

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 533,857	1	\$ 381,898	1
Financial assets at fair value through profit or loss - current	3,366,388	10	2,934,582	10
Financial assets at fair value through other comprehensive income - current	8,547,920	25	7,630,209	27
Margin loans receivable	7,521,428	22	8,287,519	29
Refinancing margin	1,864	-	2,576	-
Refinancing collateral receivable	1,550	-	2,141	-
Receivable of money lending	2,281,721	7	2,270,001	8
Security borrowing margin	-	-	231	-
Accounts receivable	10,673,386	31	5,767,343	20
Prepayments	20,381	-	24,679	-
Other receivables	3,110	-	7,672	-
Other current assets	254,801	1	477,301	2
Total current assets	33,206,406	97	27,786,152	97
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	48,740	-	42,103	-
Properties and equipment	102,155	-	104,133	1
Right-of-use assets	167,375	1	60,297	-
Intangible assets	73,220	-	68,492	-
Deferred tax assets	16,758	-	18,087	-
Other non-current assets	447,928	2	426,931	2
Total non-current assets	856,176	3	720,043	3
TOTAL	\$ 34,062,582	100	\$ 28,506,195	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 688,645	2	\$ 819,625	3
Commercial paper payable	5,942,479	18	6,419,853	23
Financial liabilities at fair value through profit or loss - current	423,759	1	209,022	1
Liabilities for bonds with attached repurchase agreements	8,728,904	26	7,435,160	26
Securities financing refundable deposits	354,591	1	402,244	1
Deposits payable for securities financing	381,682	1	460,008	2
Accounts payable	10,104,438	30	5,698,929	20
Advance receipts	201	-	30,976	-
Receipts under custody	34,316	-	303,617	1
Other payables	378,778	1	290,352	1
Current tax liabilities	45,206	-	84,397	-
Lease liabilities - current	52,205	-	41,275	-
Other current liabilities	30	-	-	-
Total current liabilities	27,135,234	80	22,195,458	78
NON-CURRENT LIABILITIES				
Lease liabilities - non-current	116,651	-	20,558	-
Deferred tax liabilities	-	-	1,306	-
Other non-current liabilities	5,612	-	6,169	-
Total non-current liabilities	122,263	-	28,033	-
Total liabilities	27,257,497	80	22,223,491	78
EQUITY				
Capital stock				
Common stock	5,206,131	15	5,206,131	18
Capital surplus	294,440	1	294,440	1
Retained earnings				
Legal reserve	287,708	1	271,308	1
Special reserve	682,121	2	649,322	2
Unappropriated retained earnings	433,163	1	163,996	1
Total retained earnings	1,402,992	4	1,084,626	4
Other equity	(98,478)	-	(302,493)	(1)
Total equity	6,805,085	20	6,282,704	22
TOTAL	\$ 34,062,582	100	\$ 28,506,195	100

