

Stock Code: 6015



Horizon Securities Co., Ltd.

2024 Shareholders' Meeting
Meeting Handbook

Mode of Shareholders' Meeting: Videoconferencing supported session

Date: May 27, 2024

Location: 7F., No. 236, Sec. 4, Xinyi Rd., Taipei City (7F, Xinyi Anhe Building)

Contents

I. Meeting Procedures	1
II. Meeting Agenda	2
III. Attachments	
1. 2023 Business Report	12
2. Audit Committee’s Review Report.....	14
3. The execution status of the Company’s second issuance of domestic unsecured convertible corporate bonds.....	15
4. Auditor’s Report, 2023 Financial Statements, and Consolidated Financial Statements	16
5. 2023 Earnings Allocation Table	35
IV. Appendices	
1. Articles of Incorporation.....	36
2. Rules of Procedure for Shareholders’ Meetings	40
3. Ownership of All Directors of the Company	51

Horizon Securities Co., Ltd.
Procedures for the 2024 Shareholders' Meeting

1. Call the Meeting to Order
2. Opening Remark by Chair
3. Reports
4. Proposals
5. Extemporaneous Motions
6. Adjournment

Horizon Securities Co., Ltd.

2024 Shareholders' Meeting Agenda

Mode of convention: Videoconferencing supported session (Shareholders' Meeting will convene in physical session and supported by videoconferencing)

Time: 9:00 a.m., May 27, 2024 (Monday)

Location: 7F., No. 236, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City, Taiwan

Video conferencing platform: "Shareholder e-service platform" of Taiwan Depository & Clearing Corporation
(<https://stockservices.tdcc.com.tw>)

1. Call the Meeting to Order
2. Opening Remark by Chair
3. Reports
 1. The Company's 2023 Business Report.
 2. Review of 2023 financial statements by the Audit Committee.
 3. Distribution of 2023 remuneration to employees and directors.
 4. Distribution of cash dividends from the Company's earnings for 2023.
 5. The execution status of the Company's second issuance of domestic unsecured convertible corporate bonds
 6. Report of the Company's private placement of common shares
4. Proposals
 1. The Company's 2023 Business Report and Financial Statements.
 2. The Company's 2023 earnings allocation.
5. Extemporaneous Motions
6. Adjournment

Reports

1. Proposed by the board of directors
Motion: Please review the Company's 2023 Business Report.
Description: For the Company's 2023 Business Report, please refer to Attachment 1 on pages 12 to 13 of the handbook.

2. Proposed by the board of directors

Motion: Please review the Audit Committee's review report on 2023 financial statements.

Description:

1. The Audit Committee has reviewed the Company's 2023 financial statements and consolidated financial statements, which have been audited by James Huang and Spencer Ma, certified public accountants (CPAs) at Ernst & Young Global Limited, as well as the 2023 business report and an earnings allocation table, and issued a review report accordingly. Please refer to Attachment 2 on page pages 14 of the handbook.
2. The Audit Committee may proceed to read out the review report.

3. Proposed by the board of directors

Motion: Please review the report on distribution of 2023 remuneration to employees and Directors.

Description:

1. If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. independent directors), in accordance with the Article 23 of Articles of Incorporation.
2. The pre-tax income of the Company, after deducting the remuneration distributed to employees and directors' remuneration for 2023, is NTD 215,686,281 (reporting currency), and the employee remuneration is in the amount of NTD 5,000 thousand while directors' is NTD 5,000 thousand, in the form of cash. They both are 2.32% of the pre-tax income, which is in compliance with the Company's Articles of Incorporation.
3. Passed by the 3rd term of the Remuneration Committee of the Company in its 5th session on January 25, 2024, the 4th term of the Remuneration Committee of the Company in its 5th session on March 7, 2024, and forwarded to the 7th term of the Board in its 16th session on January 25, 2024, and passed by the 9th term of the Board in its 16th session on March 7, 2024 on record.

4. Proposed by the board of directors

Motion: Please review the Company's 2023 distribution of cash dividends.

Description:

1. This motion is handled in accordance with Article 24 of the Company's Articles of Incorporation.
2. The Company's 2023 cash dividend distributed from earnings is NTD 87,812,899. So far, the 351,251,595 shares have been issued and outstanding, with NTD 0.25 distributed per share. The cash dividends to shareholders are based on the values recorded in the shareholder register on the record date. The distribution shall be rounded down to NTD 1, and the total amount of fractions less than NTD 1 will be transferred to the Employee Welfare Committee of the Company free of charge.
3. The date of record of the cash dividend is set as April 2, 2024, and the book closure period is from March 29, 2024 to April 2, 2024. Distribution cash dividends on April 24, 2024.
4. When the number of outstanding shares of the Company changes, the Chairman is authorized to adjust the amount of distribution per share based on the actual number of outstanding shares on the ex-dividend base date, and the Chairman is authorized to handle other matters not covered.

5. Proposed by the board of directors
- Motion: The execution status of the Company's second issuance of domestic unsecured convertible corporate bonds
- Description: For the execution status of the Company's second issuance of domestic unsecured convertible corporate bonds, please refer to Attachment 3 on pages 15 of the handbook.

6.

Proposed by the board of directors

Motion: Report of the Company's private placement of common shares

Description:

1. The Company seeks to strengthen its financial structure to support the needs of business development in the future, availability of working capital, and capital need for the early redemption of the Company's first domestic unsecured convertible corporate bonds upon the three-year maturity in 2021. The annual general meeting held on May 31, 2023 resolved to authorize the board to issue no more than 50,000 thousand shares common shares through private placement for cash capital increase in one to two installments within one year, depending on the market environment and the Company's needs.
2. The Company completed the issuance of the domestic second series unsecured convertible bonds in January 2024. The actual amount raised was NTD 608,160,270, which was sufficient to cover the domestic first series unsecured convertible bonds redeemed in advance by the bond holders. May 30, 2024 will be one year after the private placement approved by the annual general meeting on May 31, 2023. It was approved by the 9th meeting of the 4th session of the Audit Committee held on March 7, 2024 that the private placement would not be continued, which was submitted to the 9th meeting of the 16th session of the board for resolution on the same day.

Proposals

1. Proposed by the board of directors
Motion: Please ratify the Company's 2023 Business Report and Financial Statements.

Description:

1. The Company's 2023 financial statements have been audited by James Huang and Spencer Ma, CPAs at Ernst & Young Global Limited, and approved by the board of directors on February 22, 2024 and reviewed by the Audit Committee.
2. For the Business Report, Auditor's Report, and financial statements, please refer to Attachment 1 on pages 12–13 and Attachment 4 on pages 16–34 of the handbook.
3. Please proceed to ratify them.

Resolution:

2. Proposed by the board of directors

Motion: Please ratify the Company's 2023 earnings allocation.

Description:

1. The Company's 2023 earnings allocation table was passed by the board of directors on February 22, 2024, and has been reviewed by the Audit Committee. Please refer to Attachment 5 on page 35 of the handbook.
2. Please proceed to ratify.

Resolution:

Extemporaneous Motions

Adjournment

Horizon Securities Co., Ltd. 2023 Business Report

In 2023, major countries around the world were affected by factors such as high interest rates, high inflation, and China's less-than-expected post-pandemic economic performance. The weak end market demand and industrial inventory adjustment slowed down the economic activities of manufacturing industries in various countries. The Russia-Ukraine war and the conflict between Israel and Hamas have not stopped. The expansion of the chip bans by the US against China, and the global geopolitics turning to group antagonisms have limited the pace of economic growth. By the end of 2023, inflation in various countries has gradually slowed down, and the central bank's interest rate hike cycle is expected to gradually come to an end. The expanding application of AI is also expected to drive economic recovery. According to statistics from the Taiwan Stock Exchange, at the end of 2023, the TWSE Capitalization Weighted Stock Index (TAIEX) reached 17,931, an increase of 3,793 or 27% throughout the year. The total market value of listed stocks as a whole reached NTD 56.8 trillion, an increase of NTD 12.6 trillion compared with 2022. The average daily turnover of TWSE-listed stocks was NTD 264.3 billion, and NTD 70.5 billion for TPEX-listed stocks, and the total average daily turnover of TWSE- and TPEX-listed stocks was NTD 334.8 billion, an increase of 16%, 17% and 16%, respectively, over the previous year.

Benefiting from the outstanding performance of the Taiwan stock market which created an advantages external operating environment for the Company, the Company had operating revenues of NTD 1,221,187 thousand, profit after tax NTD 179,799 thousand, and earnings per share NTD 0.51 for 2023. As for the financial structure as of the end of 2023, the total assets were NTD 15.5 billion, and the total liabilities were NTD 10.7 billion. The liabilities were mainly generated by undertaking bond repurchase transactions and settlement accounts payable arising from brokerage-entrusted trading business. The overall financial structure was considered stable. The total shareholders' equity was NTD 4.7 billion, and the net value per share was NTD 13.49. The securities firm's capital adequacy ratio was 339%, indicating that the Company's operation was sound.

