

The 2023 shareholders' meeting minutes of Yuanta Futures Co., Ltd.

Meeting time: 9:00 AM on May 24 (Wednesday), 2023
Meeting place: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City (The Chinese National Futures Association Business Center)
Mode of convention: Hybrid shareholders meetings (convenes a physical shareholders' meeting with the assistance of video conferencing)
Virtual meeting platform: E-Meeting platform of Taiwan Depository & Clearing Corporation
(Website: <https://www.stockvote.com.tw/evote/index.html>)
Shareholding of the attending shareholders: 243,534,266 shares of the attending shareholders and by proxy, representing 83.98% of the total issuance of 289,976,288 shares.

Chairman: Tien-Fu Lin

Clerk: Jung-Tzu Liu

Attendees: Vice Chairman, Pin-Cheng Chen; Director and President, Kuo-Tsun Hsu; Independent Director, Yu-Chun Wu; Independent Director, Hui-Erh Yuan
PwC Taiwan CPA: Chiao-Sen Lo
Attorney Huai-Hsin Liang of Giant Era International Law Firm

- I. Meeting commencement: Omitted.
- II. Statement by the Chairman: Omitted
- III. Reporting matters
 1. Presenting the Company's 2022 Business Report. (Attachment 1) -- Acknowledged by all present shareholders.
 2. Audit Committee has the audit report for the Company's 2022 business report, financial statements, and statement of retained earnings presented for approval. (Attachment 2)
-- Acknowledged by all present shareholders.
 3. Presenting the 2022 Employees' Remuneration Distribution. -- Acknowledged by all present shareholders.

IV. Acknowledgments

Case 1:

Subject: Acknowledging the Company's 2022 Business Report and Financial Statements. (Proposed by the Board of Directors)

- Details:
1. The Company's 2022 consolidated financial statements and the financial statements were audited by CPA Chiao-Sen Lo and CPA Hsiu-Ling Li of PwC Taiwan and were resolved for acceptance on the 25th Meeting of the 11th term Board of Directors (March 8, 2023). The audited financial statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
 2. For details on the Business Report, Independent Auditor's Report, the consolidated financial statements and financial statements, please refer to Attachment 1 and Attachment 3.
 3. The agenda has been proposed for acknowledgment.

Resolutions: This case was voted with 242,927,337 voting rights in favor, accounting for 99.75 % of the total voting rights of the balloting. There were 163,706 voting right not in favor of the case. There were 443,223 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

Case 2:

Subject: Acknowledging the Company's 2022 Earnings Distribution. (Proposed by the Board of Directors)

- Details:
1. The 2022 annual earnings distribution proposal was in compliance with the "Company Act" and the Company's "Articles of Incorporation"; also, it was resolved for acceptance on the 25th Meeting of the 11th Board of Directors (March 8, 2023). The annual earnings distribution proposal was reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
 2. The unappropriated earnings of the company at the beginning of 2022 was NT\$166,821,781 (the same currency applied hereinafter).

3. Legal reserve and special reserve are appropriated on the basis of the “net income and profit and loss other than the net income adjusted to the current year’s unappropriated earnings” as stipulated in the Jing-Shang-Zi No. 10802432410 Letter dated January 9, 2020 by the Ministry of Economic Affairs and the Jin-Guan-Zheng-Qi-Zi No. 1110380212 Letter dated January 21, 2022 by the Financial Supervisory Commission. The appropriation basis is for an amount of NT\$1,112,595,696 in 2022, which includes the net income of NT\$1,145,347,963 audited by the independent auditors plus the actuarial net profit of NT\$6,800,470 for the after-tax defined benefit plan and deducting the net loss of equity instrument measured at fair value through other comprehensive profit or loss, NT\$39,552,737. A 10% legal reserve is appropriated lawfully for an amount of NT\$111,259,570, and a 20% special reserve is appropriated for an amount of NT\$222,519,139. The distributable earnings for the current period are NT\$945,638,768.
4. The company intends to distribute a cash dividend of NT\$724,940,720. The cash dividend per share is NT\$2.5 that is calculated according to the number of outstanding shares. The aforementioned earnings distribution proposal is funded with the distributable amount from the earnings of the current year. Please refer to Attachment 4 for further details regarding the earnings appropriation.
5. The cash dividends distributed to each shareholder are calculated and rounded up to dollar; also, the total amount of odd share less than NT\$1 shall be transferred to the company’s Employee Welfare Committee.
6. For this earnings distribution proposal, if the company’s number of outstanding shares is changed due to the actual business operation, amendments to the law, or the command of the competent authority, the (2023) regular shareholders’ meeting is suggested to have the board of directors authorized to recalculate the cash dividend ratio based on the number of outstanding shares on the ex-dividend date.
7. Once the proposal is resolved by the shareholders’ meeting, the board of directors shall be authorized to schedule the ex-dividend date, the payment day, and other related matters. The dividend distribution is based on the shareholder’s shareholding ratio on the ex-dividend date.
8. The agenda has been proposed for acknowledgment.

