be registered with a securities depository institution.

Article 7: The change of name and transfer of shares shall be suspended 60 days before a general shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within five days before the Company decides to pay out dividends, bonuses, or other benefits.

Article 8: The share registration and investor services shall be handled in accordance with the requirements of the competent authority.

Article 8-1 Taiwan Depository & Clearing Corporation may, upon request, require the Company to consolidate and reissue shares in the form of high-denomination securities.

#### Chapter 3 Shareholders' Meeting

Article 9: The Company's shareholders' meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting is convened once a year, within 6 months after the end of fiscal year, while an extraordinary general meeting is convened when necessary in accordance with the law.

The Company's shareholders' meetings may be held via video conference or by other means announced by the central competent authority.

Article 10: The Company's shareholders' meeting shall be convened by the Board of Directors with the chairman as the chairperson of the meeting. In the event of the chairman's absence, the vice chairman shall act on behalf of the chairman. If both the chairman and vice chairman are absent, the chairman shall designate a director to act on behalf of the chairman. If the chairman does not designate a person, the directors shall elect one from among themselves to act as chairperson. However, this restriction does not apply if otherwise provided in the Company Act.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall preside the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

Article 11: Unless otherwise provided in Article 179 of the Company Act, shareholders of the Company are entitled to one vote per share. When a shareholder is unable to attend a shareholders' meeting for any reason, they may appoint a proxy to attend with a power of attorney issued by the Company, specifying the scope of authorization. However, unless the proxy is a trust or a share registrar agency approved by the securities authorities, if one person is appointed as proxy by two or more shareholders, the voting rights represented by the proxy exceeding 3% of the total voting rights of the issued shares will not be counted. The proxy referred to in the preceding paragraph shall be delivered to the Company no later than five days prior to the scheduled date of the shareholders' meeting, and shall be signed or sealed. In the event of duplicate submissions, the proxy received first shall prevail. Except for the declaration of revocation of the previous appointment.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 12: Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be adopted by approval by a majority of the voting rights of attending shareholders representing a majority of the total number of issued shares.

Article 12-1: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairperson. Within twenty days after the conclusion of the meeting, the minutes may be distributed to shareholders, including by public announcement.

#### Chapter 4 Directors and Board of Directors

Article 13: The Company shall have between 9 and 13 directors, serving a term of three years. Directors are selected by the shareholders' meeting from a list of candidates nominated according to the candidate nomination system, and are eligible for re-election.

In accordance with Article 14-2 of the Securities and Exchange Act and Article 4 of the Operational Directions of Taiwan Stock Exchange Corporation for Compliance with the Appointment and Exercise of Powers by the Board of Directors of Listed Companies, the number of independent directors shall be no fewer than three and shall constitute at least one-third of the total number of directors. Independent directors shall be elected by the shareholders' meeting from among the candidates on the nomination list under the candidate nomination system. Independent and non-independent directors are elected together, with the votes tallied separately.

If a director's term expires before a replacement can be elected, their term is extended until the new director assumes office.

Article 13-1: The Company shall establish an Audit Committee consisting of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. The number, terms of office, powers and responsibilities, rules of procedure, and exercise of powers of the Audit Committee shall be governed by the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the charter of the audit committee shall be separately formulated.

Matters that the supervisors are required to handle under the Securities and Exchange Act, the Company Act, and other applicable laws and regulations shall be handled by the Audit Committee. The provisions regarding the conduct of supervisors or those acting as representatives of the Company apply to the independent director members of the Audit Committee.

Article 14: The Board of Directors shall be organized by the directors. With the presence of more than two-thirds of the directors and the consent of a majority of those present, a chairman and a vice chairman shall be elected from among them. The chairman represents the Company externally.

Article 15: Unless otherwise provided by the Company Act, board meetings of the Company shall be convened by the chairman, and extraordinary meetings may be convened when necessary. Unless otherwise provided by the Company Act, resolutions shall be passed with the presence of a majority of the directors and the approval of a majority of those present.

A board meeting may be convened electronically to enhance the flexibility and efficiency of the convocation process, and the directors should be notified of the reason for the meeting seven days in advance. In case of emergency, a meeting can be called at any time and participants shall be notified as quickly as possible.

When directors convene a meeting, directors may authorize another director to act as their proxy.

However, a proxy may only represent one director.

A board meeting may be held by video conference, and directors participating in the meeting via video conference shall be deemed to be present in person.

Article 15-1: The Company may take out liability insurance for directors during their term of office to cover their legal liability arising from the performance of their duties.

Article 16: When the chairman is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if the vice chairman is also on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as chair.

Article 17: The remuneration of the Company's directors is determined by the Board of Directors based on their level of participation in the Company's operations and their contributions, and is authorized to be paid in accordance with prevailing industry standards.

