

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 309,318	1	\$ 381,898	1	\$ 441,871	1
Financial assets at fair value through profit or loss - current	2,829,029	10	2,934,582	10	4,717,852	13
Financial assets at fair value through other comprehensive income - current	7,110,571	26	7,630,209	27	10,181,760	27
Margin loans receivable	6,309,231	23	8,287,519	29	7,417,692	20
Refinancing margin	4,442	-	2,576	-	12,073	-
Refinancing collateral receivable	3,522	-	2,141	-	10,010	-
Receivable of money lending	2,144,088	8	2,270,001	8	1,385,585	4
Security borrowing margin	-	-	231	-	573,805	2
Accounts receivable	8,166,185	29	5,767,343	20	11,550,284	31
Prepayments	15,915	-	24,679	-	18,267	-
Other receivables	3,537	-	7,672	-	37,988	-
Other current assets	172,874	1	477,301	2	180,740	-
Total current assets	27,068,712	98	27,786,152	97	36,527,927	98
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current	50,365	-	42,103	-	39,688	-
Properties and equipment	93,397	-	104,133	1	99,453	1
Right-of-use assets	33,462	-	60,297	-	86,043	-
Intangible assets	58,726	-	68,492	-	62,522	-
Deferred tax assets	8,843	-	18,087	-	24,831	-
Other non-current assets	439,537	2	426,931	2	422,576	1
Total non-current assets	684,330	2	720,043	3	735,113	2
TOTAL	\$ 27,753,042	100	\$ 28,506,195	100	\$ 37,263,040	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	\$ 646,464	2	\$ 819,625	3	\$ 908,703	3
Commercial paper payable	5,483,708	20	6,419,853	23	7,643,261	21
Financial liabilities at fair value through profit or loss - current	350,397	1	209,022	1	877,815	2
Liabilities for bonds with attached repurchase agreements	7,312,334	27	7,435,160	26	9,905,998	27
Securities financing refundable deposits	328,942	1	402,244	1	402,818	1
Deposits payable for securities financing	325,017	1	460,008	2	436,174	1
Accounts payable	6,700,462	24	5,698,929	20	10,456,453	28
Advance receipts	3,097	-	30,976	-	4,661	-
Receipts under custody	23,900	-	303,617	1	38,701	-
Other payables	238,508	1	290,352	1	318,137	1
Current tax liabilities	29,868	-	84,397	-	55,309	-
Lease liabilities - current	25,110	-	41,275	-	51,260	-
Other current liabilities	-	-	-	-	83	-
Total current liabilities	21,467,807	77	22,195,458	78	31,099,373	84
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	9,430	-	20,558	-	36,270	-
Deferred tax liabilities	3,083	-	1,306	-	1,079	-
Other non-current liabilities	6,982	-	6,169	-	6,012	-
Total non-current liabilities	19,495	-	28,033	-	43,361	-
Total liabilities	21,487,302	77	22,223,491	78	31,142,734	84
EQUITY						
Capital stock						
Common stock	5,206,131	19	5,206,131	18	5,206,131	14
Capital surplus	294,440	1	294,440	1	294,440	1
Retained earnings						
Legal reserve	287,708	1	271,308	1	271,308	1
Special reserve	682,121	2	649,322	2	649,322	2
Unappropriated retained earnings (accumulated deficits)	(91,671)	-	163,996	1	227,110	-
Total retained earnings	878,158	3	1,084,626	4	1,147,740	3
Other equity	(112,989)	-	(302,493)	(1)	(528,005)	(2)
Total equity	6,265,740	23	6,282,704	22	6,120,306	16
TOTAL	\$ 27,753,042	100	\$ 28,506,195	100	\$ 37,263,040	100

