Cathay Securities Investment Trust Co., Ltd. and Subsidiary

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholder
Cathay Securities Investment Trust Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Cathay Securities Investment Trust Co., Ltd. and its subsidiary (the Group), which comprise the consolidated balance sheets as of December 31, 2024 and 2023 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing Securities Investment Trust Enterprises and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. 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.

Management Fee Revenue Recognition

The main revenue of the Group is management fee. According to the trust contracts, management fee is calculated as a percentage of net asset value of each fund and each discretionary investment account. Due to the variability and complexity of factors in the determination of management fee rates of each fund and discretionary investment account, the correctness of management fee revenue is deemed a key audit matter.

Refer to Note 4 to the consolidated financial statements for the related accounting policy on management fee revenue recognition.

We obtained an understanding of the design of the Group's management fee revenue recognition process and related internal controls. We tested the implementation of the process and operating effectiveness of the controls.

On selected samples of management fee subsidiary ledgers, we:

1. Confirmed the Group's compliance with trust contracts;

2. Reperformed calculation of billed management fee;

3. Verified the amount of management fee in bank statements and books of accounts.

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 Securities Investment Trust Enterprises and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 supervisors, 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's 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 for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is You-Cheng Hsin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2025

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 24)	$ 4,949,154	74	$ 3,982,974	73
Financial assets at fair value through profit or loss (Notes 4, 7 and 24)	80,421	1	82,907	1
Accounts receivable, net (Notes 4 and 18)	46,206	1	45,092	1
Accounts receivables from related parties, net (Notes 4, 18 and 24)	466,860	7	354,333	7
Other receivables (Notes 4 and 20)	19,961	-	12,626	-
Prepayments (Note 13)	53,460	1	43,581	1
Other current assets	-	-	510	-
Total current assets	5,616,062	84	4,522,023	83
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4, 7 and 24)	68,456	1	40,060	1
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	16,506	-	14,696	-
Investments accounted for using the equity method (Notes 4 and 10)	220,915	3	230,536	4
Property and equipment (Notes 4 and 11)	98,110	2	97,394	2
Right-of-use assets (Notes 4, 12 and 24)	88,171	1	28,767	1
Intangible assets (Notes 4, 13 and 24)	95,957	2	54,137	1
Deferred tax assets (Notes 4 and 20)	26,043	-	28,132	1
Refundable deposits (Notes 4, 14 and 24)	382,716	6	396,648	7
Other non-current assets (Notes 11 and 24)	45,416	1	4,805	-
Total non-current assets	1,042,290	16	895,175	17
TOTAL	$ 6,658,352	100	$ 5,417,198	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liability (Notes 4 and 18)	$ 305	-	$ -	-
Other payables (Notes 11, 15, 20 and 24)	1,358,346	21	1,040,588	19
Lease liabilities (Notes 4, 12 and 24)	69,042	1	4,853	-
Other current liabilities	12,468	-	11,411	1
Total current liabilities	1,440,161	22	1,056,852	20
NON-CURRENT LIABILITIES				
Lease liabilities (Notes 4, 12 and 24)	19,793	-	23,961	-
Net defined benefit liabilities (Notes 4 and 16)	91,959	2	88,473	2
Other non-current liabilities (Note 11)	13,247	-	9,551	-
Total non-current liabilities	124,999	2	121,985	2
Total liabilities	1,565,160	24	1,178,837	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 17)				
Ordinary shares	1,500,000	22	1,500,000	28
Capital surplus	23,169	-	23,169	-
Retained earnings				
Legal reserve	1,116,663	17	939,350	17
Special reserve	90,438	1	85,131	2
Unappropriated earnings	2,441,439	37	1,773,134	33
Total retained earnings	3,648,540	55	2,797,615	52
Other equity	(78,517)	(1)	(82,423)	(2)
Total equity attributable to owners of the Company	5,093,192	76	4,238,361	78
TOTAL	$ 6,658,352	100	$ 5,417,198	100

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

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 18 and 24)	$ 5,466,261	100	$ 4,370,979	100
OPERATING EXPENSES (Notes 16, 19 and 24)	2,498,082	46	2,174,338	50
PROFIT FROM OPERATIONS	2,968,179	54	2,196,641	50
NON-OPERATING INCOME AND EXPENSES				
Gain on financial assets at fair value through profit or loss (Note 4)	30,623	1	26,516	1
Interest income	65,518	1	44,701	1
Net foreign exchange gain (Note 4)	3,729	-	348	-
Other gains and losses (Notes 4 and 8)	(218)	-	2,765	-
Share of loss of associates accounted for using the equity method (Notes 4 and 10)	(17,878)	-	(50,138)	(1)
Financial costs	(1,820)	-	(369)	-
Total non-operating income and expenses	79,954	2	23,823	1
INCOME BEFORE INCOME TAX	3,048,133	56	2,220,464	51
INCOME TAX EXPENSES (Notes 4 and 20)	606,694	11	447,330	11
NET INCOME FOR THE YEAR	2,441,439	45	1,773,134	40
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 17)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans (Note 16)	(7,701)	-	(3,647)	-
Unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income	1,810	-	1,011	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	1,540	-	730	-