Resolutions: This case was voted with 242,908,736 voting rights in favor, accounting for 99.74 % of the total voting rights of the balloting. There were 180,907 voting right not in favor of the case. There were 444,623 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

V. Discussions

Case 1:

Subject: Partial amendments to the Articles of Incorporation. (Proposed by the Board of Directors)

- Details:
1. It is advisable to amend some clauses of the Company’s Articles of Incorporation in compliance with the laws and regulations and the practical operation of the Company. The key points of the current amendments are as follows:
 - (1) Article 2 and Article 2-1 are amended since the Company does not operate a securities investment consulting business.
 - (2) Article 19 is amended to comply with the laws and regulations.
 - (3) Article 20-1 is amended due to the name change of the Remuneration Committee.
 2. Please refer to Attachment 5 for the comparison table of the Articles of Incorporation amendment.
 3. Proposed for referendum

Resolutions: This case was voted with 242,891,223 voting rights in favor, accounting for 99.73 % of the total voting rights of the balloting. There were 189,428 voting right not in favor of the case. There were 453,615 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

VI. Elections

Case 1:

Subject: For the purpose of the by-elections of one seat of independent directors of the Company, please vote. (Proposed by the Board of Directors.)

- Details:
1. In accordance with Article 19 of the Company’s Articles of Incorporation, the Company has 7 to 11 directors (including 3 independent directors) with a term of office of 3 years and the directors may be re-elected. The term of office of the Company’s 9 directors (including 3 independent

directors) of the 11th term is from July 5, 2021 to July 4, 2024. Mr. Nai-Kuang Huang, an independent director, deceased on January 28, 2023, was dismissed and released from all job responsibilities from the said date.

2. For the independent director vacancy, a by-election is proposed to be held at the general shareholders' meeting on May 24, 2023, and the term of office of the by-elected independent director shall be from May 24, 2023 to July 4, 2024.
3. Please refer to Appendix (Meeting Handbook) for the Procedures for Election of Directors.
4. The list of the candidates for current board directors approved by the board of directors on April 6, 2023 is as follows:

Name of the candidates for independent directors	Number of shares held	Education Background	Work Experience
An-Pin Chen	0	Ph.D. in Industrial Engineering, University of Southern California	<ol style="list-style-type: none"> 1. Independent Director of Yuanta Securities Co., Ltd. 2. Supervisor of Tian Mei Rubber Co., Ltd. 3. Full-time Chair Professor of the Department of Finance, Asia University 4. Academician of Chinese Society for Management of Technology 5. Assistant Dean of the College of Management, National Chiao Tung University 6. Chair of the Graduate Institute of Information Management, National Chiao Tung University 7. Dean and full-time professor of the Department of Information Management and Finance, National Chiao Tung University 8. Adjunct Associate Professor, Institute of Finance, National Taiwan University 9. Advisor to Polaris Securities Group

Result of election: As illustrated below:

Identity	Account No. (ID No.)	Name of the elected	Elected shareholding (including number of electronic voting rights)
Independent Director	B10*****78	An-Pin Chen	213,826,441

VII. Other items

Case 1:

Subject: Proposal for lifting competition restrictions on the Company's newly elected independent directors. (Proposed by the Board of Directors)

- Details:
1. Pursuant to Article 209, Paragraph 1 of the Company Act "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
 2. For the newly elected directors (independent directors) who are subject to the non-compete clause of the Company Act Article 209, under the precondition of not-jeopardizing the interests of the Company, a proposal may be made in the shareholders' meeting to have the said non-compete clause against the newly elected directors (independent directors) lifted.
 3. The list of the non-compete clause lifted are as follows:

Name	Adjunct to the company	Current additional positions
Independent Director An-Pin Chen	Yuanta Securities Co., Ltd.	Independent Director

4. Proposed for referendum.

Resolutions: This case was voted with 242,747,759 voting rights in favor, accounting for 99.67% of the total voting rights of the balloting. There were 343,870 voting right not in favor of the case. There were 442,637 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

VIII. Extempore Motion: None

IX. Meeting adjourned (9:33 a.m.)

Chairman: Tien-Fu Lin

Clerk: Jung-Tzu Liu

* The purpose of the meeting is documented in the minutes of the general shareholders' meeting. The agenda and procedures of the meeting are taped in video and audio form.

Attachment 1

Yuanta Futures Co., Ltd. 2022 Business Report

I. Market Overview

The financial market remained in turbulence in 2022. The outbreak of the military conflicts between Russia and Ukraine in the first quarter of the year led to prices soaring in global energy and raw materials. China adopted a strict containment measure to deal with the secondary outbreak of the pandemic, causing another impact on the global supply chain and inflation. The global central banks successively adopted monetary tightening policies, raised interest rates, and reduced bond purchases. Since the economies of many countries remain affected by geopolitics, financial fluctuations, etc., the demand for hedging and trading in the futures market has gone up. The trading volume of global futures and options reached a new high in 2022 for a volume of 83.85 billion units, an increase of 34% over last year.

In terms of global options trading, according to the statistics from the Futures Industry Association (FIA), futures trading volume increased by only 0.1% compared with last year, while options increased by 63.7% compared with last year. In terms of the commodity category, the trading volume of stocks and stock price indexes remains the highest, accounting for 73.7%, with an annual growth rate of 47.7%; followed by exchange rate transactions accounting for 9.2%, with an annual growth rate of 38.8%; then, interest rate transactions accounting for 6.1%, with an annual growth rate of 12.4%. The transaction volume of agricultural category, energy, and metal contracts declined from that of in the same period last year.

In terms of the domestic market, due to the impact of inflation and soaring interest rate, the real economic growth is sluggish. The average daily volume of Taiwan stock market was NT\$242.1 billion in 2022, an annual decrease of 38.1%, which affected the hedging demand in the Taiwan futures market negatively as a result. The option transactions reached 384 million units in 2022, a slight decrease of 2% from 392 million units in 2021, of which the daily trading volume dropped by 16.7%, while the night trading volume increased by 59.3% compared with last year, indicating that investors could connect to the trading hours of the US stocks through the night trading flexibly to help create a diversified trading trend in Taiwan's futures market. FITX, FIMTX, stocks and futures, and TXO were the most popular instruments traded in 2022. However, a wave of micro commodity trading has emerged in recent years. The average daily volume of MIMTX increased by 10.8% compared with last year. The average daily volume of ZEF increased by 25.2% compared with last year. The average daily volume of ZFF increased by 120% compared with last year. Also, the average daily trading volume of standard contract specifications declined, indicating the advantages of flexible fund use and low entry barriers for small contract specifications that made it a potential commodity in the futures market.

In terms of the regulatory environment, regarding the issues of great importance to the financial supervisory agencies in 2022, in terms of trading systems, for the protection of the trading rights and interests of financially disadvantaged groups, the competent authority enhanced the risk-tolerance evaluation of and trading monitoring mechanism for elderly traders, so that futures merchants could implement the Fair Dealing Principle. In addition, in terms of sustainable development, the competent authority issued the "Sustainable Development and Transformation Strategy for Securities and Futures Industry" in 2022, which included 3 structures, 10 strategies, and 27 specific measures with the relevant measures

formulated, including the objectives of sustainable development and transformation of the securities and futures industry, promoting the development of financial technology, and enhancing the protection of information security. The company strives to support the policies of the competent authorities, continues to enhance the information security protection network, optimizes and replaces the front-end and back-end operating systems, actively grasps opportunities for digital financial development, and expands digital platform channels. The company in response to the changes in laws and regulations complies with the supervisory regulations prudently, deepens the company's risk control and internal control system, and dynamically adjusts the company's operating policies and operating procedures through formulating internal regulations and education and training so as to ensure operational stability and protect customer rights.