#### Chapter 5 Managers

Article 18: The Company shall have one general manager, who shall be appointed and removed by the Board of Directors in accordance with the law; a number of deputy general managers, associate managers, managers, and heads of branch offices shall be nominated by the general manager for appointment and removal by the Board of Directors; all other personnel shall be appointed and removed by the general manager.

#### Chapter 6 Accounting

Article 19: The Company's fiscal year begins on January 1 and ends on December 31 of each year. Upon the close of each fiscal year, the Board of Directors shall prepare (I) a business report. (II) Financial statements (III) Proposals for earnings distribution or loss compensation and other relevant documents. These are submitted to the annual general meeting for approval in accordance with statutory procedures.

Article 20: In order to continue to expand its scale and increase profitability while maintaining capital adequacy, the Company adopts a residual dividend policy.

If the Company makes a profit in a year, it shall allocate 0.6% to 2% of the profit for employee remuneration, including at least 0.4% for remuneration for rank-and-file employees, to be distributed in stock or cash as resolved by the Board of Directors. The distribution shall include employees of the Company and its subsidiaries who meet certain criteria, which will be determined at a Board of Directors' meeting. The Company may further allocate up to 3% of the said profit for director remuneration as resolved by the Board of Directors. The distribution of employee and director remuneration should be reported to the shareholders' meeting.

However, when the Company still has accumulated losses, it should first set aside funds to cover the losses and then allocate employee and director remuneration based on the aforementioned percentage.

Article 20-1: If the Company has a surplus in the annual final accounts, after paying taxes and offsetting accumulated

losses, the Company shall set aside 10% for legal reserve, 20% for special reserve, and any amount required to be set aside by law.

The Board of Directors proposes a plan for the distribution of surplus and the dividend distribution plan will be submitted to the shareholders' meeting for approval. The amount remaining of the aforesaid distributable balance after deducting retained earnings shall not be less than 10% of the distributable balance. Dividend types: In accordance with the Company's capital budget plan, stock dividends will be retained to fund necessary capital, with any remaining portion distributed in cash. Cash dividends will be no less than 10%.

Article 20-2: The Company may, at a shareholders' meeting attended by a majority of the total number of issued shares and with the consent of at least two-thirds of the voting rights of the shareholders present, transfer the shares at a price lower than the average price of repurchased shares to employees.

#### Chapter 7 Supplementary Provisions

Article 21: Any matters not specified in these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.

Article 22: These Articles of Incorporation were established on March 12, 1988.

1st amendment: March 15, 1989. 2nd amendment: September 8, 1989.

3rd amendment: April 20, 1990. 4th amendment: October 30, 1990.

5th amendment: May 26, 1992. 6th amendment: December 3, 1992.

7th amendment: December 14, 1993. 8th amendment: February 23, 1995.

9th amendment: April 29, 1996. 10th amendment: June 27, 1997.

11th amendment: April 10, 1998. 12th amendment: June 13, 2000.

13th amendment: April 3, 2001. 14th amendment: April 3, 2001.

15th amendment: May 15, 2002. 16th amendment: June 16, 2003.

17th amendment: June 14, 2005. 18th amendment: June 9, 2006.

19th amendment: June 15, 2007. 20th amendment: June 10, 2009.

21st amendment: June 15, 2010. 22nd amendment: December 23, 2010.

23rd amendment: June 15, 2011. 24th amendment: June 27, 2012.

25th amendment: June 25, 2013. 26th amendment: June 22, 2015.

27th amendment: June 27, 2016. 28th amendment: June 24, 2019.

29th amendment: June 27, 2023. 30th amendment: June 27, 2024.

31st amendment: May 28, 2025.

Amendments to the Articles of Incorporation took effect after approval by the shareholders' meeting.

## Capital Securities Corporation

### Rules of Procedure for Shareholders' Meetings

Formulation: February 23, 1995  
1st amendment: April 10, 1998  
2nd amendment: May 15, 2002  
3rd amendment: June 27, 2012.  
4th amendment: June 27, 2016.  
5th amendment: June 22, 2020.  
6th amendment: June 27, 2023.