A summary of the operating results of each major business in 2023 is shown as follows:

1. Brokerage business: Entrusted trading totaled NTD 1,011.1 billion, the average daily trading value was NTD 4.2 billion and the average margin debt was NTD 3.6 billion.
2. The combined sales of securities held-for-trading and valuation gains was NTD 350 million.
3. Underwriting business: Total underwriting project of NTD 3.6 billion, completed 29 cases of IPO and SPO with a role of either sponsor or co-sponsor, and 2 financial advisory cases.
4. Stock transfer agency: Served a total of 137 clients as an agent. The clients included 49 companies in either the Taiwan Stock Exchange or Taipei Stock Exchange, 18 companies in the Emerging Stock Market board and a total of 70 in public offering and others, serving approximately 2.43 million shareholder accounts.
5. Ranked in the top 20% of financial institutions in the "First Sustainable Finance Evaluation" announced by the FSC. Out of a total of 57 institutions that were rated, only 12 were included, and the Company was one of 2 securities firms included.

Looking ahead to 2024, the global inflation pressure shows signs of moderation, and central banks around the world are expected to enter a cycle of interest rate cuts, but the global

economic recovery is expected to be slightly delayed. Benefiting from the demand for high-speed computing and artificial intelligence applications, and as the inventory adjustment is nearing the end, the end demand is expected to gradually recover. The global emphasis on net zero carbon emissions and the rise of green investment are all helping the economic recovery. However, the lag effect of high interest rates will increase business risks for enterprises. Coupled with the geopolitical risks caused by unresolved conflicts, which may even have the possibility of further expansion, the economic situation in 2024 will become uncertain. In the face of the changing global situation and the Taiwan stock market that will be affected as a result, the Company will continue to grow steadily and proactively build various businesses and platforms.

1. Continue to invest in financial technology to develop digital platform operations, including improving online trading experience, enhancing digital services for investors, and strengthening information security management to ensure customer information and transaction security.
2. In order to increase the Company's sources of revenue, we will actively increase the market share of subcontract transactions, expand the scale of wealth management business, and meet the different investment needs of customers by providing more diverse financial products and services.
3. As of the end of 2023, the scale of lending money without specific purposes has reached NTD 800 million. While we expect to provide more funding sources, we hope to cater to the diverse funding needs of customers.
4. Through active participation, we strive for growth in the capital market underwriting, financial advisory and stock transfer agency businesses to increase fee income from diverse services.
5. In response to the increasing uncertainty of economic changes, we will flexibly adjust the allocation of risk assets and hedging assets with an aim of having flexible capital movements and maintaining of steady revenue.

In addition to sparing no effort to develop business and achieve operational performance, the Company will continue to improve corporate governance and transparency, implement money laundering prevention practices, enhance energy conservation and carbon-reduction policies to respond to climate change, assuming its responsibility for sustainable development. In the future, the Company will continue to uphold a long-term and stable business strategy and be committed to the “customer-oriented, reciprocal and common prosperity; profit-oriented, active and pragmatic; steady-oriented, strict risk control; emphasis on employees, sharing business results; emphasis on integrity and professional conscience” business philosophy. The Company will continue to implement various mechanisms for risk and internal control management, strengthen the Company’s operating fitness, enhance the competitiveness of various businesses, provide customers with satisfactory financial services, and create maximum value and long-term stable returns for the Company and its shareholders.

Chairman: Ke-Chyn Jiang President: Jamie Lin Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Audit Committee's Review Report

Approved

The 2023 parent company only financial statements and consolidated financial statements (including (balance sheet, comprehensive income statement, cash flow statement, statement of changes in equity, etc.)), prepared by the board have been audited by accounts James Huang and Spencer Ma of Ernst & Young Taiwan. The reports, together with the business report and profit distribution form, have been reviewed and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Best regards
2024 Horizon Securities Co., Ltd. Annual General Meeting

Audit Committee, Horizon Securities Co., Ltd.

Convener: HSIAO, CHEN-CHI

February 22, 2024

[Attachment 3]

The execution status of the Company's second issuance of domestic unsecured convertible corporate bonds

February 29, 2024

Type of corporate bonds		Second domestic unsecured convertible corporate bond
Issue date		January 5, 2024
Face value		NTD 100,000 each, with a total of NTD 600,000,000.
Issue price		101.36% of par
Total issue amount		NTD 608,160,270
Interest rate		0%
Tenure		5 years. Maturity date: January 5, 2029
Guarantor		None
Trustee		KGI Bank
Underwriter		KGI Securities
Legal Counsel		N/A
Auditor		N/A
Repayment		The Company makes a bullet repayment by cash at 102.5251% (yield to maturity at 0.5%) of the face value within 10 working days of the maturity date of the bonds, unless the bondholders convert the bonds into the Company's common shares in accordance with Article 10 of the Regulations Governing Issuance and Conversion of Bonds, the Company puts a bond in accordance with Article 19, or the Company calls and cancels a bond through a securities firm in accordance with Article 18.
Outstanding		NTD 600,000,000
Redemption or early repayment clause		Please refer to the Regulations Governing Issuance and Conversion of Bonds
Restrictions		None
Name of credit-rating agency		Fitch Australia, Taiwan Branch
Other rights of bondholders	As of the printing date of the annual report, the amount of converted or exchanged common shares, ADRs or other securities	None
	Issuance and conversion (exchange or subscription) right	In accordance with the Company's second domestic unsecured convertible corporate bond
Dilution effects and other adverse effects on existing shareholders due to the issuance and conversion, exchange or subscription, issuance terms of the bonds		Based on the current conversion price, NTD 10.92, if all outstanding convertible bonds are converted into common shares, there will be a dilution rate of 15.64%. The effect on shareholders' benefits and rights is limited.
Custodian		N/A
The implementation of the Company's capital allocation plans		<ol style="list-style-type: none"> 1. Raise working capital of NTD 8,160,270: Completed 2. Repay the principal of NTD 600,000,000 to the holders of the domestic first series unsecured convertible bonds exercised by bond holders: Implemented for bond holders who exercise the sell back in advance of the record date (June 11, 2024).

[Attachment 4]

Auditor's Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying individual balance sheet of Horizon Securities Co, Ltd. (hereinafter referred to as “the Company”) as of December 31, 2023 and 2022, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Notes of the individual financial statements (including major accounting policy) for the years then ended.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022 and for the years then ended, and its individual financial performance and its individual cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Certified Public Accountants Engaged to Audit and Attest Financial Statements and the Standards on Auditing. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd., 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

The “key audit matters” means that the independent auditor has based its evaluations on the professional judgment to audit the most important matters on the 2023 individual financial statements of Horizon Securities Co., Ltd. These matters were addressed in the content of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Evaluation of financial instruments—no active market

The Company invests in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, the Company adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions

used in the evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by the Company, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the individual financial statements.

Responsibilities of Management and Those in Charge of Governance of the Individual Financial Statements

The responsibility of the management is to have the individual financial statements presented fairly, in all material respects, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants"; also, to maintain the necessary internal controls related to the individual financial statements in order to ensure that the individual financial statements are free of any material misstatement arising from fraud or errors.

While preparing the individual financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd., the disclosure of the relevant matters, and the adoption of the accounting base for continuing operations, unless the management intends to liquidate Horizon Securities Co., Ltd. or cease business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Independent auditor's responsibility for individual financial statements.

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

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design, and perform audit procedures responsive risks, and obtain evidence that is sufficient and appropriate to provide a basis of 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 necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Horizon Securities Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Use the audit evidence obtained to draw conclusions on the suitability of the accounting base for continuing operation adopted by the management and whether or not the events or circumstances causing significant doubts to the continuing operation ability of Horizon Securities Co., Ltd. have significant uncertainties. 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 individual financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the inability of Horizon Securities Co., Ltd. to continue operating.
5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of 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).

The independent auditor has used communication with the governing unit to determine the key audit matters to be performed on the 2023 individual financial statements of Horizon Securities Co., Ltd. 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 communications.

Ernst & Young Global Limited

Competent authorities have approved the audit of the financial reports of public companies

Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0970038990

Jin-Guan-Zheng-(Shen)-Zi No.
1060027042

James Huang

CPAs:

Chun-Ting Ma

February 22, 2024

Horizon Securities Co., Ltd.
Individual Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	\$1,973,794	13	\$2,310,139	23
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.21, 7, 8 and 12	3,982,526	26	2,254,015	22
113200	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	62,010	-	50,040	-
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	2,654,930	17	351,797	3
114060	Securities borrowings receivable	4, 6.6 and 12	10,046	-	59,992	1
114066	Loan receivable – non-restricted purpose	4, 6.7 and 12	786,342	5	591,815	6
114070	Customers’ margin accounts	4, 6.8, 6.34 and 12	481,698	3	577,152	6
114110	Notes receivable-net	4, 6.9 and 12	120	-	327	-
114130	Accounts receivable – net	4, 6.9, 7 and 12	3,212,384	21	1,769,014	18
114150	Prepayments		13,814	-	17,243	-
114170	Other receivables	4, 6.10, 7 and 12	15,810	-	17,327	-
114600	Current income tax asset	4	2,291	-	3,321	-
119000	Other current assets	8 and 12	347,689	2	367,098	4
110000	Total current assets		<u>13,543,454</u>	<u>87</u>	<u>8,369,280</u>	<u>83</u>
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	92,528	1	86,075	1
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	132,082	1	103,205	1
123300	Financial assets based on cost after amortization- non-current	4, 6.4, 7 and 12	199,999	1	199,999	2
124100	Investment under the equity method	4 and 6.11, 7	675,091	4	650,499	7
125000	Property, plant, and equipment – net	4, 6.12 and 7	77,326	-	90,038	1
125800	Right-of-use assets- Net	4 and 6.28	278,976	2	124,218	1
127000	Intangible assets	4, 6.13	84,311	1	85,004	1
128000	Deferred income tax assets	4, 6.32	6,373	-	6,292	-
129010	Business guarantee	6.14 and 12	245,000	2	245,000	2
129020	Settlement / clearance fund	6.15 and 12	89,278	1	90,300	1
129030	Refundable deposits	12	14,776	-	26,395	-
129070	Net determined benefit asset-non-current	4 and 6.22	2,926	-	5,093	-
129130	Prepayments for equipment		2,220	-	720	-
120000	Total of Non-Current Assets		<u>1,900,886</u>	<u>13</u>	<u>1,712,838</u>	<u>17</u>
906001	Total assets		<u>\$15,444,340</u>	<u>100</u>	<u>\$10,082,118</u>	<u>100</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Balance Sheet (Continued)
December 31, 2023 and 2022