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Six Months Ended June 30			
	2025		2024	
	Amount	%	Amount	%
REVENUE				
Brokerage handling fee revenue	\$ 505,809	71	\$ 668,125	56
Borrowed stock revenue	3,861	1	10	-
Revenues from underwriting business	15,876	2	33,511	3
Gains (losses) on sale of operating securities, net	(37,137)	(5)	317,728	27
Interest revenue	249,319	35	239,517	20
Dividend revenue	11,951	2	30,735	2
Valuation gains on operating securities at fair value through profit or loss, net	8,928	1	41,388	3
Gains on covering of borrowed securities and bonds with resale agreements - short sales, net	5,529	1	7,694	1
Valuation losses on borrowed securities and bonds with resale agreements - short sales at fair value through profit or loss, net	(2,026)	-	(16,851)	(1)
Realized losses on investment in debt instruments at fair value through other comprehensive income	(31)	-	(3,053)	-
Future commission revenue	9,459	1	14,827	1
Gains (losses) from derivatives - futures, net	3,695	-	(145,936)	(12)
Losses from derivatives - OTC, net	(9,219)	(1)	(18,179)	(2)
Expected credit impairment (losses) and gains on reversal	99	-	(1,216)	-
Other operating income	<u>(58,409)</u>	<u>(8)</u>	<u>26,318</u>	<u>2</u>
Total revenue	<u>707,704</u>	<u>100</u>	<u>1,194,618</u>	<u>100</u>
COSTS AND EXPENSES				
Brokerage handling fee expenses	42,836	6	57,049	5
Proprietary handling fee expenses	1,208	-	4,479	-
Refinancing processing fee expenses	270	-	391	-
Underwriting operation processing fee expenses	61	-	82	-
Finance costs	167,766	24	249,428	21
Losses from securities borrowing transactions	9,048	1	16,515	1
Expenses of clearing and settlement	74	-	262	-
Other operating expenditure	10,015	1	43,912	4
Employee benefits expenses	298,355	42	335,263	28
Depreciation and amortization expenses	53,403	8	51,200	4
Other operating expenses	<u>153,161</u>	<u>22</u>	<u>196,770</u>	<u>17</u>
Total expenditure and expenses	<u>736,197</u>	<u>104</u>	<u>955,351</u>	<u>80</u>

(Continued)

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Six Months Ended June 30			
	2025		2024	
	Amount	%	Amount	%
OPERATING INCOME (LOSS)	\$ (28,493)	(4)	\$ 239,267	20
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses	<u>(41,981)</u>	<u>(6)</u>	<u>38,717</u>	<u>3</u>
INCOME (LOSS) BEFORE INCOME TAX	(70,474)	(10)	277,984	23
INCOME TAX EXPENSE	<u>(25,713)</u>	<u>(4)</u>	<u>(51,109)</u>	<u>(4)</u>
NET INCOME (LOSS)	<u>(96,187)</u>	<u>(14)</u>	<u>226,875</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
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>19,765</u>	<u>3</u>	<u>(4,503)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	86,699	12	(40,046)	(4)
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	104,895	15	(21,227)	(2)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(17,339)</u>	<u>(2)</u>	<u>8,009</u>	<u>1</u>
	<u>174,255</u>	<u>25</u>	<u>(53,264)</u>	<u>(5)</u>
Other comprehensive income (loss) , net of income tax	<u>194,020</u>	<u>28</u>	<u>(57,767)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 97,833</u>	<u>14</u>	<u>\$ 169,108</u>	<u>14</u>
EARNINGS (LOSS) PER SHARE				
Basic	<u>\$ (0.18)</u>		<u>\$ 0.44</u>	

(Concluded)

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Expressed in Thousands of New Taiwan Dollars)

	Capital Stock		Capital Surplus	Retained Earnings		Unappropriated Retained Earnings (Accumulated Deficits)	Other Equity		Total Equity
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve		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	-	-	-	-	-	235	-	(235)	-
Net income for the six months ended June 30, 2024	-	-	-	-	-	226,875	-	-	226,875
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	(32,037)	(25,730)	(57,767)
Total comprehensive income (losses) for the six months ended June 30, 2024	-	-	-	-	-	226,875	(32,037)	(25,730)	169,108
BALANCE AT JUNE 30, 2024	<u>520,613</u>	<u>\$ 5,206,131</u>	<u>\$ 294,440</u>	<u>\$ 271,308</u>	<u>\$ 649,322</u>	<u>\$ 227,110</u>	<u>\$ (53,246)</u>	<u>\$ (474,759)</u>	<u>\$ 6,120,306</u>
BALANCE AT JANUARY 1, 2025	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 shares	-	-	-	-	-	(114,797)	-	-	(114,797)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	4,516	-	(4,516)	-
Net loss for the six months ended June 30, 2025	-	-	-	-	-	(96,187)	-	-	(96,187)
Other comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	69,360	124,660	194,020
Total comprehensive income (losses) for the six months ended June 30, 2025	-	-	-	-	-	(96,187)	69,360	124,660	97,833
BALANCE AT JUNE 30, 2025	<u>520,613</u>	<u>\$ 5,206,131</u>	<u>\$ 294,440</u>	<u>\$ 287,708</u>	<u>\$ 682,121</u>	<u>\$ (91,671)</u>	<u>\$ 12,333</u>	<u>\$ (125,322)</u>	<u>\$ 6,265,740</u>

TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ (70,474)	\$ 277,984
Adjustments for:		
Depreciation expense	40,917	39,791
Amortization expense	12,486	11,409
Expected credit impairment losses and gains on reversal	(99)	1,216
Gains on financial assets or liabilities at fair value through profit or loss	(8,928)	(41,388)
Interest expense	167,766	249,428
Interest income (including financial income)	(258,245)	(247,859)
Dividend income	(11,951)	(30,735)
Losses on disposal of properties and equipment	74	1
Losses (gains) on disposal of investments	28,253	(6,094)
Losses (gains) on non-operating financial instrument at fair value through profit or loss	24,197	(19,913)
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	62,031	(860,725)
Decrease (increase) in margin loans receivable	1,978,916	(1,697,050)
Increase in refinancing margin	(1,866)	(989)
Increase in refinancing collateral receivable	(1,381)	(781)
Decrease (increase) in receivable of money lending	125,913	(641,603)
Decrease (increase) in security borrowing margin	231	(195,455)
Increase in accounts receivable	(2,413,006)	(4,712,707)
Decrease in prepayments	8,764	837
Decrease (increase) in other receivables	3,879	(21,988)
Decrease in financial assets at fair value through other comprehensive income	632,666	648,931
Decrease (increase) in other current assets	304,427	(65,044)
Decrease in liabilities for bonds with attached repurchase agreements	(122,826)	(788,055)
Increase in financial liabilities at fair value through profit or loss	141,375	484,442
Increase (decrease) in securities financing refundable deposits	(73,302)	43,949
Increase (decrease) in deposits payable for securities financing	(134,991)	30,393
Increase in accounts payable	1,002,550	4,068,972
Increase (decrease) in advance receipts	(27,879)	3,251
Decrease in receipts under custody	(279,717)	(656)
Increase (decrease) in other payables	(51,844)	52,735
Increase in other current liabilities	-	83
Increase (decrease) in other operating liabilities	(430)	180
Cash generated from (used in) operations	1,077,506	(3,417,440)
Interest received	234,871	235,298
Dividends received	4,108	25,444

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TAIWAN COOPERATIVE SECURITIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	2024
Interest paid	\$ (164,928)	\$ (252,321)
Income tax paid	<u>(86,560)</u>	<u>(34,700)</u>
Net cash flows generated from (used in) operating activities	<u>1,064,997</u>	<u>(3,443,719)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(2,895)	(9,412)
Increase in deposits settlement fund	(9,607)	(1,791)
Decrease in deposits settlement fund	1,289	5,701
Increase in refundable deposits	(1,390)	(44,611)
Decrease in refundable deposits	-	44,418
Acquisition of intangible assets	(2,112)	(4,163)
Increase in prepayments for equipment	(2,144)	(4,597)
Decrease in prepayments for equipment	<u>-</u>	<u>74</u>
Net cash flows used in investing activities	<u>(16,859)</u>	<u>(14,381)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	8,927,944	14,687,173
Decrease in short-term loans	(9,101,105)	(14,469,332)
Increase in commercial papers payable	19,060,000	28,340,000
Decrease in commercial papers payable	(20,000,000)	(24,770,000)
Increase in guarantee deposits received	1,243	1,995
Decrease in guarantee deposits received	-	(1,996)
Repayment of the principal portion of lease liabilities	(27,293)	(26,154)
Cash dividends paid	<u>(114,797)</u>	<u>(119,497)</u>
Net cash flows generated from (used in) financing activities	<u>(1,254,008)</u>	<u>3,642,189</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>133,290</u>	<u>(40,287)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(72,580)</u>	<u>143,802</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>381,898</u>	<u>298,069</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 309,318</u>	<u>\$ 441,871</u>

(Concluded)