- Article 1: Unless otherwise provided by the Company Act, the Securities and Exchange Act, and the Articles of Incorporation, the proceedings of the Company's shareholders' meetings shall be governed by these Rules.
- Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convening a shareholders' meeting via video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution from its Board of Directors. Furthermore, convening a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors. Any change of the means for convening of a shareholders' meeting shall be resolved by the Board of Directors. The change shall be made at the latest prior to sending a letter of notification of shareholders' meeting.
- Article 2: The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- Attendance at a shareholders' meeting is to be calculated based on shares held. The number of shares in attendance shall be calculated based on the shares indicated in the attendance book and sign-in cards submitted, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
- The virtual shareholders' meeting platform should accept registrations 30 minutes before the meeting starts. Shareholders who complete the registration process will be considered to be attending the shareholders' meeting in person.
- Article 3: If a shareholders' meeting is convened by the Board of Directors, the chairman shall preside over the meeting. When the chairman is on leave or, for any reason, unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman, or the vice chairman is also on leave or, for any reason, unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as chair.
- It is advised that at least a majority of the directors shall attend a shareholders' meeting convened by the Board.
- If a shareholders' meeting is convened by a party with power to convene but other than the

Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 5: When the scheduled meeting time arrives and shareholders representing more than one-half of the total issued shares are present, the chairperson shall declare the meeting duly convened. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, are made. If the quorum is not met after two adjournments, but shareholders present in person or by proxy represent one-third or more of the total number of issued shares, a provisional resolution may be adopted pursuant to Article 175 of the Company Act; such provisional resolution shall be notified to all shareholders, and another shareholders' meeting shall be convened within one month. When a quorum is met by the attending shareholders as described in the preceding paragraph, the chairperson may immediately call the meeting to order and submit the tentative resolution already made to the meeting for voting. If the quorum is not met after the delay referred to in the second paragraph, the chairperson shall declare the meeting adjourned and reschedule it; if the shareholders' meeting is held by video conference, the company shall also announce the adjournment on the virtual shareholders' meeting platform.

Article 6: If a shareholders' meeting is convened by the board, the agenda shall be set by the board. Votes shall be cast on each separate proposal (including ad hoc motions and amendments to the original proposals) on a case-by-case basis. The meeting shall proceed according to the set agenda, which may not be changed without a resolution of the shareholders' meeting. If a shareholders' meeting is called by a party other than the Board of Directors with convening power, the provisions of the preceding paragraph apply. Unless a motion (including an ad hoc motion) on the agenda prepared pursuant to the preceding two paragraphs has been concluded, the chairperson shall not dismiss the meeting without a resolution. If the chairperson violates the rules of procedure and dismisses the meeting, the other members of the Board of Directors shall promptly assist the attending shareholders in selecting a chairperson in accordance with legal procedures, with the approval of a majority of the voting rights of attending shareholders, and continue the meeting.

Article 7: Before speaking, an attending shareholder must complete a speaker's slip with the subject of

their speech, their shareholder account number (or attendance card number), and account name. The chairperson will determine the order of speakers.

Shareholders who submit a speaker's slip but do not speak shall be deemed not to have spoken. If there is any discrepancy between the content of the speech and the speaker's slip, the content of the speech prevails.

When a shareholder is speaking, other shareholders may not speak or interrupt unless they have obtained the consent of both the chairperson and the speaking shareholder; the chairperson shall halt any violation.

Except with the chairperson's consent, a shareholder may not speak more than twice on the same proposal, and each speech may not exceed five minutes. However, the chairperson may terminate a speech if it violates the rules or exceeds the scope of the agenda item.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the appointed representatives may speak on the same proposal.

After a shareholder speaks, the chairperson may respond personally or designate someone to do so.

If a shareholders' meeting is convened by video conference, shareholders participating via video conference may submit questions in text on the virtual shareholders' meeting platform after the chairperson calls the meeting to order and before adjournment is declared. Each shareholder may ask up to two questions per proposal, with each question not exceeding 200 words. Paragraphs 1 through 5 do not apply.

If the questions referred to in the preceding paragraph do not violate the regulations or exceed the scope of the agenda, they should be disclosed on the virtual shareholders' meeting platform for general information.

**Article 8:**

Votes at a shareholders' meeting shall be counted based on shares held.

Shares held by shareholders without voting rights shall not be counted toward the total number of issued shares for purposes of resolutions passed at a shareholders' meeting.

Except as otherwise provided in the Company Act for special resolutions, the passage of a proposal requires approval by a majority of the voting rights of attending shareholders. A proposal is deemed passed if the chairperson receives no objection from the attending shareholders after seeking their opinion, and has the same effect as a poll. When a shareholder appoints a proxy to attend a shareholders' meeting, except for a trust enterprise or a share registrar agency approved by the securities competent authority, if one person is appointed as proxy by two or more shareholders, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares, and any voting rights exceeding this limit will not be counted.

A shareholder with a conflict of interest that may harm the Company's interests shall not vote on the relevant matters and shall not act as a proxy for other shareholders in exercising their voting rights.

The number of shares for which voting rights may not be exercised as stated in the preceding paragraph shall not be counted among the voting rights of shareholders present.

When there is an amendment or an alternative to a proposal, the chairperson shall determine the order of voting, considering the original proposal as well. If any proposal is passed, all other proposals are deemed rejected and no further voting is required.