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.16 and 12	\$100,000	1	\$50,000	-
211200	Commercial papers payable	6.17 and 12	199,762	1	-	-
212000	Financial liabilities at fair value through profit or loss- current	4, 5, 6.18, 6.21 and 12	4,347	-	12,034	-
214010	Call loans to banks	4, 6.19 and 12	5,460,243	35	2,099,446	21
214080	Futures traders' equity	4, 6.34 and 12	481,353	3	576,285	6
214130	Accounts payable	4, 6.20, 7 and 12	3,239,693	21	1,772,254	18
214150	Advances		3,890	-	697	-
214170	Other payables	7 and 12	162,399	1	110,693	1
214600	Current Tax Liability	4	2,532	-	12,988	-
215100	Liability reserve-Current	4 and 6.23	325	-	6,101	-
215200	Long-term liabilities due within one year or one operating cycle	4, 6.21 and 12	639,950	4	-	-
216000	Lease liabilities – current	4, 6.28 and 12	76,385	1	35,703	-
219000	Other current liabilities		128,883	1	107,102	1
210000	Total current liabilities		<u>10,499,762</u>	<u>68</u>	<u>4,783,303</u>	<u>47</u>
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.21 and 12	-	-	674,201	7
225100	Liabilities reserve- non-current	4 and 6.23	11,721	-	11,531	-
226000	Lease liabilities – noncurrent	4, 6.28 and 12	196,054	1	78,650	1
228000	Deferred tax liabilities	4 and 6.32	-	-	357	-
220000	Total of non-current liabilities		<u>207,775</u>	<u>1</u>	<u>764,739</u>	<u>8</u>
906003	Total liabilities		<u>10,707,537</u>	<u>69</u>	<u>5,548,042</u>	<u>55</u>
	Equity	4 and 6.24				
301000	Share capital					
301010	Common stock capital		3,512,516	23	3,512,516	35
302000	Capital reserve		355,468	2	356,228	3
304000	Retained earnings					
304010	Statutory surplus reserves		175,446	1	175,446	2
304020	Special surplus reserves		356,113	3	356,113	4
304040	Undistributed earnings		201,504	1	25,276	-
305000	Other equity		135,756	1	108,497	1
906004	Total equity		<u>4,736,803</u>	<u>31</u>	<u>4,534,076</u>	<u>45</u>
906002	Total Liabilities and Equity		<u>\$15,444,340</u>	<u>100</u>	<u>\$10,082,118</u>	<u>100</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Income Statement
2023 and 2022

Unit: NTD thousand

Code	Items	Note	2023		2022	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.25 and 7	\$777,938	66	\$695,960	103
402000	Commissions income from loans	4	254	-	131	-
404000	Underwriting business revenue	4, 6.25 and 7	63,668	5	76,807	11
410000	Operating gain (loss) on sale of securities	6.25 and 7	233,112	20	(106,988)	(16)
421100	Stock affairs agency revenue	4 and 7	80,535	7	79,137	12
421200	Interest revenue	4, 6.25 and 7	69,593	6	34,717	5
421300	Dividend income	4 and 7	16,460	1	14,417	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.25 and 7	89,635	8	(160,781)	(24)
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.25 and 12	(161,906)	(14)	43,850	7
424500	Net gain (loss) from derivative financial instruments – OTC	4	7,454	1	(14,604)	(2)
425300	Expected credit impairment loss and reversal benefit	4 and 6.25	(721)	-	(34)	-
428000	Other operating revenue	6.26 and 7	3,895	-	13,400	2
400000	Total revenues		<u>1,179,917</u>	<u>100</u>	<u>676,012</u>	<u>100</u>
	Expense					
501000	Brokerage fee expenses		(60,563)	(5)	(58,625)	(9)
502000	Proprietary trade service commission expenses		(2,498)	-	(1,709)	-
521200	Financial costs	6.27	(35,182)	(3)	(4,933)	(1)
524300	Clearance and settlement service expenses		(7,837)	(1)	(9,155)	(1)
531000	Employee benefits expenses	6.22, 6.29 and 7	(692,900)	(59)	(601,755)	(89)
532000	Depreciation and amortization expenses	6.28 and 6.29	(127,859)	(11)	(116,346)	(17)
533000	Other operating expenses	7	(263,516)	(22)	(243,219)	(36)
500000	Total Expense		<u>(1,190,355)</u>	<u>(101)</u>	<u>(1,035,742)</u>	<u>(153)</u>
	Operating loss					
			<u>(10,438)</u>	<u>(1)</u>	<u>(359,730)</u>	<u>(53)</u>
601100	Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method	4	27,792	2	(8,093)	(1)
602000	Other profits and losses	4 and 6.30	188,332	16	178,540	26
902001	Net income before tax (loss)		205,686	17	(189,283)	(28)
701000	Income tax expenses	4 and 6.32	(25,887)	(2)	(30,901)	(5)
902005	Net income (loss) for the current period		<u>179,799</u>	<u>15</u>	<u>(220,184)</u>	<u>(33)</u>
805000	Other comprehensive income					
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(3,571)	-	35,033	5
805540	Investment of equity instruments at fair value through other comprehensive income					
	Unrealized valuation profit (loss), net		27,259	2	(9,731)	(1)
805000	Other comprehensive income for the period (post-tax profit or loss)		<u>23,688</u>	<u>2</u>	<u>25,302</u>	<u>4</u>
902006	Total comprehensive income in current period		<u>\$203,487</u>	<u>17</u>	<u>\$(194,882)</u>	<u>(29)</u>
975000	Base earnings per share (NT\$):					
975010	Net income (loss) for the current period	6.33	<u>\$0.51</u>		<u>\$(0.63)</u>	
985000	Diluted earnings per share (NT\$):					
985010	Net income (loss) for the current period	6.33	<u>\$0.42</u>		<u>\$(0.63)</u>	

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.

Individual Statements of Changes in Shareholders' Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Items	Share capital		Retained earnings			Other equity	Total equity
	Common stock capital	Capital reserve	Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	
Code	3100	3200	3310	3320	3350	3420	3XXX
Balance as at January 1, 2022	\$3,313,694	\$359,443	\$52,945	\$111,110	\$1,373,218	\$118,228	\$5,328,638
Dividend allocation and distribution for 2021:							
Legal reserve appropriated	-	-	122,501	-	(122,501)	-	-
Appropriation of special reserve	-	-	-	245,003	(245,003)	-	-
Common stock cash dividends	-	-	-	-	(596,465)	-	(596,465)
Common stock dividends	198,822	-	-	-	(198,822)	-	-
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(3,215)	-	-	-	-	(3,215)
2022 net income	-	-	-	-	(220,184)	-	(220,184)
Other comprehensive net income in 2022	-	-	-	-	35,033	(9,731)	25,302
Total comprehensive net income in 2022	-	-	-	-	(185,151)	(9,731)	(194,882)
Balance as at December 31, 2022	3,512,516	356,228	175,446	356,113	25,276	108,497	4,534,076
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(760)	-	-	-	-	(760)
2023 net income	-	-	-	-	179,799	-	179,799
Other comprehensive net income in 2023	-	-	-	-	(3,571)	27,259	23,688
Total comprehensive net income in 2023	-	-	-	-	176,228	27,259	203,487
Balance as at December 31, 2023	<u>\$3,512,516</u>	<u>\$355,468</u>	<u>\$175,446</u>	<u>\$356,113</u>	<u>\$201,504</u>	<u>\$135,756</u>	<u>\$4,736,803</u>

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd.
Individual Statements of Cash Flow
2023 and 2022