TAIWAN COOPERATIVE SECURITIES CO., LTD. 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	%
REVENUES				
Brokerage handling fee revenue	\$ 1,271,033	59	\$ 1,330,657	61
Income from securities lendings	11,654	-	18	-
Revenue from underwriting business	46,932	2	74,778	4
Gains on sale of operating securities, net	255,243	12	424,283	19
Interest revenue	495,208	23	522,012	24
Dividend revenue	77,140	4	70,530	3
Valuation gains (losses) on operating securities at fair value through profit or loss, net	67,812	3	(37,712)	(2)
Gains (losses) on covering of borrowed securities and bonds with resale agreements - short sales, net	3,923	-	(5,277)	-
Valuation gains (losses) on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	(2,371)	-	13,396	1
Realized gains (losses) on investment in debt instruments at fair value through other comprehensive income	(31)	-	(127,011)	(6)
Future commission revenue	17,046	1	26,998	1
Losses from derivatives - futures, net	(38,526)	(2)	(148,016)	(7)
Gains (losses) from derivatives - OTC, net	(21,802)	(1)	24,265	1
Expected credit impairment (losses) and gains on reversal	693	-	(3,974)	-
Other operating income (losses)	(17,378)	(1)	27,960	1
Total revenues	2,166,576	100	2,192,907	100
EXPENDITURE AND EXPENSES				
Brokerage handling fee expenses	108,143	5	113,278	5
Proprietary handling fee expenses	3,213	-	7,108	1
Refinancing processing fee expenses	922	-	686	-
Underwriting operation processing fee expenses	249	-	502	-
Finance costs	316,174	14	511,017	23
Losses from securities borrowing transactions	17,851	1	34,604	2
Expenses of clearing and settlement	170	-	384	-
Other operating expenditure	16,620	1	72,821	3
Employee benefits expenses	694,045	32	655,979	30
Depreciation and amortization expenses	109,940	5	104,138	5
Other operating expenses	351,291	16	379,745	17
Total expenditure and expenses	1,618,618	74	1,880,262	86
OPERATING INCOME	547,958	26	312,645	14

(Continued)

TAIWAN COOPERATIVE SECURITIES CO., LTD. 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	%
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses	\$ (16,040)	(1)	\$ 38,245	2
INCOME BEFORE INCOME TAX	531,918	25	350,890	16
INCOME TAX EXPENSES	(104,254)	(5)	(135,200)	(6)
NET INCOME	<u>427,664</u>	<u>20</u>	<u>215,690</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	<u>8,207</u>	-	<u>(51,574)</u>	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	32,971	1	(44,772)	(2)
Unrealized gains on investments in debt instruments at fair value through other comprehensive income	174,930	8	203,208	9
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(6,594)</u>	-	<u>8,954</u>	-
	<u>201,307</u>	<u>9</u>	<u>167,390</u>	<u>7</u>
Other comprehensive income for the year, net of income tax	<u>209,514</u>	<u>9</u>	<u>115,816</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 637,178</u>	<u>29</u>	<u>\$ 331,506</u>	<u>15</u>
EARNINGS PER SHARE				
Basic	<u>\$0.82</u>		<u>\$0.41</u>	

(Concluded)

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in Thousands of New Taiwan Dollars)**

	Capital Stock		Capital Surplus	Retained Earnings			Other Equity		Total Equity
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2024	520,613	\$ 5,206,131	\$ 294,440	\$ 254,237	\$ 615,180	\$ 170,710	\$ (21,209)	\$ (448,794)	\$ 6,070,695
Appropriation of 2023 earnings									
Legal reserve	-	-	-	17,071	-	(17,071)	-	-	-
Special reserve	-	-	-	-	34,142	(34,142)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(119,497)	-	-	(119,497)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(51,694)	-	51,694	-
Net income for the year ended December 31, 2024	-	-	-	-	-	215,690	-	-	215,690
Other comprehensive income (losses) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	(35,818)	151,634	115,816
Total comprehensive income (losses) for the year ended December 31, 2024	-	-	-	-	-	215,690	(35,818)	151,634	331,506
BALANCE AT DECEMBER 31, 2024	520,613	5,206,131	294,440	271,308	649,322	163,996	(57,027)	(245,466)	6,282,704
Appropriation of 2024 earnings									
Legal reserve	-	-	-	16,400	-	(16,400)	-	-	-
Special reserve	-	-	-	-	32,799	(32,799)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(114,797)	-	-	(114,797)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	5,499	-	(5,499)	-
Net income for the year ended December 31, 2025	-	-	-	-	-	427,664	-	-	427,664
Other comprehensive income (losses) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	-	26,377	183,137	209,514
Total comprehensive income (losses) for the year ended December 31, 2025	-	-	-	-	-	427,664	26,377	183,137	637,178
BALANCE AT DECEMBER 31, 2025	520,613	\$ 5,206,131	\$ 294,440	\$ 287,708	\$ 682,121	\$ 433,163	\$ (30,650)	\$ (67,828)	\$ 6,805,085