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CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of associates accounted for using the equity method (Note 10)	$ 8,257	-	$ (4,666)	-
Other comprehensive income (loss) for the year, net of income tax	3,906	-	(6,572)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,445,345	45	$ 1,766,562	40
BASIC EARNINGS PER SHARE (Note 21)	$ 16.28		$ 11.82	

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

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Other Shares			Retained Earnings				Other Equity				
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Investments in Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurements of Defined Benefit Plans	Total	Total Equity
BALANCE AT JANUARY 1, 2023	150,000	$ 1,500,000	$ 23,108	$ 783,260	$ 137,058	$ 1,560,897	$ 2,481,215	$ (33,151)	$ (301)	$ (42,399)	$ (75,851)	$ 3,928,472
Appropriation of 2022 earnings												
Legal reserve	-	-	-	156,090	-	(156,090)	-	-	-	-	-	-
Special reserve	-	-	-	-	(51,927)	51,927	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,456,734)	(1,456,734)	-	-	-	-	(1,456,734)
Share-based payment of Cathay Financial Holdings' common stock	-	-	61	-	-	-	-	-	-	-	-	61
Net income for the year ended December 31, 2023	-	-	-	-	-	1,773,134	1,773,134	-	-	-	-	1,773,134
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	(4,666)	1,011	(2,917)	(6,572)	(6,572)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,773,134	1,773,134	(4,666)	1,011	(2,917)	(6,572)	1,766,562
BALANCE AT DECEMBER 31, 2023	150,000	1,500,000	23,169	939,350	85,131	1,773,134	2,797,615	(37,817)	710	(45,316)	(82,423)	4,238,361
Appropriation of 2023 earnings												
Legal reserve	-	-	-	177,313	-	(177,313)	-	-	-	-	-	-
Special reserve	-	-	-	-	5,307	(5,307)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,590,514)	(1,590,514)	-	-	-	-	(1,590,514)
Net income for the year ended December 31, 2024	-	-	-	-	-	2,441,439	2,441,439	-	-	-	-	2,441,439
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	-	8,257	1,810	(6,161)	3,906	3,906
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	2,441,439	2,441,439	8,257	1,810	(6,161)	3,906	2,445,345
BALANCE AT DECEMBER 31, 2024	150,000	$ 1,500,000	$ 23,169	$ 1,116,663	$ 90,438	$ 2,441,439	$ 3,648,540	$ (29,560)	$ 2,520	$ (51,477)	$ (78,517)	$ 5,093,192

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

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 3,048,133	$ 2,220,464
Adjustments for:		
Depreciation expenses	98,235	82,348
Amortization expenses	31,570	23,278
Compensation cost of employee share options	-	61
Financial costs	1,820	369
Gain on fair value change of financial instruments at fair value through profit or loss	(30,623)	(26,516)
Interest income	(65,518)	(44,701)
Dividend income	(1,941)	(2,372)
Share of loss of associates accounted for using the equity method	17,878	50,138
Carbon offset	23	-
Gain on lease modification	-	(2)
Amortization of prepaid expenses	11,447	13,758
Changes in operating assets and liabilities		
Increase in accounts receivables	(1,114)	(13,335)
Increase in accounts receivables from related parties	(112,527)	(73,759)
Decrease (increase) in other receivables	(2)	2
Increase in prepayments	(83,529)	(1,260)
Decrease (increase) in other current assets	510	(367)
Increase in contract liability	305	-
Increase in other payables	162,389	112,776
Increase in other current liabilities	1,057	636
Decrease in net defined benefit liabilities	(4,215)	(6,690)
Net cash generated from operations	3,073,898	2,334,828
Interest received	58,227	41,210
Dividends received	1,941	2,372
Interest paid	(1,820)	(369)
Income tax paid	(447,775)	(405,432)
Net cash generated from operating activities	2,684,471	1,972,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(86,577)	(97,707)
Proceeds from sale of financial assets at fair value through profit or loss	91,290	154,455
Payments for property and equipment	(23,464)	(26,037)
Decrease (increase) in refundable deposits	13,932	(70,584)
Payments for intangible assets	(56,421)	(37,451)
Net cash used in investing activities	(61,240)	(77,324)

(Continued)

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (66,537)	$ (56,725)
Cash dividends paid	(1,590,514)	(1,456,734)
Net cash used in financing activities	(1,657,051)	(1,513,459)
NET INCREASE IN CASH AND CASH EQUIVALENTS	966,180	381,826
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,982,974	3,601,148
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,949,154	$ 3,982,974

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

CATHAY SECURITIES INVESTMENT TRUST CO., LTD. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL

Cathay Securities Investment Trust Co., Ltd. ("the Company") was established in Taipei City, Taiwan, Republic of China (ROC) on February 11, 2000. The Company was registered in the Securities and Futures Bureau, Financial Supervisory Commission (FSC) of the ROC on March 9, 2000.

The Company obtained business licenses, established branches and started operating business in Kaohsiung, Taichung and Hsinchu in September 2008, May 2010 and June 2011, respectively.

The Company became one of the subsidiaries of Cathay Financial Holding Co., Ltd. after the former stockholders of the Company sold all their shares to Cathay Financial Holding Co., Ltd. on June 24, 2011.