While facing the concern over inflation and the global trade uncertainties in the post-pandemic era, the company will continue to integrate the department of legal compliance, risk management, information, settlement, and auditing, to establish a solid control line of defense across departments, to comprehensively enhance the company's internal policies and risk control measures, and to improve the cognition and cultural development of relevant personnel on risk control, money laundering prevention, and combating terrorism financing in order to effectively substantiate the objectives of customer risk management and stable operation.

II. Operating results

The company continued to enhance various operations and management in 2022, including improving the profitability of shareholders' equity, substantiating risk management, enhancing brokerage and trading objectives, etc., and had achieved various operational objectives as follows:

- (I) In terms of financial performance: The Company's net income amounted to NT\$1,145 million, ranking the first among 14 futures commission merchants; moreover, the EPS (after tax) was NT\$3.95 and the ROE (after tax) was 9.08%.
- (II) In terms of business performance, the market share of futures brokerage was 21.95% with 80.48 million lots traded, the market share of option brokerage was 19.22% with 77.34 million lots traded, and the market share of foreign futures was 25.14% with 12.26 million lots traded.
- (III) In terms of corporate governance implementation: The company adheres to the principle of the highest ethical corporate management to establish a rigorous corporate governance system and to substantiate internal control, compliance with laws and regulations, and risk control. Also, for the protection of the customers' rights and interests, the company convenes the Fair Dealing Principle meeting every quarter, and reports the implementation result to the board of directors. The board of directors supervises the indicators and actions related to customer rights and interests. The related governance performance has been repeatedly recognized and won domestic and foreign corporate governance awards.
 1. The company was ranked on the top 5% of the TPEX companies in the 8th "Corporate Governance Evaluation" of Taiwan Stock Exchange and has been awarded for 8 consecutive years since 2015, demonstrating the high affirmation of the company's substantiating corporate governance by the competent authority.
 2. The company was ranked for the first time in the top 25% of the futures category in

the “Evaluation of Fair Dealing Principle in the Financial Services Industry” announced by the Financial Supervisory Commission.

3. Yuanta Futures is the first futures merchant to receive an excellent domestic long-term credit rating of “AA-(tw’n)” and a domestic short-term credit rating of “F1+(tw’n)” from Fitch Ratings and a prospect of “stable.”
 4. Received Taiwan Intellectual Property Management System (TIPS) Level A certification for two consecutive years.
- (IV) In terms of award-winning records and international certification: The company as a leading “Futures Brand” in Taiwan values the importance of promoting the sustainable development of the industry while securing financial business development and generating profits; also, taking into account the research and development capabilities and innovation, striving to provide investors with the best futures trading platform services, and adhering to the core value of the brand in order to become the brand benchmark in the Asian financial market.

Credits and honors in 2022:

1. No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan.
2. National Brand E.Sun Award “Outstanding Enterprise Award” and “Best Product Award: iTRADER”
3. Ranked No. 3 on the Little Giant List of “CommonWealth Magazine Sustainable Citizenship Award” – the only futures enterprise on the list, winning the award for five consecutive years.
4. Awarded with the “Best Brokerage House of the year” by The Asset magazine.
5. The Asset Magazine awarded the “ESG Corporate Awards Platinum Medal.”
6. Taiwan Futures Exchange 8th “Futures Diamond Award – Futures Brokers Trading Volume Diamond Award No. 1” and “Futures Market Promotion Diamond Award”
7. The 2021 sustainability report has been certified for the first time by the British Standards Institution – Taiwan Branch (BSI) with a confirmation report issued by the CPA.
8. The company strives to introduce various ISO management tools, and has been certified by the British Standards Institute Taiwan Branch for: ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas, ISO 45001 Occupational Health and Safety Management System, ISO 20400 Sustainable Procurement Guidelines, ISO 14046 Environmental Management – Water Footprint, ISO 27001 Information Security Management System, ISO 10002 Customer Complaint Management System, and BS 10012 PIMS Personal Information Management System.