Unit: NTD thousand

Code	Items	2023	2022
	Cash flow from operating activities:		
A10000	Net income (loss) before tax for this period	\$205,686	\$(189,283)
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	107,989	99,507
A20200	Amortization expenses	19,870	16,839
A20300	Expected credit impairment loss	721	34
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	(89,635)	160,781
A20900	Interest expenses	35,182	4,933
A21200	Interest income (including financial income)	(108,685)	(58,651)
A21300	Dividend income	(19,774)	(17,494)
A22400	Share of loss (gain) of the subsidiaries, affiliated companies and joint ventures under the equity method	(27,792)	8,093
A22500	Loss on disposal or scrapping of property, plan and equipment	1	-
A23100	Loss on disposal of investments	3,771	-
A23300	Loss on non-operating financial products at fair value	6,193	4,395
A24200	Gain on redemption of corporate bonds payable	(3,127)	(14,172)
A29900	Other items	(1,811)	(2,139)
A60000	Changes in operating activities related assets/liabilities		
A61000	Net changes in operating activities related assets:		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	(1,655,292)	1,733,472
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	(2,303,133)	798,783
A61180	Increase in securities borrowings receivable	(144,581)	(171,777)
A61190	Decrease (Increase) in customers' margin accounts	95,454	(57,535)
A61230	Decrease (increase) in notes receivable	207	(177)
A61250	Decrease (increase) in accounts receivable	(1,432,049)	2,345,233
A61270	(Increase) decrease in prepayments	2,099	(6,169)
A61280	Increase in net interest on the net defined benefit asset	(1,404)	-
A61290	Decrease (increase) in other receivables	950	(385)
A61365	Increase in financial assets at fair value through other comprehensive profit or loss	(13,588)	(136)
A61370	Decrease in other current assets	19,409	1,195,569
A62000	Net changes in operating activities related liabilities:		
A62110	Increase (decrease) in bond liabilities under repurchase agreement	3,360,797	(1,704,946)
A62130	Increase (decrease) in financial liabilities at fair value through profit and loss	(7,454)	12,817
A62200	Increase (decrease) in futures traders' equity	(94,932)	56,852
A62230	Increase (decrease) in accounts payable	1,464,977	(2,274,935)
A62250	Increase (decrease) in advance receipts	3,193	(7,490)
A62270	Increase (decrease) in other payables	51,706	(237,080)
A62290	Decrease in net determined benefit liability	-	(1,174)
A62300	Decrease in liability reserve	(5,776)	(90)
A62320	Increase (decrease) in other current liabilities	21,781	(1,098,138)
A33000	Cash (outflow) inflow generated from operations	(509,047)	595,537
A33100	Interest received	97,159	56,853
A33200	Dividends received	23,025	18,161
A33300	Interest payment	(3,140)	(1,291)
A33500	Income tax expense, net	(35,751)	(145,281)
AAAA	Net cash inflow (outflow) from operating activities	(427,754)	523,979
	Cash flow from investing activities:		
B02700	Acquisition of property, plant, and equipment	(12,414)	(62,716)
B03300	Increase in business guarantee	-	(10,000)
B03500	Increase in settlement/clearance fund	(1,691)	(71,853)
B03600	Decrease in settlement/clearance fund	2,713	91,568
B03700	Increase in refundable deposits	(701)	(1,456)
B03800	Decrease in Refundable deposits	12,320	1,831
B04500	Acquisition of Intangible assets	(17,847)	(20,853)
B07100	Increase in prepayments for equipment	(2,220)	(240)
BBBB	Net cash outflow from investing activities	(19,840)	(73,719)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase of short-term loans	43,712,309	66,031,596
C00200	Decrease in short-term loans	(43,662,309)	(66,031,596)
C00700	Increase in commercial papers payable	1,747,705	29,979
C00800	Decrease in commercial papers payable	(1,550,000)	(180,000)
C01300	Corporate bonds repaid	(17,101)	(62,236)
C04020	Repayments of principal portion of the lease	(76,922)	(65,140)
C04500	Cash dividend released	-	(596,465)
C05600	Interest payment	(42,433)	(20,170)
CCCC	Net cash inflow (outflow) from financing activities	111,249	(894,032)
EEEE	Current cash and cash equivalents decrease	(336,345)	(443,772)
E00100	Balance of cash and cash equivalents, beginning of period	2,310,139	2,753,911
E00200	Balance of cash and cash equivalent, end of period	\$1,973,794	\$2,310,139

(Refer to Note to the individual financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chillih Hsieh

Statement of Declaration

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2023 (January 1 to December 31, 2023 pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included into the consolidated financial statement of the parent company and subsidiaries pursuant to the Statements of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statement of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statement of affiliated enterprises separately.

Hereby declare

Company name: Horizon Securities Co., Ltd.

Chairman: Ke-Chyn Jiang

February 22, 2024

Auditor's Report

To: Horizon Securities Co., Ltd.

Audit opinion

We have audited the accompanying consolidated balance sheet of Horizon Securities Co., Ltd. and subsidiary (hereinafter collectively referred to as the “Group”) as of December 31, 2023 and 2022, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Notes of the consolidated financial statements (including major accounting policy) for the years then ended.

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, 2023 and 2022 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, as well as the 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 (FSC) of the Republic of China.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Certified Public Accountants Engaged to Audit and Attest Financial Statements and the Standards on Auditing. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Horizon Securities Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the consolidated financial statements of Horizon Securities Co., Ltd. and subsidiary, 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

The “key audit matters” means that the independent auditor has used their professional judgment to audit the most important matters on the 2023 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. These matters were addressed in the content 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 those matters.

Evaluation of financial instruments—no active market

Horizon Securities Co., Ltd. and its subsidiaries invest in financial assets without active market quotes. Because of the lack of active market quotes, their fair value is determined using the evaluation approach. For the aforementioned financial assets, Horizon Securities Co., Ltd. and its subsidiaries adopted an internal model approach or other evaluation approaches to evaluate the fair value. As changes in the assumptions used in the

evaluation would affect the fair value of the financial instruments reported, we determined to list it as a key audit matter.

We implemented but were not limited to the following audit procedures for the evaluation of financial assets without active market quotes: evaluate and test the effectiveness of internal control related to the evaluation of financial instruments, including the management's decisions and approval of evaluation models and their assumptions, evaluation models, as well as the control and management review evaluation results related to the changes in the assumptions. We used the assistance of internal evaluation experts on a sampling basis, including reviewing the evaluation methods adopted by Horizon Securities Co., Ltd. and its subsidiaries, understanding and evaluating the reasonableness of key evaluation assumptions, performing independent evaluation calculations, and comparing the evaluations made by the management to see if the differences were within the acceptable scope. We also considered the appropriateness of the financial instrument evaluation disclosures in Notes 5 and 12 of the consolidated financial statements.

Responsibilities of Management and Those in Charge of Governance of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and applicable IFRS, IAS, SIC, and IFRIC as recognized by the Financial Supervisory Commission, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements to be free from material misstatement whether due to fraud or error.

While preparing the consolidated financial statements, the management's responsibility also includes assessing the continuing operation of Horizon Securities Co., Ltd. and its subsidiaries, the disclosure of the relevant matters, and the adoption of the accounting base for continuing operation, unless the management intends to liquidate Horizon Securities Co., Ltd. and its subsidiaries or cease the business operation, or there is lack of any alternative except for liquidation or suspension.

The governance unit of Horizon Securities Co., Ltd., and its subsidiaries (including the Audit Committee or supervisors) is responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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. Reasonable assurance is a high level of assurance, but is not a guarantee that the individual financial statements conducted in accordance with the accounting principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, 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 accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 risks, and obtain evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in Horizon Securities Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Horizon Securities Co., Ltd. and its subsidiaries and its 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 inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Horizon Securities Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; they are also responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of 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).

The independent auditor has, based on the communications with the governing unit, determined the key audit matters to be performed on the 2023 consolidated financial statements of Horizon Securities Co., Ltd. and its subsidiaries. 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 communications.

Others

Horizon Securities Co., Ltd. has compiled its 2023 and 2022 individual financial statements, for which we issued unqualified opinion.

Ernst & Young Global Limited
Competent authorities have approved the audit of the financial
reports of public companies
Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0970038990
Jin-Guan-Zheng-(Shen)-Zi No.
1060027042

James Huang

CPAs:

Chun-Ting Ma

February 22, 2024

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current assets					
111100	Cash and cash equivalents	4, 6.1 and 12	\$2,128,603	14	\$2,455,920	24
112000	Financial assets at fair value through profit or loss- current	4, 5, 6.2, 6.20, 7, 8 and 12	4,095,809	26	2,356,378	23
	The financial assets measured for the fair values through other comprehensive income- current	4, 5, 6.3 and 12	62,010	-	50,040	-
113200						
114010	Bond investment under reverse repurchase agreement	4, 6.5 and 12	2,654,930	17	351,797	3
114060	Securities borrowings receivable	4, 6.6 and 12	10,046	-	59,992	1
114066	Loan receivable – non-restricted purpose	4, 6.7 and 12	786,342	5	591,815	6
114070	Customers’ margin accounts	4, 6.8, 6.33 and 12	481,698	3	577,152	6
114110	Notes receivable-net	4, 6.9 and 12	120	-	327	-
114130	Accounts receivable – net	4, 6.9, 7 and 12	3,213,108	21	1,770,304	18
114150	Prepayments		15,303	-	18,683	-
114170	Other receivables	4, 6.10, 7 and 12	15,983	-	17,572	-
114600	Current income tax asset	4	2,397	-	3,389	-
119000	Other current assets	8 and 12	347,691	2	367,098	4
110000	Total current assets		<u>13,814,040</u>	<u>88</u>	<u>8,620,467</u>	<u>85</u>
	Non-Current assets					
122000	Financial assets that are measured at fair value through profit or loss-non-current	4, 5, 6.2 and 12	472,473	3	456,136	5
123200	The financial assets measured for the fair values through other comprehensive income- non-current	4, 5, 6.3 and 12	132,082	1	103,205	1
123300	Financial assets based on cost after amortization- non-current	4, 6.4, 7 and 12	199,999	1	199,999	2
125000	Property, plant, and equipment – net	4, 6.11, 6.34 and 7	77,816	1	90,233	1
125800	Right-of-use assets- Net	4 and 6.27	287,183	2	124,481	1
127000	Intangible assets	4, 6.12 and 6.34	84,311	1	85,004	1
128000	Deferred income tax assets	4 and 6.31	9,753	-	9,337	-
129010	Business guarantee	6.13 and 12	280,000	2	280,000	3
129020	Settlement / clearance fund	6.14 and 12	89,278	1	90,300	1
129030	Refundable deposits	12	14,776	-	26,395	-
129070	Net determined benefit asset-non-current	4 and 6.21	2,926	-	5,093	-
129130	Prepayments for equipment		2,220	-	720	-
120000	Total of Non-Current Assets		<u>1,652,817</u>	<u>12</u>	<u>1,470,903</u>	<u>15</u>
906001	Total assets		<u>\$15,466,857</u>	<u>100</u>	<u>\$10,091,370</u>	<u>100</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Balance Sheet (Continued)
December 31, 2023 and 2022

Unit: NTD thousand

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounting titles	Note	Amount	%	Amount	%
	Current liabilities					
211100	Short-term borrowings	6.15 and 12	\$100,000	1	\$50,000	-
211200	Commercial papers payable	6.16 and 12	199,762	1	-	-
212000	Financial liabilities at fair value through profit or loss- current	4, 5, 6.17, 6.20 and 12	4,347	-	12,034	-
214010	Call loans to banks	4, 6.18 and 12	5,460,243	35	2,099,446	21
214080	Futures traders' equity	4, 6.33 and 12	481,353	3	576,285	6
214130	Accounts payable	4, 6.19, 7 and 12	3,239,812	21	1,772,362	18
214150	Advances		3,890	-	697	-
214170	Other payables	7 and 12	175,231	1	118,349	1
214600	Current Tax Liability	4	3,309	-	13,769	-
215100	Liability reserve-Current	4 and 6.22	325	-	6,101	-
215200	Long-term liabilities due within one year or one operating cycle	4, 6.20 and 12	639,950	4	-	-
216000	Lease liabilities – current	4, 6.27 and 12	78,301	1	35,703	-
219000	Other current liabilities		129,060	1	107,251	1
210000	Total current liabilities		<u>10,515,583</u>	<u>68</u>	<u>4,791,997</u>	<u>47</u>
	Non-current liabilities					
221100	Corporate bonds payable	4, 6.20 and 12	-	-	674,201	7
225100	Liabilities reserve- non-current	4 and 6.22	11,721	-	11,531	-
226000	Lease liabilities – noncurrent	4, 6.27 and 12	202,193	1	78,650	1
228000	Deferred tax liabilities	4 and 6.31	557	-	915	-
220000	Total of non-current liabilities		<u>214,471</u>	<u>1</u>	<u>765,297</u>	<u>8</u>
906003	Total liabilities		<u>10,730,054</u>	<u>69</u>	<u>5,557,294</u>	<u>55</u>
	Equity attributable to Shareholders of the Company	4 and 6.23				
301000	Share capital					
301010	Common stock capital		3,512,516	23	3,512,516	35
302000	Capital reserve		355,468	2	356,228	3
304000	Retained earnings					
304010	Statutory surplus reserves		175,446	1	175,446	2
304020	Special surplus reserves		356,113	3	356,113	4
304040	Undistributed earnings		201,504	1	25,276	-
305000	Other equity		135,756	1	108,497	1
906004	Total equity		<u>4,736,803</u>	<u>31</u>	<u>4,534,076</u>	<u>45</u>
906002	Total Liabilities and Equity		<u>\$15,466,857</u>	<u>100</u>	<u>\$10,091,370</u>	<u>100</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Income Statement
2023 and 2022

Unit: NTD thousand

Code	Items	Note	2023		2022	
			Amount	%	Amount	%
	Income					
401000	Brokerage fee revenue	4, 6.24 and 7	\$777,920	64	\$695,958	102
402000	Commissions income from loans	4	254	-	131	-
404000	Underwriting business revenue	4, 6.24 and 7	63,668	5	76,807	11
410000	Operating gain (loss) on sale of securities	6.24 and 7	221,683	18	(105,026)	(15)
421100	Stock affairs agency revenue	4 and 7	80,535	6	79,137	12
421200	Interest revenue	4, 6.24 and 7	69,593	6	34,717	5
421300	Dividend income	4, 7	22,975	2	16,753	2
421500	Net profit of securities trade measured at the fair value through profit or loss	6.24 and 7	128,765	10	(166,719)	(24)
424400	Net gains (losses) on the derivative financial instruments – Futures	4, 6.24 and 12	(161,906)	(13)	43,850	6
424500	Net gain (loss) from derivative financial instruments – OTC	4	7,454	1	(14,604)	(2)
425300	Expected credit impairment loss and reversal benefit	4 and 6.24	(620)	-	(43)	-
428000	Other operating revenue	6.25 and 7	10,866	1	21,005	3
400000	Total revenues		<u>1,221,187</u>	<u>100</u>	<u>681,966</u>	<u>100</u>
	Expense					
501000	Brokerage fee expenses		(60,563)	(5)	(58,625)	(9)
502000	Proprietary trade service commission expenses		(2,498)	-	(1,709)	-
521200	Financial costs	6.26	(35,258)	(3)	(4,936)	(1)
524300	Clearance and settlement service expenses		(7,837)	(1)	(9,155)	(1)
528000	Other operating expenses	7	(1,006)	-	(831)	-
531000	Employee benefits expenses	6.21, 6.28 and 7	(740,775)	(61)	(642,022)	(94)
532000	Depreciation and amortization expenses	6.27 and 6.28	(129,814)	(10)	(118,055)	(17)
533000	Other operating expenses	7	(232,606)	(19)	(214,159)	(32)
500000	Total Expense		<u>(1,210,357)</u>	<u>(99)</u>	<u>(1,049,492)</u>	<u>(154)</u>
5xxxxx	Operating profit (loss)		10,830	1	(367,526)	(54)
602000	Other profits and losses	4 and 6.29	195,754	16	180,038	26
902001	Net income before tax (loss)		206,584	17	(187,488)	(28)
701000	Income tax expenses	4 and 6.31	(26,785)	(2)	(32,696)	(5)
902005	Net income (loss) for the current period		<u>179,799</u>	<u>15</u>	<u>(220,184)</u>	<u>(33)</u>
805000	Other comprehensive income	6.30				
805500	The items that are not reclassified as profit or loss					
805510	Reevaluation of determined benefit plan		(3,571)	-	35,033	5
805540	Investment of equity instruments at fair value through other comprehensive income					
	Unrealized valuation profit (loss), net		27,259	2	(9,731)	(1)
805000	Other comprehensive income for the period (post-tax profit or loss)		<u>23,688</u>	<u>2</u>	<u>25,302</u>	<u>4</u>
902006	Total comprehensive income in current period		<u>\$203,487</u>	<u>17</u>	<u>\$(194,882)</u>	<u>(29)</u>
913000	Net income (loss) attributable to:					
913100	Owners of parent		<u>\$179,799</u>		<u>\$(220,184)</u>	
914000	Total comprehensive income attributable to:					
914100	Owners of parent		<u>\$203,487</u>		<u>\$(194,882)</u>	
975000	Base earnings per share (NT\$):					
975010	Net income (loss) for the current period	6.32	<u>\$0.51</u>		<u>\$(0.63)</u>	
985000	Diluted earnings per share (NT\$):					
985010	Net income (loss) for the current period	6.32	<u>\$0.42</u>		<u>\$(0.63)</u>	

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chillih Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Items	Equity attributable to Shareholders of the Company						Total equity
	Share capital	Capital reserve	Retained earnings			Other equity	
	Common stock capital		Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	
Code	3100	3200	3310	3320	3350	3420	3XXX
Balance as at January 1, 2022	\$3,313,694	\$359,443	\$52,945	\$111,110	\$1,373,218	\$118,228	\$5,328,638
Dividend allocation and distribution for 2021:							
Legal reserve appropriated	-	-	122,501	-	(122,501)	-	-
Appropriation of special reserve	-	-	-	245,003	(245,003)	-	-
Cash dividend released	-	-	-	-	(596,465)	-	(596,465)
Common stock dividends	198,822	-	-	-	(198,822)	-	-
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(3,215)	-	-	-	-	(3,215)
2022 net income	-	-	-	-	(220,184)	-	(220,184)
Other comprehensive net income in 2022	-	-	-	-	35,033	(9,731)	25,302
Total comprehensive net income in 2022	-	-	-	-	(185,151)	(9,731)	(194,882)
Balance as at December 31, 2022	3,512,516	356,228	175,446	356,113	25,276	108,497	4,534,076
Other changes in capital reserve:							
Arising from the issuance of convertible corporate bonds, recognized in equity component - stock options	-	(760)	-	-	-	-	(760)
2023 net income	-	-	-	-	179,799	-	179,799
Other comprehensive net income in 2023	-	-	-	-	(3,571)	27,259	23,688
Total comprehensive net income in 2023	-	-	-	-	176,228	27,259	203,487
Balance as at December 31, 2023	<u>\$3,512,516</u>	<u>\$355,468</u>	<u>\$175,446</u>	<u>\$356,113</u>	<u>\$201,504</u>	<u>\$135,756</u>	<u>\$4,736,803</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flow
2023 and 2022