The Company is authorized to conduct business in (1) raising securities investment trust funds through issuance of beneficiary certificates to invest in securities and related products; (2) discretionary investment services; (3) futures trust business; (4) securities investment consulting business; (5) other business permitted by the Securities and Futures Bureau, FSC of the ROC.

The consolidated financial statements are presented in New Taiwan dollars which is the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 5, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC did not have material impact on the accounting policies of the Company and its subsidiary ("the Group")

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group assesses that the amendments to other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing Securities Investment Trust Enterprises and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities (including associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Investments in associates

An associate is an entity over which the Group has significant influence and which is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

g. Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

The depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

i. Impairment of property and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use asset and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 23.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivables at amortized cost, accounts receivables from related parties, other receivables and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 12 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method. The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

k. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the rendering of services comes from providing services. Revenue from the rendering of services is recognized when services are rendered according to contracts.

1) Management fee

The Group receives management fee for managing the funds and discretionary investment account, according to the trust contracts. The one-off management fee is recognized as contract liabilities before the services are performed. The contract liabilities are recognized as revenue as the contract obligations are performed.

2) Sale service fee

The transaction fee is collected when investors subscribe the securities investment trust funds under the Group’s management.

l. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee. The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease contracts, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

n. Share-based payment arrangements

The employee share options are granted to the Group's employees when the Group's parent issues additional common stocks. The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The record date of ordinary shares for cash which are issued from the shares reserved for exercise of employee share options is the date on which the employee confirmed the number of shares to be acquired from the exercise of options.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

In accordance with Article 49 of the Financial Holding Company Act, the Company elected to file jointly with its parent company, with the parent company as the taxpayer, corporation income tax returns and tax returns for surcharge on undistributed retained earnings under the integrated income tax system. The effects on current tax and deferred tax are accounted for as receivables or payables.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The management of the Group evaluated that there were no critical accounting judgments or estimation uncertainty on the accounting policies, estimates and basic assumptions that were adopted by the Group.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 30	$ 30
Checking accounts and demand deposits	154,124	140,944
Cash equivalents (investments with original maturities of less than 12 months)		
Time deposits	4,045,000	3,332,000
Reverse repurchase agreements collateralized by bonds	750,000	510,000
	$ 4,949,154	$ 3,982,974

The market rate intervals of cash in the bank and reverse repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2024	**2023**
Bank balance	0.005%-1.70%	0.005%-1.45%
Reverse repurchase agreements collateralized by bonds	1.10%	0.92%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	**2023**
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Beneficial interest certificates	$ 80,421	$ 82,907
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Private equity funds	$ 68,456	$ 40,060

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The following are investments in equity instruments as at FVTOCI:

	December 31	
	2024	**2023**
Non-current		
Domestic investments		
Unlisted shares	$ 16,506	$ 14,696

The investments in equity instrument (FundRich Securities Co., Ltd.) are held for medium to long-term strategic purposes and expected to earn profit in the long term. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for the purposes.

Dividends recognized (recorded as other gains and losses) during 2024 and 2023 were $985 thousand and $1,477 thousand, respectively, and which related to investments in equity instruments measured at FVTOCI held for the year ended December 31, 2024 and 2023.

9. SUBSIDIARY

Subsidiary included in the consolidated financial statements.

			Proportion of Ownership and Voting Rights	
			December 31	
Investee	Nature of Activities	Principal Place of Business	2024	2023
Cathay Private Equity Co., Ltd.	Private equity business	Taipei	100%	100%

For the years ended December 31, 2024 and 2023, the amount of the share of profit or loss and other comprehensive income of subsidiaries is based on audited financial statements for the same year.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Material associates		
BSCOM Cathay Asset Management Co., Ltd. (BSCOM)	$ 220,915	$ 230,536

			Proportion of Ownership and Voting Rights	
			December 31	
Name of Associate	Nature of Activities	Principal Place of Business	2024	2023
BSCOM	Entrusted securities investments	Beijing	33.3%	33.3%

	December 31	
	2024	2023
Current assets	$ 851,682	$ 730,921
Non-current assets	95,887	130,284
Current liabilities	(284,160)	(168,903)
Equity	$ 663,409	$ 692,302
Proportion of the Group's ownership	33.3%	33.3%
Carrying amount	$ 220,915	$ 230,536

	For the Year Ended December 31	
	2024	2023
Operating revenue	$ 196,024	$ 76,618
Net loss for the year	$ (53,689)	$ (150,565)

For the years ended December 31, 2024 and 2023, the amount of the share of profit or loss and other comprehensive income of associate is based on audited financial statements for the same year.