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Expressed in Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 531,918	\$ 350,890
Adjustments for:		
Depreciation expense	83,798	80,358
Amortization expense	26,142	23,780
Expected credit impairment losses and gains on reversal	(693)	3,974
Losses (gains) on financial assets or liabilities at fair value through profit or loss	(67,812)	37,712
Interest expense	316,174	511,017
Interest income (including financial income)	(512,640)	(541,887)
Dividend income	(77,140)	(70,530)
Losses on disposal of properties and equipment	142	2
Losses on disposal of investments	28,113	7,928
Losses (gains) on non-operating financial instrument at fair value through profit or loss	10,024	(16,662)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(402,131)	826,172
Decrease (increase) in margin loans receivable	766,448	(2,566,927)
Decrease in refinancing margin	712	8,508
Decrease in refinancing collateral receivable	591	7,088
Increase in receivable of money lending	(11,720)	(1,526,019)
Decrease in security borrowing margin	231	378,119
Decrease (increase) in accounts receivable	(4,919,416)	1,093,665
Decrease (increase) in prepayments	4,298	(5,575)
Decrease in other receivables	4,397	4,168
Decrease (increase) in financial assets at fair value through other comprehensive income	(747,403)	3,378,347
Decrease (increase) in other current assets	222,500	(361,605)
Decrease in overdue receivable	670	-
Increase (decrease) in liabilities for bonds with attached repurchase agreements	1,293,744	(3,258,893)
Increase (decrease) in financial liabilities at fair value through profit or loss	214,737	(184,351)
Increase (decrease) in securities financing refundable deposits	(47,653)	43,375
Increase (decrease) in deposits payable for securities financing	(78,326)	54,227
Increase (decrease) in accounts payable	4,403,796	(684,523)
Increase (decrease) in advance receipts	(30,775)	29,566
Increase (decrease) in receipts under custody	(269,301)	264,260
Increase in other payables	88,426	24,950
Increase in other current liabilities	30	-
Increase (decrease) in other operating liabilities	(258)	376
Cash generated from (used in) operations	831,623	(2,088,490)
Interest received	528,662	495,060
Dividends received	76,642	72,132

(Continued)

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Interest paid	\$ (311,835)	\$ (521,347)
Income tax paid	<u>(150,017)</u>	<u>(81,787)</u>
Net cash flows generated from (used in) operating activities	<u>975,075</u>	<u>(2,124,432)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(26,888)	(27,709)
Increase in deposits settlement of fund	(58,143)	(43,443)
Decrease in deposits settlement of fund	40,942	47,353
Increase in refundable deposits	(2,704)	(93,503)
Decrease in refundable deposits	-	93,309
Acquisition of intangible assets	(22,666)	(16,429)
Increase in prepayments for equipment	(6,823)	(13,604)
Decrease in prepayments for equipment	<u>-</u>	<u>74</u>
Net cash flows used in investing activities	<u>(76,282)</u>	<u>(53,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	18,862,713	31,108,584
Decrease in short-term loans	(18,993,693)	(30,979,821)
Increase in commercial papers payable	40,970,118	55,660,000
Decrease in commercial papers payable	(41,450,118)	(53,310,000)
Increase in guarantee deposits received	4,117	4,359
Decrease in guarantee deposits received	(4,416)	(4,399)
Repayment of the principal portion of lease liabilities	(54,650)	(53,065)
Cash dividends paid	<u>(114,797)</u>	<u>(119,497)</u>
Net cash flows (used in) generated from financing activities	<u>(780,726)</u>	<u>2,306,161</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>33,892</u>	<u>(43,948)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	151,959	83,829
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>381,898</u>	<u>298,069</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 533,857</u>	<u>\$ 381,898</u>

(Concluded)