Unit: NTD thousand

Code	Items	2023	2022
	Cash flow from operating activities:		
A10000	Net income (loss) before tax for this period	\$206,584	\$(187,488)
A20000	Adjustments:		
A20010	Revenue, expense and loss that do not affect the cash flows		
A20100	Depreciation expenses	109,944	101,216
A20200	Amortization expenses	19,870	16,839
A20300	Expected credit impairment loss and reversal benefit	620	43
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit and loss	(128,765)	166,719
A20900	Interest expenses	35,258	4,936
A21200	Interest income (including financial income)	(110,672)	(59,797)
A21300	Dividend income	(26,290)	(19,830)
A22500	Loss on disposal or scrapping of property, plan and equipment	1	-
A23100	Net gain (loss) on disposal of investments	(2,525)	441
A23300	Loss on non-operating financial products at fair value	7,073	3,607
A24200	Gain on redemption of corporate bonds payable	(3,127)	(14,172)
A29900	Other items	(1,811)	(2,139)
A60000	Changes in operating activities related assets/liabilities		
A61000	Net changes in operating activities related assets:		
A61110	(Increase) decrease in financial assets at fair value through profit and loss	(1,631,551)	1,547,709
A61130	(Increase) decrease in bond investment under reverse repurchase agreement	(2,303,133)	798,783
A61180	Increase in securities borrowings receivable	(144,581)	(171,777)
A61190	Decrease (Increase) in customers' margin accounts	95,454	(57,535)
A61230	Decrease (increase) in notes receivable	207	(177)
A61250	Decrease (increase) in accounts receivable	(1,431,387)	2,344,979
A61270	(Increase) decrease in prepayments	2,050	(6,289)
A61280	Increase in net interest on the net defined benefit asset	(1,404)	-
A61290	Decrease (increase) in other receivables	954	(370)
A61365	Increase in financial assets at fair value through other comprehensive profit or loss	(13,588)	(136)
A61370	Decrease in other current assets	19,407	1,195,569
A62000	Net changes in operating activities related liabilities:		
A62110	Increase (decrease) in bond liabilities under repurchase agreement	3,360,797	(1,704,946)
A62130	Increase (decrease) in financial liabilities at fair value through profit and loss	(7,454)	12,817
A62200	Increase (decrease) in futures traders' equity	(94,932)	56,852
A62230	Increase (decrease) in accounts payable	1,464,988	(2,274,939)
A62250	Increase (decrease) in advance receipts	3,193	(7,490)
A62270	Increase (decrease) in other payables	56,882	(256,198)
A62290	Decrease in net determined benefit liability	-	(1,174)
A62300	Decrease in liability reserve	(5,776)	(138)
A62320	Increase (decrease) in other current liabilities	21,808	(1,098,113)
A33000	Cash (outflow) inflow generated from operations	<u>(501,906)</u>	<u>387,802</u>
A33100	Interest received	99,218	57,824
A33200	Dividends received	26,340	19,537
A33300	Interest payment	(3,215)	(1,294)
A33500	Income tax expense, net	(37,025)	(144,975)
AAAA	Net cash inflow (outflow) from operating activities	<u>(416,588)</u>	<u>318,894</u>
	Cash flow from investing activities:		
B02700	Acquisition of property, plant, and equipment	(12,852)	(62,761)
B03300	Increase in business guarantee	-	(10,000)
B03500	Increase in settlement/clearance fund	(1,691)	(71,853)
B03600	Decrease in settlement/clearance fund	2,713	91,568
B03700	Increase in refundable deposits	(701)	(1,456)
B03800	Decrease in Refundable deposits	12,320	1,831
B04500	Acquisition of Intangible assets	(17,847)	(20,853)
B07100	Increase in prepayments for equipment	(2,220)	(240)
BBBB	Net cash outflow from investing activities	<u>(20,278)</u>	<u>(73,764)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase of short-term loans	43,712,309	66,031,596
C00200	Decrease in short-term loans	(43,662,309)	(66,031,596)
C00700	Increase in commercial papers payable	1,747,705	29,979
C00800	Decrease in commercial papers payable	(1,550,000)	(180,000)
C01300	Corporate bonds repaid	(17,101)	(62,236)
C04020	Repayments of principal portion of the lease	(78,622)	(66,311)
C04500	Cash dividend released	-	(596,465)
C05600	Interest payment	(42,433)	(20,170)
CCCC	Net cash inflow (outflow) from financing activities	<u>109,549</u>	<u>(895,203)</u>
EEEE	Current cash and cash equivalents decrease	(327,317)	(650,073)
E00100	Balance of cash and cash equivalents, beginning of period	2,455,920	3,105,993
E00200	Balance of cash and cash equivalent, end of period	<u>\$2,128,603</u>	<u>\$2,455,920</u>

(Refer to Note to the consolidated financial statements)

Chairman: Ke-Chyn Jiang

Managerial officers: Jamie Lin

Accounting Manager: Chillih Hsieh

[Attachment 5]

Horizon Securities Co., Ltd.
2023 Earnings Allocation Table

		Unit: (NTD)
Undistributed earnings, beginning of year		25,276,479
Add (Less): Net income after tax for 2023	179,799,064	
Reevaluation of determined benefit plan	(3,571,387)	
Subtotal		176,227,677
Less: Legal reserve appropriated	(17,622,768)	
Special reserve appropriated (Note 1)	(35,245,535)	
Subtotal		(52,868,303)
Total distributable earnings		148,635,853
Allocation item		
Cash dividend per share (NTD 0.25/share) (Note 2) (Note 3)		(87,812,899)
Undistributed earnings, ending of year		60,822,954

Note 1: Handled in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act and Article 14 of the Regulations Governing Securities Firms.

Note 2: Retained earnings in current period shall be the first considered for payout as dividend to shareholders. The amount short will be covered by the undistributed earnings accumulated in the previous period. The amount payable to each share is based on the total quantity of 351,251,595 shares with participation rights at the time of resolution of the Board.

Note 3: Cash dividend will be determined by the Board and for reporting to the Shareholders' Meeting pursuant to Article 24 of the Articles of Incorporation of the Company.

Chairman: Ke-Chyn Jiang

President: Jamie Lin

Accounting Manager: Chilli Hsieh

Horizon Securities Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is organized as Horizon Securities Co., Ltd. in accordance with the provisions of the Company Act.
- Article 2 The Company's industry classifications are:
- (1) H301011 Securities Dealer
 - (2) H401011 Futures Commission Merchants
 - (3) H405011 Futures Advisory Enterprises
- Article 3 The Company's business scope is as follows:
- (1) Undertaking the trading of securities at centralized securities exchange market.
 - (2) Brokerage trading of securities within business premise.
 - (3) Proprietary trading of securities listed on Taiwan Stock Exchange.
 - (4) Proprietary trading of securities within business premise.
 - (5) Underwriting securities.
 - (6) Stock affairs agency for securities.
 - (7) Handling business regarding margin purchase and short sale.
 - (8) Brokerage trading of overseas securities.
 - (9) Handling business regarding short-term bills.
 - (10) Brokerage trading of the domestic futures and options contracts.
 - (11) Proprietary trading business related to securities and futures trading
 - (12) Operating the futures advisory business concurrently.
 - (13) Other activities approved by the competent authority.
- Article 4 The Company is located in Taipei City, and may, if necessary, be resolved by the board of directors to establish branches, subsidiaries, or offices in the country and abroad.

Chapter 2 Shareholding

- Article 5 The Company's total registered capital is for NTD 8 billion, divided into 800 million shares, each with a par value of NTD 10, and the board of directors is authorized to issue the shares in tranches.
- Article 6 The Company's shares are registered ones, and the Company may be exempted from printing any share certificate for the shares issued. The shares issued shall be delivered to shareholders by way of book-entry transfer and registered with a centralized securities depository enterprise.
- Article 7 Within 60 days before an annual shareholders' meeting, 30 days before a special meeting of shareholders, or 5 days before the Company decides to distribute dividends and bonuses, or other benefits, the transfer of shares shall be suspended.

Chapter 3 Board of Shareholders

- Article 8 The Company holds two types of shareholders' meetings:
- (1) The annual meeting shall be convened by the board of directors within six months after the annual settlement of accounts.

(2) Special meeting of shareholders: To be held when necessary.

During the convention of the shareholders' meeting, video conference or other methods announced by the central competent authority may be adopted.