When the Company holds a shareholders' meeting, it shall adopt electronic voting and may

also adopt voting by correspondence. When voting is conducted by correspondence or electronically, the method of voting shall be specified in the notice of the shareholders' meeting. Shareholders casting their votes in writing or electronically are deemed to be present at the shareholders' meeting. However, shareholders shall be deemed to have abstained from voting on any ad hoc motions or amendments to the original proposals at that shareholders' meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means as described in the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. If duplicate declarations of intent are received, the one received earliest shall prevail. However, this limitation shall not apply to those who revoked their previous expression of intent before the declaration.

After a shareholder exercises voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person or via video conference, they must revoke their voting rights declaration in the same manner as their original exercise no later than two days before the date of the meeting. Any revocation submitted after the deadline will be considered invalid, and the voting rights exercised in writing or electronically will stand. If voting rights are exercised in writing or electronically and an agent is appointed to attend the shareholders' meeting, such voting rights shall be exercised through the agent.

When the Company convenes a video conference for its shareholders' meeting, shareholders participating via video conference must vote on motions and election items through the video conference platform after the chairperson calls the meeting to order. Voting must be completed before the chairperson declares the voting closed; otherwise, it will be deemed an abstention.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

Shareholders who have exercised their voting rights in writing or electronically and have not withdrawn such declaration of intent shall not, by attending the shareholders' meeting via video conference, exercise voting rights on the original proposals, propose amendments to the original proposals, or vote on any amendments to the original proposals, except with respect to ad hoc motions.

Article 9: When discussing a motion, the chairperson may declare the discussion closed at an appropriate time and suspend discussion if necessary. The chairperson shall then put the motion to a vote and allow sufficient time for voting.

Article 10: Before the completion of the agenda of the shareholders' meeting (including ad hoc motions), if the meeting venue is no longer in use, the shareholders' meeting may resolve to find another venue to continue the meeting.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting

within five days in accordance with Article 182 of the Company Act.

- Article 11: When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will resume.
- Article 12: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The minutes of the meeting shall accurately record the year, month, day, and place of the meeting, the full name of the chairperson, the methods by which resolutions were adopted, and a summary of the deliberations along with the voting results, including the number of voting rights counted. In the case of a directors' election, the number of votes received by each candidate shall also be disclosed. The minutes shall be retained for the duration of the Company's existence. Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's names, actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents, or other force majeure events, and how issues are dealt with shall also be included in the minutes. When convening a virtual-only shareholders' meeting, in addition to complying with the requirements set forth in the preceding paragraph, the Company shall record in the minutes the alternative measures provided for shareholders who have difficulty participating online.
- Article 13: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 14: Where the re-election of all directors, as well as their inauguration date, is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any ad hoc motion or otherwise in the same meeting.
- Article 15: Staff responsible for the administrative affairs of a shareholders' meeting shall wear identification badges or armbands.

The chairperson may direct inspectors or security personnel to assist in maintaining order at the meeting. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 16: The Company shall record the shareholders' meeting process with audio or video, and retain it for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 17: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

The voting results shall be announced on-site immediately, and a record made of the vote.

Article 18: These Rules shall take effect upon approval by the shareholders' meeting, and any amendments shall be adopted in the same manner.

## Capital Securities Corporation Shareholdings of All Directors

Book closure date: March 29, 2026

Title	Name	Shareholdings as of book closure date	Shareholding ratio (%)
Director	Representative of Yin Feng Enterprise Co., Ltd.: Chou, Hsiu-Chen	8,040,015	0.37%
Director	Representative of Yin Feng Enterprise Co., Ltd.: Liu, Ching-Tsun	8,040,015	0.37%
Director	Representative of Yin Feng Enterprise Co., Ltd.: Chou, Hsien-Yang	8,040,015	0.37%
Director	Representative of Hung Lung Enterprise Co., Ltd.: Chu, Shu-Er	50,871,288	2.34%
Director	Representative of Hung Lung Enterprise Co., Ltd.: Lin, Tzu-Yi	50,871,288	2.34%
Director	Representative of Hung Lung Enterprise Co., Ltd.: Tsai I-Ching	50,871,288	2.34%
Independent Director	Lee, Shen-Yi	0	0.00%
Independent Director	Lin, Tsalm-Hsiang	0	0.00%
Independent Director	Su, Chiu-Hsia	0	0.00%

Note: I. The 13th Board of Directors was elected on May 28, 2025, for a term of three years.

II. The Company's paid-in capital amounts to 2,170,908,097 shares.

III. Minimum statutory shareholding of all directors: 52,101,794 shares

Number of shares held as of the book closure date: 58,911,303 shares