11. PROPERTY AND EQUIPMENT

	Computer Equipment	Office Equipment	Leasehold Improvements	Total
Cost				
Balance at January 1, 2024	$ 122,251	$ 10,764	$ 102,803	$ 235,818
Additions	9,936	1,828	20,033	31,797
Disposals	(3,077)	(417)	-	(3,494)
Balance at December 31, 2024	$ 129,110	$ 12,175	$ 122,836	$ 264,121
Accumulated depreciation				
Balance at January 1, 2024	$ 48,008	$ 6,788	$ 83,628	$ 138,424
Depreciation expenses	22,301	769	8,011	31,081
Disposals	(3,077)	(417)	-	(3,494)
Balance at December 31, 2024	$ 67,232	$ 7,140	$ 91,639	$ 166,011
Carrying amounts at December 31, 2024	$ 61,878	$ 5,035	$ 31,197	$ 98,110
Cost				
Balance at January 1, 2023	$ 125,670	$ 12,692	$ 97,653	$ 236,015
Additions	24,679	549	5,150	30,378
Disposals	(28,098)	(2,477)	-	(30,575)
Balance at December 31, 2023	$ 122,251	$ 10,764	$ 102,803	$ 235,818
Accumulated depreciation				
Balance at January 1, 2023	$ 57,201	$ 8,491	$ 77,340	$ 143,032
Depreciation expenses	18,905	774	6,288	25,967
Disposals	(28,098)	(2,477)	-	(30,575)
Balance at December 31, 2023	$ 48,008	$ 6,788	$ 83,628	$ 138,424
Carrying amounts at December 31, 2023	$ 74,243	$ 3,976	$ 19,175	$ 97,394

The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Category	Year
Computer equipment	3-8 years
Office equipment	5-10 years
Leasehold improvements	3-5 years

Property and equipment are used by the Group.

Acquisitions of property and equipment included non-cash items and were reconciled as follows:

	For the Year Ended December 31	
	2024	2023
Acquisitions of property and equipment	$ 31,797	$ 30,378
Decrease in prepayments for equipment (accounted as other non-current assets)	(4,600)	(5,480)
Increase in decommissioning liabilities (accounted as other non-current liabilities)	(3,696)	-
Decrease (increase) in payables for equipment (accounted as other payables)	(37)	1,139
	$ 23,464	$ 26,037

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Buildings	$ 85,596	$ 25,766
Transportation equipment	2,575	3,001
	$ 88,171	$ 28,767

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 126,601	$ 29,078
Depreciation charge for right-of-use assets		
Buildings	$ 65,895	$ 55,180
Transportation equipment	1,259	1,201
	$ 67,154	$ 56,381

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	$ 69,042	$ 4,853
Non-current	$ 19,793	$ 23,961

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.10%-1.83%	1.10%-1.64%
Transportation equipment	2.38%-2.98%	2.38%-3.61%

c. Material leasing activities and terms

The Group leases several buildings for the use of office with lease terms of the contracts were from 2023 to 2038. The Group does not have bargain purchase options to acquire the buildings and equipment at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 2,989	$ 8,055
Total cash outflow for leases	$ 71,346	$ 65,149

The Group leases certain buildings which qualify as short-term lease. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Computer Software	Carbon Right	Total
Cost			
Balance at January 1, 2024	$ 189,068	$ 124	$ 189,192
Additions	73,413	-	73,413
Carbon offset	-	(23)	(23)
Balance at December 31, 2024	$ 262,481	$ 101	$ 262,582

(Continued)

	Computer Software	Carbon Right	Total
Accumulated amortization			
Balance at January 1, 2024	$ 135,055	$ -	$ 135,055
Amortization expenses	31,570	-	31,570
Balance at December 31, 2024	$ 166,625	$ -	$ 166,625
Carrying amounts at December 31, 2024	$ 95,856	$ 101	$ 95,957
Cost			
Balance at January 1, 2023	$ 170,203	$ -	$ 170,203
Additions	18,865	124	18,989
Balance at December 31, 2023	$ 189,068	$ 124	$ 189,192
Accumulated amortization			
Balance at January 1, 2023	$ 111,777	$ -	$ 111,777
Amortization expenses	23,278	-	23,278
Balance at December 31, 2023	$ 135,055	$ -	$ 135,055
Carrying amounts at December 31, 2023	$ 54,013	$ 124	$ 54,137

(Concluded)

Intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

Category	Year
Computer software	3-5 years

Acquisitions of Intangible assets included non-cash items and were reconciled as follows:

	For the Year Ended December 31	
	2024	2023
Acquisitions of intangible assets	$ 73,413	$ 18,989
Increase (decrease) in prepayments	(16,992)	18,462
	$ 56,421	$ 37,451

14. REFUNDABLE DEPOSITS

	December 31	
	2024	2023
Non-current		
Security deposits	$ 316,500	$ 331,020
Operating deposits	50,000	50,000
Lease deposits	15,952	15,364
Others	264	264
	$ 382,716	$ 396,648

Security deposits are placed as collaterals in certain discretionary contracts.

Operating deposits are required in the operation of discretionary investment and futures trust business in accordance with the "Regulations Governing the Conduct of Discretionary Investment Business by Securities Investment Trust Enterprises" and "Standards Governing the Establishment of Futures Trust Enterprises". Operating deposits are placed in a designated bank.