- Article 9 A notice of convening an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date while a notice of convening a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date, to inform all shareholders of the date, place, and reason for such meetings.
- Article 10 Shareholders present at the shareholders' meeting of the Company have one voting right per share; however, the shares specified in Article 179 of the Company Act do not have voting rights.
- Article 11 Unless otherwise stipulated by the Company Act and relevant laws and regulations, the resolutions of shareholders' meeting must be adopted by a majority of attending shareholders at a meeting attended by shareholders representing a majority of the total issued shares.
- Article 12 When a shareholder is unable to attend the shareholders' meeting for some reason, he/she may issue a written proxy to entrust a proxy to attend the meeting. However, when the proxy is entrusted by two or more people at the same time, the proxy's voting rights shall not exceed 3% of the total number of shares issued. The excess part will not be counted.
- Article 13 The Chairman shall chair the shareholders' meeting, and when he is on leave or cannot exercise his powers for some reason, the Vice Chairman shall act on his behalf; when the Vice Chairman is also on leave or cannot exercise his powers for some reason, the Chairman shall designate a director to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair.
- Article 14 Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting.
- The preparation and distribution of said minutes in the preceding paragraph may be effected by electronic means, and the distribution of said minutes may be effected by means of a public announcement.
- Chapter 4 board of directors
- Article 15 The Company has five to nine directors, of whom three to five are independent directors, who, with behavioral capacity, are elected by the shareholders' meeting for a term of three years and eligible for reelection. Regardless of the Company's profit or loss, all of them shall be paid with honoraria.
- The election of directors and independent directors mentioned in the preceding paragraph shall adopt the candidate nomination system, and the shareholders shall elect them from the list of candidates.
- The remuneration to directors shall be determined by the board of directors in consideration of the standards in the industry.
- Article 16 The board of directors is formed by directors, who shall elect one person from among themselves as the chairman and another one as the vice chairman; the chairman is the chair of the board of directors and represents the Company externally.
- Article 17 When the chairman is on leave or is unable to exercise his power and authority for some reason, the vice chairman shall act on his behalf. When the vice chairman is also on leave or is unable to exercise his power and authority for some reason, the chairman shall designate one director to act on his behalf. In the absence of such a

designation, the directors shall elect from among themselves an acting chairman.

Article 18 A board meeting shall be convened by the Chairman. Unless otherwise provided by the Company Act, a board meeting shall only be convened with the consent of a majority of the attending directors at the meeting attended by a majority of the directors. When a director is unable to attend the meeting for some reason, he/she may entrust another director to attend the meeting as a proxy in accordance with Paragraph 3, Article 205 of the Company Act.

A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In the case of an emergency, however, a board meeting may be called at any time. The notice of convening of a board meeting of the Company shall be sent to the directors in writing, or by email or fax.

Article 19 The powers and responsibilities of the board of directors are as follows:

- (1) Decisions on business plans, and business guidance and supervision.
- (2) Review and approval of various charters and important contracts.
- (3) The appointment, dismissal, and remuneration of managers.
- (4) Preparation of budgets and final statements.
- (5) Purchase of liability insurance for directors and key employees, if applicable.
- (6) Other important matters that shall be decided by the board of directors

Article 20 The board of directors shall set up an Audit Committee composed of all independent directors with no less than three members, one of whom shall be the convener and at least one shall have accounting or financial expertise.

The board of directors is authorized to formulate the Audit Committee Charter.

Chapter 5 Staff

Article 21 The Company has one President as well as several Vice Presidents and Assistant Vice Presidents. The appointment, dismissal, and remuneration thereof are all handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 22 The Company's fiscal year starts from January 1 of each year to December 31 of the same year, and when each fiscal year ends, the board of directors shall prepare the following documents and send them to the Audit Committee for review 30 days before the annual shareholders' meeting, or the Audit Committee may entrust CPAs to verify them and issue a report, and submit it to the annual shareholders' meeting for ratification.

- (1) Business report.
- (2) Financial statements.
- (3) Earnings distribution or loss reimbursement proposal.

Article 23 If the Company has profit in the current year, it shall appropriate no less than 2% as employee remuneration and no more than 3% as director remuneration (excl. Independent Directors). However, profits must first be taken to offset against cumulative losses if any.

The aforementioned profit refers to the pre-tax income minus the amount of remuneration to be distributed to the directors or employees.

The employee remuneration in the first paragraph may be distributed in the form of cash or shares, and may be distributed to employees including the qualified employees of the Company's subsidiaries. The remuneration to directors in the first paragraph shall be distributed only in the form of cash.

Article 24 When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, and set aside a legal capital reserve at 10% of the remaining earnings. The allocation shall not be subject to the above if the amount of legal capital reserve has reached the amount of the paid-in capital. The Company shall also set aside a certain amount of profit as special reserve in accordance with the laws and regulations. Besides the amount retained for business needs, the distribution shall be determined by the Board with reference to the operational status of the Company. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the shareholders' meeting for resolution before distribution.

As stipulated by Paragraph 5 of Article 240 of the Company Act, the Company may distribute the distributable dividends in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors.

Taking into consideration the future growth of operation scale and diversified development of businesses, the Company shall appropriate no less than 50% of the total distributable profit as dividends. However, the Company may be exempt from distribution of dividends in cases where accumulated distributable profit is less than 10% of paid-in capital. Stock dividends shall be no more than 50%, and cash dividends shall be no less than 50% of the total distributable dividends. However, the Company may adjust the percentage thereof and the percentage of distributable earning depending on the Company's business development and capital requirement.

Chapter 7 Supplementary Provisions

Article 25 Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant regulations.

Article 26 The Articles of Association were established on November 30, 1961.

The 51st amendment was made on May 27, 2022.

The 52nd amendment was made on May 31, 2023.

Horizon Securities Co., Ltd.

Horizon Securities Co., Ltd.

Rules of Procedure for Shareholders' Meetings

- Article 1 For establishing the Company's shareholder's meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 5 of the "Corporate Governance Best-Practice Principles for Securities Firms" for compliance.
- Article 2 The Rules of Procedure for Shareholders' Meetings of the Company shall prevail, unless otherwise provided by laws or regulations.
- Article 3 The Company's shareholders' meeting shall be convened by the board of directors unless otherwise provided by laws and regulations.
- Changes to how the Company convenes the shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NTD 10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. Within 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time, and shall display them at the Company and the professional shareholders' services agency designated thereby.
- The shareholders' meeting agenda handbook and supplementary materials stated in the preceding paragraph shall be made available for the reference of the shareholders at the meeting place as follows:
1. For physical shareholders meetings, to be distributed on-site at the meeting.
 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Matters pertaining to election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus

profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be enumerated in the causes or subjects to be described, and the essential contents shall be explained in the notice of convening a meeting of shareholders and shall not be brought up as extemporaneous motions.

The reasons for the convening of the shareholders' meeting have indicated the full reelection of directors and independent directors, and the date of appointment. After the reelection of the shareholders' meeting is completed, the date of appointment shall not be changed by temporary motion or other means at the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

The Company shall announce the acceptance of shareholders' proposals, acceptance methods for proposals in writing and by electronic means, the location, and time period for the submission prior to the book closure date before the annual shareholders' meeting is held; the period for the submission shall not be less than 10 days.

A proposal submitted by a shareholder is limited to 300 words. Anything proposal exceeding 300 words shall not be included in the proposal; the proposing shareholder shall attend the annual shareholders' meeting in person or by proxy to participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the processing results before the notice day of the shareholders' meeting, and list the proposals that conform to the provisions of this provision in the notice of the meeting. For shareholder proposals that are not included in the agenda, the Board of Shareholders shall explain the reasons for exclusion of any shareholder proposals in the shareholders' meeting.

Article 4 Shareholders may issue a proxy prepared by the Company for each shareholders' meeting, to specify the scope of authorization, and appoint a proxy to attend such meetings.

Each shareholder shall issue one proxy and entrust only one person as the proxy, and it shall be delivered to the Company five days before the shareholders' meeting. In the event of a duplicate proxy, the first one shall prevail. However, those who declare to revoke the previous proxy shall not be subject to this provision.

After a proxy is served to the Company, any shareholder who wishes to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the Company in writing of revocation of the proxy two days before the shareholders' meeting; if the revocation notice is submitted after the specified time, the votes cast at the meeting by proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting by means of virtual communication network, a written notice of proxy cancellation shall be submitted to the Company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting

by the proxy shall prevail.

Article 5 The location of the shareholders' meeting shall be at the place of the Company or at a place easily accessible to shareholders and suitable for a shareholders' meeting. The start time of the meeting shall not be earlier than 9 a.m. or later than 3 p.m. The independent directors' opinions of the place and time of the meeting shall be fully considered.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders' meeting.

Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall present the attendance cards, sign-in cards, or other certificates of attendance to attend the shareholders' meeting. The Company may not add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

The shareholders who intend to attend the virtual shareholders' meeting by means of virtual communication network shall complete the registration with the Company 2 days before the meeting date.