15. OTHER PAYABLES

	December 31	
	2024	2023
Payables to related parties for integrated income tax system	$ 598,165	$ 443,047
Payables for salaries and bonus	558,092	447,110
Payables for selling expenses	52,206	49,659
Payables for consulting expenses	33,533	25,585
Others	116,350	75,187
	$ 1,358,346	$ 1,040,588

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the "LPA", an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average salary of the one month before retirement. The Company contributes amounts equal to 2% of total monthly salaries to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2024	**2023**
Present value of the defined benefit obligation	$ 122,455	$ 116,426
Fair value of the plan assets	(30,496)	(27,953)
Net defined benefit liabilities	$ 91,959	$ 88,473

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2024	$ 116,426	$ (27,953)	$ 88,473
Service cost			
Current service cost	952	-	952
Interest expense (income)	1,257	(327)	1,030
Recognized in profit or loss	2,309	(327)	1,982
Remeasurement			
Return on plan assets (excluded the amount in net interest expense)	-	(2,483)	(2,483)
Actuarial loss			
Changes in financial assumptions	(3,085)	-	(3,085)
Experience adjustments	13,269	-	13,269
Recognized in other comprehensive income	10,184	(2,483)	7,701
Contributions from the employer	-	(2,274)	(2,274)
Benefits paid	(3,923)	-	(3,923)
Company paid	(2,541)	2,541	-
Balance at December 31, 2024	$ 122,455	$ (30,496)	$ 91,959
Balance at January 1, 2023	$ 123,752	$ (32,236)	$ 91,516
Service cost			
Current service cost	3,799	-	3,799
Interest expense (income)	1,474	(362)	1,112
Recognized in profit or loss	5,273	(362)	4,911
Remeasurement			
Return on plan assets (excluded the amount in net interest expense)	-	(73)	(73)
Actuarial loss			
Changes in financial assumptions	120	-	120
Experience adjustments	3,600	-	3,600
Recognized in other comprehensive income	3,720	(73)	3,674
Contributions from the employer	-	(2,255)	(2,255)
Benefits paid	(9,346)	-	(9,346)
Company paid	(6,973)	6,973	-
Balance at December 31, 2023	$ 116,426	$ (27,953)	$ 88,473

Through the defined benefit plan under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2024	**2023**
Discount rate(s)	1.55%-1.56%	1.18%
Expected rate(s) of salary increase	3.50%	3.50%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate(s)		
0.25% increase	$ (2,050)	$ (2,337)
0.25% decrease	$ 2,050	$ 2,454
Expected rate(s) of salary increase		
0.5% increase	$ 3,923	$ 4,585
0.5% decrease	$ (3,733)	$ (4,442)

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	**2023**
Expected contributions to the plans for the next year	$ 2,285	$ 2,277
Average duration of the defined benefit obligation	5.6-5.9 years	7.0-7.2 years

Pension expense under retirement benefits for the years ended December 31, 2024 and 2023 were calculated by using the actuarially determined pension cost rate at the end of the prior financial year and recognized as follow:

	For the Year Ended December 31	
	2024	2023
Employee benefits expenses	$ 1,982	$ 4,911

17. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Numbers of shares authorized (in thousand)	150,000	150,000
Amount of shares authorized	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousand)	150,000	150,000
Amount of shares issued and fully paid	$ 1,500,000	$ 1,500,000

Fully paid ordinary shares, with a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 13,908	$ 13,908
Can only be used to offset a deficit (2)		
Share-based benefits	9,261	9,261
	$ 23,169	$ 23,169

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

2) On November 18, 2022, the Board of Cathay Financial Holdings approved to issue additional common stocks and retained 10% to be subscribed by employees of Cathay Financial Holdings and its associated companies. In February 2023, capital surplus of $61 thousand was included in the fair value of the stock options on the grant date.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation, refer to employees' compensation in Note 19-c.

The Company distributes dividends in cash under the principle of promoting financial stability and maintaining shareholder's interests.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

According to the Rules Governing Future Trust Enterprises, the Company shall appropriate 20% of the current year after income tax earnings which belong to Future Trust Enterprises as special reserve. Once the special reserve reaches the amount of paid-in capital, the appropriation to special reserve is stopped. In accordance with "Order No. Financial Supervisory Securities Investment 1110380509" issued on March 9, 2022, the Company shall set aside to special reserve an amount from net income and unappropriated earnings which equal to a net decrease in other equity in the current year. Once the appropriation to special reserve is still insufficient, the Company shall appropriate prior year unappropriated earnings as special reserve. The Company could distribute earnings from reversed special reserve while net decrease in other equity reversed. In accordance with "Order No. Financial Supervisory Securities Investment 10500278285" issued on August 5, 2016, the Company shall appropriate 0.5% to 1% of net income as special reserve when distributing earnings of 2016 to 2018 for the development of financial technology. In accordance with "Order No. Financial Supervisory Securities Investment 1080321644" issued on July 10, 2019, the Company could reverse special reserve appropriated between 2016 to 2018 for the development of financial technology in the actual amounts.

The appropriations of earnings for 2023 and 2022 which were approved in the resolution of the board of directors (on behalf of the shareholder) in April 2024 and 2023, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ 177,313	$ 156,090
Recognition (reversal) of special reserve	$ 5,307	$ (51,927)
Cash dividends	$ 1,590,514	$ 1,456,734
Cash dividends per share (NT$)	$ 10.60	$ 9.71

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 5, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	$ 244,143
Reversal of special reserve	$ (3,906)
Cash dividends	$ 2,201,202
Cash dividends per share (NT$)	$ 14.67

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ (37,817)	$ (33,151)
Recognized for the year		
Share from associates accounted for using the equity method	8,257	(4,666)
Balance at December 31	$ (29,560)	$ (37,817)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ 710	$ (301)
Recognized for the year		
Unrealized gain - equity instruments	1,810	1,011
Balance at December 31	$ 2,520	$ 710

3) Remeasurement of defined benefit plan

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ (45,316)	$ (42,399)
Remeasurement of defined benefit plan	(7,701)	(3,647)
Remeasurement of defined benefit plan related income tax	1,540	730
Balance at December 31	$ (51,477)	$ (45,316)

18. REVENUE

	For the Year Ended December 31	
	2024	2023
Management fee income (1)	$ 5,327,708	$ 4,278,734
Other income (2)	138,553	92,245
	$ 5,466,261	$ 4,370,979

1) The Group receives the management fees resulting from managing the investment of the funds and discretionary investment accounts in accordance with the trust contracts.

2) The above amounts mainly represent income from sale service fees and advisory service fees. Sale service fees are collected when investors subscribe the securities investment trust funds under the Group's management. The Group receives advisory service fees when provides the analytical recommendations on securities investment in accordance with securities investment consulting contracts.

a. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (including related parties)	$ 513,066	$ 399,425	$ 312,331
Contract liabilities	$ 305	$ -	$ -

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

b. Disaggregation of customer contract revenue

	For the Year Ended December 31	
	2024	2023
Timing of revenue recognition		
Satisfied at a point in time	$ 121,125	$ 2,828
Satisfied over time	5,345,136	4,368,151
	$ 5,466,261	$ 4,370,979

19. NET PROFIT

a. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Right-of-use assets	$ 67,154	$ 56,381
Property and equipment	31,081	25,967
Intangible assets	31,570	23,278
	$ 129,805	$ 105,626
An analysis of depreciation by function		
Operating expenses	$ 129,805	$ 105,626

b. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 1,223,013	$ 1,045,633
Post-employment benefits		
Defined contribution plan	24,939	22,449
Defined benefit plan	1,982	4,911
	26,921	27,360
Other employee benefits	28,126	27,176
Total employee benefits expense (accounted as operating expenses)	$ 1,278,060	$ 1,110,169

c. Employees' compensation

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at the rate of 0.01%. The employees' compensation for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors in March 2025 and 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Employees' compensation	0.01%	0.01%

Amount

	For the Year Ended December 31	
	2024	2023
Employees' compensation	$ 304	$ 222

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

20. INCOME TAXES

a. Major components of income tax expense

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 603,612	$ 446,748
Adjustments for prior years	(547)	(1,031)
	603,065	445,717
Deferred tax		
In respect of the current year	3,629	1,610
Adjustments for prior years	-	3
	3,629	1,613
Income tax expense recognized in profit or loss	$ 606,694	$ 447,330

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Income before income tax	$ 3,048,133	$ 2,220,464
Income tax expense calculated at the statutory rate	$ 609,627	$ 444,092
Unrecognized deductible temporary differences	3,575	10,029
Tax-exempt income	(6,443)	(5,765)
Nondeductible expenses in determining taxable income	482	2
Adjustments for prior years	(547)	(1,028)
Income tax expense recognized in profit or loss	$ 606,694	$ 447,330

b. Income tax benefit recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plan	$ (1,540)	$ (730)

c. Current tax assets and liabilities

	December 31 2024	December 31 2023
Current tax assets (accounted as other receivables)		
Tax refund receivable	$ 74	$ 32
Current tax liabilities (accounted as other payables)		
Payables to related parties for integrated income tax system	$ 598,165	$ 443,047
Income tax payable	302	88
	$ 598,467	$ 443,135

d. Deferred tax assets

The movements of deferred tax assets are as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plan	$ 17,695	$ (843)	$ 1,540	$ 18,392
Provision	1,571	218	-	1,789
Others	755	759	-	1,514
	20,021	134	1,540	21,695
Loss carryforwards	8,111	(3,763)	-	4,348
	$ 28,132	$ (3,629)	$ 1,540	$ 26,043

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plan	$ 18,304	$ (1,339)	$ 730	$ 17,695
Provision	1,424	147	-	1,571
Others	82	673	-	755
	19,810	(519)	730	20,021
Loss carryforwards	9,205	(1,094)	-	8,111
	$ 29,015	$ (1,613)	$ 730	$ 28,132

e. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	**2023**
Deductible temporary differences	$ 345,792	$ 336,170

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	**Expiry Year**
$ 21,738	2031

g. Income tax assessments

The tax returns of the Company and its subsidiary through 2018 and 2022 have been assessed by the tax authorities, respectively.

21. EARNINGS PER SHARE

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share (NT$)	$ 16.28	$ 11.82

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2024	**2023**
Earnings used in the computation of basic earnings per share	$ 2,441,439	$ 1,773,134

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	150,000	150,000

22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of equity of the Group (which are ordinary shares, capital surplus, retained earnings and other equity).

23. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficial interest certificates	$ 80,421	$ -	$ -	$ 80,421
Private equity funds	-	-	68,456	68,456
	$ 80,421	$ -	$ 68,456	$ 148,877
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 16,506	$ 16,506

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Beneficial interest certificates	$ 82,907	$ -	$ -	$ 82,907
Private equity funds	-	-	40,060	40,060
	$ 82,907	$ -	$ 40,060	$ 122,967
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 14,696	$ 14,696

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2024	$ 40,060
Recognized in profit or loss	16,818
Purchases	14,101
Settlements	(2,523)
Balance at December 31, 2024	$ 68,456

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	$ 14,696
Recognized in other comprehensive income	1,810
Balance at December 31, 2024	$ 16,506

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2023	$ 34,291
Recognized in profit or loss	657
Purchases	5,715
Settlements	(603)
Balance at December 31, 2023	$ 40,060

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	$ 13,685
Recognized in other comprehensive income	1,011
Balance at December 31, 2023	$ 14,696

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) The fair values of private equity funds was determined using the asset-based approach. The Group's administration department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department also makes an analysis of the movements in the values of assets and liabilities and evaluates the need to remeasure or reassess according to the Group's accounting policies at each reporting date.

At December 31, 2024 and 2023, the significant unobservable input used by the Group is 10% discount for lack of liquidity. If the discount for lack of liquidity was increased (decreased) by 1% while all the other variables were held constant, the profit or loss of the Group would decrease (increase) by $761 thousand and $445 thousand, respectively.

b) The fair values of domestic unlisted equity securities were determined using the asset-based approach. The Group's Conference of self-owned capital is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Conference also makes an analysis of the movements in the values of assets and liabilities and evaluates the need to remeasure or reassess according to the Group's accounting policies at each reporting date.

At December 31, 2024 and 2023, the significant unobservable input used by the Group is 10% discount for lack of liquidity. If the discount for lack of liquidity was increased (decreased) by 1% while all the other variables were held constant, the equity of the Group would decrease (increase) by $183 thousand and $163 thousand, respectively.

c. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 148,877	$ 122,967
Financial assets at amortized cost (1)	5,864,867	4,791,643
Financial assets at FVTOCI		
Equity instruments	16,506	14,696
Financial liabilities		
Financial liabilities at amortized cost (2)	1,358,346	1,040,588

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents (excluded cash on hand), accounts receivable (including accounts receivable from related parties), other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, accounts receivables (including accounts receivables from related parties), other receivables, financial assets at FVTPL, financial assets at FVTOCI, refundable deposits and other payables.

The Group's principle financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due process must be carried out based on related protocols and internal control procedures, and approval by the board of directors must be obtained. The Group complies with its financial risk management policies at all times.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity price risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 25.

Sensitivity analysis

The Group is mainly exposed to the CNY.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in other equity associated with the functional currency strengthening 1% against the relevant currency. For a 1% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on other equity, and the balances below would be negative.

	NTD to CNY	
	For the Year Ended December 31	
	2024	**2023**
Equity	$ 2,209	$ 2,305

b) Interest rate risk

The Group's interest rate risk is mainly from fixed and floating interest rate investments of financial assets at amortized cost.

The carrying amounts of the Group's financial assets with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial assets	$ 4,795,000	$ 3,842,000
Cash flow interest rate risk		
Financial assets	$ 154,124	$ 140,944

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would increase/decrease by $771 thousand and $705 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate financial assets at amortized cost.

c) Other price risk

The fair value of the Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under financial assets at FVTOCI. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's board of directors reviews and approves all equity investment decisions.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by $165 thousand and $147 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 1% higher/lower, profit or loss for the years ended December 31, 2024 and 2023 would have increased/decreased by $1,489 thousand and $1,230 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group’s concentration of credit risk of 54.46% and 51.61% of total accounts receivables as of December 31, 2024 and 2023, respectively, was on the Group’s ten largest customers. The credit concentration risk of other accounts receivables is insignificant.

The Group only transacts with counterparties that meet the requirements under the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

3) Liquidity risk

The Group’s working capital is adequate for the operation; there is no liquidity risk due to inability to raise funds to fulfill contractual obligations.

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed in this note. Significant transactions between the Group and other related parties are disclosed as follows, elsewhere in the other notes and details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Cathay Financial Holding Co., Ltd.	The Company’s parent
Cathay Life Insurance Co., Ltd.	Fellow subsidiary
Cathay United Bank Co., Ltd.	Fellow subsidiary
Cathay Century Insurance Co., Ltd.	Fellow subsidiary
ThinkPower Information Co., Ltd.	Associate
Symphox Information Co., Ltd.	Associate
Cathaylife Singapore Pte. Ltd.	Subsidiary of associates
Global Evolution Asset Management A/S (original Global Evolution Fondsmaeglerselskab A/S)	Other related party (subsidiary of associates before April 2024)
Conning Asia Pacific Limited	Other related party (subsidiary of associates before April 2024)
Conning, Inc.	Other related party (subsidiary of associates before April 2024)
FundRich Securities Co., Ltd.	Other related party
The funds managed by the Group	Other related party
The private equity funds managed and consulted by the Group	Other related party

b. Cash and cash equivalents

Line Items	Related Party Name	December 31 2024	December 31 2023
Cash and cash equivalents	Cathay United Bank Co., Ltd.	$ 198,231	$ 120,821

c. Financial assets designated as at FVTPL

Related Party Name	December 31 2024	December 31 2023
The funds managed by the Group	$ 80,421	$ 82,907
The private equity funds managed and consulted by the Group	68,456	40,060
	$ 148,877	$ 122,967

d. Receivables from related parties

Line Items	Related Party Name	December 31 2024	December 31 2023
Accounts receivables from related parties	The funds managed by the Group	$ 435,606	$ 339,394
	Cathay Life Insurance Co., Ltd.	26,533	13,953
	Cathaylife Singapore Pte. Ltd.	3,794	-
	Others	927	986
		$ 466,860	$ 354,333