For a virtual shareholders' meeting, the Company shall upload the agenda handbooks, annual reports, and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting

Article 6-1 The Company shall have the following information detailed in the shareholders' meeting notice while convening the virtual shareholders' meeting:

1. Shareholders' attending a virtual shareholders' meeting and the way exercising their rights;
2. The malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by virtual communication network due to calamities, incidents, or *force majeure*, shall be handled as follows:
 - (1) The duration of the malfunction causing the meeting to be postponed or

- reconvened and the date for the postponed or reconvened meeting;
- (2) Shareholders who did not register to attend the initial shareholders' meeting by means of virtual communication network may not attend the postponed or reconvened meeting.
 - (3) If the video transmission in the hybrid shareholders' meeting cannot be reconvened, but the total shareholdings of the shareholders attending the meeting after deducting the shareholdings of the shareholders who attend the meeting by means of virtual communication network still meets the quorum, the shareholders' meeting shall continue. The shareholdings of the shareholders who attend the meeting by means of virtual communication network shall be included in the total shareholdings of the shareholders present, but the attending shareholders by means of virtual communication network shall be deemed to have waived their voting power in respective of all proposals at the said shareholders' meeting.
 - (4) When all the proposals have been resolved and announced, how shall those not included in the motions be handled?
3. The alternatives available to the shareholders who have difficulties attending the virtual shareholders' meeting by means of virtual communication network shall be stated in detail.

Article 7

If a shareholders' meeting is convened by the Board of Shareholders, the meeting shall be chaired by the Chairman. When the Chairman is on leave for any reason, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman is also on leave for any reason, the Chairman shall appoint one director to act as chair. In the absence of such a designation, the directors shall elect from among themselves an acting chair.

Where a director serves as chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more and understand the financial and business conditions of the Company.

The Chairman shall personally preside the shareholders' meeting that is convened by the board of directors; also, a majority of the board of directors and at least one member of each functional committee should attend the meeting with the attendance recorded in the minutes of meeting.

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

The Company may appoint its attorneys, CPAs, or relevant persons to attend a shareholders' meeting in a non-voting capacity.

Article 8

The Company shall make an uninterrupted audio and video recording of the process, from the shareholders' sign-in process, the proceedings of the shareholders' meeting to the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual shareholders' meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be

properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual shareholders' meeting.

If the Shareholders' Meeting is to be convened via videoconferencing, the Company shall conduct voice recording and videotaping on the back-end operation interface of the videoconference platform.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

When it is about the time to call the meeting to order, the chair shall immediately call the meeting to order while announcing the relevant information, such as the number of non-voting rights and the number of shares present. However, when shareholders present do not represent a majority of the total issued shares, the chair may announce the postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Shareholders, the meeting agenda shall be set by the Board of Shareholders. Votes shall be cast on each separate proposal in the agenda (including extemporaneous motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not a member of the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporaneous motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and

discussion of proposals and of amendments or extemporary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. Where the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. However, with the consent of the chair, it may be extended only once by three minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Where an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Shareholders who attend the virtual shareholders' meeting by means of virtual communication network may ask questions in writing on the virtual meeting platform after the chairman calls the meeting to order and before the meeting adjourned. Each shareholder shall not ask more than two times for one motion, and each question shall not exceed 200 words, which is not subject to the provision of Paragraph 1 – Paragraph 5.

The aforementioned questions that do not violate the regulations or do not exceed the scope of the motion shall be disclosed on the virtual meeting platform for public knowledge.

Article 12 Voting at a shareholders' meeting shall be calculated based the number of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be counted towards the total number of issued shares.

Where a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, the shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted towards the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by the proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that

percentage shall not be included in the counting.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Where the Company holds a shareholder' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extemporary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company within two days before the date of the shareholders' meeting. Where a duplicate declaration of intent is delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. Where a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided by the Company Act and in the Company's Articles of Incorporation, the passing of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders. A proposal shall be deemed approved after the chair consults all shareholders present without any objection, and its effect shall be the same as that of voting; if there are objections, the voting shall be adopted in accordance with the provisions of the preceding paragraph. In addition to the proposals listed on the agenda, other proposals proposed by shareholders or amendments or alternatives to the original proposals shall be seconded by other shareholders. The shares represented by the proposer and the seconders shall reach at least one percent of the total number of shares issued.

Where there are amendments or alternatives to the same proposal, the chair shall, together with the original proposal, determine decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The scrutineers and vote counters for proposal voting shall be designated by the chair, but the scrutineers shall be shareholders.

The counting of votes for the shareholders' meeting or elections at the meeting shall be done in public at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including number of votes counted, and shall be recorded.

Shareholders who attend the Company's virtual shareholders' meeting by means of virtual communication network shall vote on various resolution proposals and election proposals through the virtual meeting platform after the chairman calls the meeting to order; also, the vote shall be casted before the chairman announces the close of voting, otherwise it will be deemed as a waiver

The vote count in the virtual shareholders' meeting shall be counted at once after the chairman announcing the close of voting, and the voting and election results shall be announced accordingly.

The shareholders who have registered to attend the hybrid shareholders' meeting by means of virtual communication network in accordance with Article 6 when planning to attend the Company's physical shareholders' meeting in person shall cancel the registration in the same manner as the registration was made 2 days before the meeting date. Those who fail to have the said registration cancelled within the time limit can only attend the shareholders' meeting by means of virtual communication network.

Shareholders who exercise their voting rights in writing or electronically without withdrawing their declaration of intentions and attending the shareholders' meeting by means of virtual communication network, except for motions, shall not exercise voting rights on the initial proposal, propose amendments to the initial proposal, or exercise their voting rights for amendments to the initial proposal.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the relevant election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those unelected as well as the numbers of votes that they obtained. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The preparation and distribution of said minutes in the preceding paragraph may be affected by electronic means, and the distribution of said minutes may be affected by means of a public announcement. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of a director or independent director. The minutes shall be retained for the duration of the existence of the Company. As for the resolution method in the preceding paragraph, where the chair consults shareholders for their opinions of a proposal without objection, it shall be recorded "The proposal was passed without objection after consulting by the chair"; however, where any shareholder disagrees with a proposal, the method of voting and the ratio of the number of votes for to the number of all voting rights shall be stated. Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairman's and secretary's name, actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting by means of virtual

communication network due to natural disasters, accidents or other *force majeure* events, and how issues are dealt with shall also be included in the meeting minutes. The Company shall have the virtual shareholders' meeting convened in accordance with the regulations stated in the preceding paragraph; also, shall specify in the meeting minutes the alternatives provided to shareholders who have difficulties attending the virtual shareholders' meeting by means of virtual communication network.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

The Company while holding a virtual shareholder meeting shall have the number of shares represented by the attending shareholders announced on the virtual meeting platform at the time of calling the meeting to order. It is same for the statistics of the shares and voting rights represented by the shareholders present in the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification badges or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or armband bearing the word "Proctor."

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

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

Article 18 Where a meeting is in progress, the chair may announce a break based on time considerations. If a *force majeure* event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the

virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairman has announced the meeting adjourned.

Article 20 When the Company convenes a virtual shareholders' meeting, both the chairman and the secretary shall be in the same location in Taiwan, and the chairman shall declare the address of their location when the meeting is called to order.

Article 21 In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

If the shareholders' meeting is held by video conference, the chairman shall, when announcing the opening of the In the event of a virtual shareholders' meeting, when declaring the meeting started, the chairman shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the "Regulations Governing the Administration of Shareholder Services of Public Companies," if the virtual meeting platform or participation in the virtual shareholders' meeting is obstructed due to natural disasters, accidents or other *force majeure* events before the chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who did not register to attend the initial shareholders' meeting by means of virtual communication network may not attend the postponed or reconvened meeting.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected virtual shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected virtual shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting by means of virtual communication network, still meets the quorum, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required.

Under the circumstances where a meeting shall continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting by means of virtual communication network shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders'

meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The latter paragraph of Article 12 and Paragraph 3 under Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under Paragraph 2.

- Article 22 When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting by means of virtual communication network.
- Article 23 The dedicated unit responsible for the Rules is the President's Office.
- Article 24 These Rules will be implemented after approval by the shareholders' meeting, and the same applies when they are amended.
- Article 25 The Rules were formulated on June 9, 2006.
The 7th amendment was made on July 29, 2021.
The 8th amendment was made on May 27, 2022.

[Appendix 3]

Horizon Securities Co., Ltd.
Ownership of All Directors of the Company

1. The Company's paid-in capital is NTD 3,512,515,950. Total number of issued shares is 351,251,595.
2. The number of shares held by all directors as of March 29, 2024, the book closure date, for the annual shareholders' meeting is as follows:

Title	Name	Number of shares held	Percentage of ownership
Chairman	Cheng-Da Investment Consulting Co., Ltd. Representative: Ke-Chyn Jiang	35,160,200	10.01%
Director	Cheng-Da Investment Consulting Co., Ltd. Representative: Jamie Lin		
Director	LI, JYUN-DE	0	-
Independent Director	HSIAO, CHEN-CHI	0	-
Independent Director	CHEN, YUH-JEN	0	-
Independent Director	LIAW, CHE-YING	0	-
Independent Director	CHEN, MING-SHUN	0	-
Shareholdings and percentages of shares held by all directors		35,160,200	10.01%

Note: The number of independent directors elected by the Company exceeds half of the total number of directors, and the Company has established an audit committee, so the number of shares that are legally required to be held by all directors and supervisors is not applicable.

MEMO