For the years ended December 31, 2024 and 2023, no impairment losses were recognized for accounts receivables from related parties.

e. Acquisition of computer software

Line Items	Related Party Name	December 31 2024	December 31 2023
Computer software	ThinkPower Information Co., Ltd.	$ 9,038	$ 4,832

f. Refundable deposits

Related Party Name	December 31 2024	December 31 2023
Cathay United Bank Co., Ltd.	$ 133,516	$ 123,508

g. Payables to related parties

Line Items	Related Party Name	December 31 2024	December 31 2023
Other payables	Cathay Financial Holding Co., Ltd. (Note)	$ 598,165	$ 443,047
	Cathay Life Insurance Co., Ltd.	28,457	22,696
	Conning Asia Pacific Limited	18,893	12,758
	The funds managed by the Group	15,080	8,886
	Cathay United Bank Co., Ltd.	7,130	8,501
	Conning, Inc.	3,854	974
	ThinkPower Information Co., Ltd.	3,753	5,114
		$ 675,332	$ 501,976

Note: The payable consists of tax payable under the integrated income tax system.

h. Lease arrangements

Related Party Name	For the Year Ended December 31 2024	2023
Acquisitions of right-of-use assets		
Cathay Life Insurance Co., Ltd.	$ 125,725	$ 11,176

Line Items	Related Party Name	December 31 2024	2023
Refundable deposits	Cathay Life Insurance Co., Ltd.	$ 15,168	$ 13,787
Lease liabilities	Cathay Life Insurance Co., Ltd.	$ 74,419	$ 11,009

Line Items	Related Party Name	For the Year Ended December 31 2024	2023
Lease expense	Cathay Life Insurance Co., Ltd.	$ 583	$ 5,772

The Group leased several buildings from Cathay Life Insurance Co., Ltd for office and parking used. For the years ended on December 31, 2024 and 2023, the lease term of the contracts were from 2023 to 2038 and 2022 to 2023, respectively. The rentals are based on similar assets' market rental rates and fixed lease payments are paid monthly.

i. Deferred sales charge

Line Items	Related Party Name	For the Year Ended December 31 2024	2023
Other non-current assets	Cathay United Bank Co., Ltd.	$ 36,623	$ 55

j. Revenue

Line Items	Related Party Name	For the Year Ended December 31 2024	2023
Management fee income	The funds managed by the Group	$ 4,443,954	$ 3,687,124
	Cathay Life Insurance Co., Ltd.	264,327	170,105
	The private equity funds managed and consulted by the Group	112,946	99,578
	Cathay Century Insurance Co., Ltd.	12,159	11,212
	Cathaylife Singapore Pte. Ltd.	6,374	-
		$ 4,839,760	$ 3,968,019
Advisory service fee income	Cathay United Bank Co., Ltd.	$ 7,200	$ 7,200

k. Expenses

Related Party Name	Transaction Types	For the Year Ended December 31 2024	2023
Cathay Life Insurance Co., Ltd.	Selling expenses etc.	$ 138,741	$ 115,129
Cathay United Bank Co., Ltd	Selling expenses etc.	97,097	93,033
Conning Asia Pacific Limited	Consulting expenses	64,633	49,996
FundRich Securities Co., Ltd.	Selling expenses etc.	27,016	22,078
Symphox Information Co., Ltd.	Data transferring expenses etc.	11,324	8,475
Conning, Inc.	Consulting expenses	10,573	4,687
Global Evolution Asset Management A/S	Consulting expenses	4,509	4,430
		$ 353,893	$ 297,828

l. Compensation of key management personnel

	For the Year Ended December 31 2024	2023
Short-term employee benefits	$ 135,153	$ 145,789
Post-employment benefits	2,804	5,084
	$ 137,957	$ 150,873

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Non-monetary items			
Investments accounted for using the equity method			
CNY	$ 49,187	4.4913 (CNY:NTD)	$ 220,915

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Non-monetary items			
Investments accounted for using the equity method			
CNY	$ 53,195	4.3338 (CNY:NTD)	$ 230,536

For the years ended December 31, 2024 and 2023, unrealized foreign exchange gains (losses) were $1,909 thousand and $(1,356) thousand, respectively. The amounts were due to the volatility of the exchange rate of USD.

26. SEGMENT INFORMATION

a. General information

The Group's operating segment report is an internal report submitted to the primary operating decision makers. The primary operating decision makers are an individual or a team that assigns resources to the operating segment and evaluates the performance of the operating segment. The board of directors is the primary operating decision makers.

The board of directors (primary operating decision makers) reviews the operating results of the operating segment periodically and makes decisions about resource allocation and performance assessment.

b. Evaluation of segment information

The Group operates under a single business segment. The board of directors makes decisions for resource allocation and performance assessment.

Operating results of the Group's operating segment are mainly from management fees income. The board of directors evaluates the performance based on net income before and after income tax.

The Group has only one reportable segment and does not need to disclose information on segment profit, assets and liabilities.