(V) The Company’s 2022 income and expense and profitability analysis as follows:

(Unit NTD thousand)

Item	2022	2021	Difference	Variation
Operating gains	3,999,798	3,888,691	111,107	2.86%
Earnings before tax	1,422,465	1,048,960	373,505	35.61%
Current period net profit	1,145,348	860,282	285,066	33.14%
Net worth (NT\$100mn)	128.7	123.5	5.2	4.21%
After-tax EPS (NTD)	3.95	2.97	0.98	33.00%
Return on shareholders' equity	9.08%	7.11%	1.97	27.71%

III. Research and development

- (I) Construct and develop various front-end trading systems and back-end accounting systems in response to the launch of new products and new systems by Taiwan Futures Exchange; also, enhance system functions and comply with various regulatory projects of the competent authority. In addition, Yuanta Futures has constructed a security information and event management system (SIEM) along with the increasing awareness of information security protection in recent years; also, introduced an endpoint security protection system with ISO 27001 certification performed continuously in order to ensure the security of customers' trading environments.
- (II) Continue to refine the readability and diversity of research reports, and provide traders with more real-time research information in the form of community posts, audio-visual, and audio. Prepare customized industry and corporate project briefings for corporate customers; provide strategic hedging and forward-looking analysis to have futures services extended to industry and corporate physical economy services.
- (III) Launch various trading platforms to meet the diverse needs of customers for PC and mobile orders. Launched Yuanta Futures' own electronic trading platform – iTRADER in 2021 with its functions optimized continuously. New technologies, such as robotic process automation (RPA) and digital reporting system, are introduced to the back-end operation process simultaneously to provide customers with smoother service performance in order to improve operation efficiency comprehensively. Yuanta Futures cooperated with the Group to introduce the Fast Identity Online (FIDO) in 2022. In the future, it will provide customers with a more convenient financial service experience and improve the convenience and security of financial transactions.

IV. Future operating plans and development strategies

In the prospect of 2023, Yuanta Futures takes “ethical management, sustainable wealth” as the core of its business strategy to realize a stable and profitable operating policy and to achieve the objective of sustainable development. Yuanta Futures adheres to the belief in “integrity”; bases the business operation on corporate governance and legal compliance, risk management and customer care, and implementation of fair dealing principle and friendly service; focuses on expanding various business momentum; develops overseas markets; establishes a competitive advantage against peers; works to become a large futures merchant in Asia. Also, Yuanta Futures incorporates the concept of sustainable development into business strategies, promotes green operations and sustainable commodities comprehensively,

accelerates the promotion of digital transformation engineering, and grasps green financial business opportunities to create maximum value for employees, customers, and shareholders.

In 2023, the operating plans of Yuanta Futures are highlighted below:

- (I) Expand the momentum of the brokerage business team, and increase the market share and gross profit margin of domestic and foreign options.
- (II) Focus on profitable business opportunities in leveraged business, and actively expand the market scale.
- (III) The trading team operates steadily and continues to optimize trading strategies.
- (IV) Expand cross-border services in the Asia-Pacific region, and enhance the synergy of reinvestment business.
- (V) Optimize digital financial value-added services and improve the information security protection system.
- (VI) Realize sustainable business operations and substantiate ESG action objectives.

Yuanta Futures Co., Ltd.
Audit Committees' Review Report

For the Company's 2022 consolidated and individual financial statements, business report and statement of retained earnings presented by the board of directors, in which, the financial statements were audited by CPA Chiao-Sen Lo and CPA Hsiu-Ling Li of PwC Taiwan with an adjusted unqualified opinion stated in the independent auditor's report.

The statements referred to above were audited by the Audit Committee without any nonconformity found and a review report was issued with the unanimous agreement of the committee members in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please bring attention to the presentation.

Submitted by:

The 2023 Annual General Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.

Convener

Yu-Chun Wu

March 8, 2023

Attachment 3

INDEPENDENT AUDITORS' REPORT

PWCR22000442

To the Board of Directors and Stockholders of Yuanta Futures Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yuanta Futures Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulation Governing the Preparation of Financial Reports by Securities Firms and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Fair value valuation of the unlisted stocks

Description

For the accounting policy of the unlisted stocks (accounted under financial assets at fair value through other comprehensive income), please refer to Note 4(8); for critical accounting estimates and assumption uncertainty of the fair value of unlisted stocks, please refer to Note 5; for the details on unlisted stocks, please refer to Note 6(5). The carrying amount of the financial assets at fair value through other comprehensive income – unlisted stocks as at December 31, 2022 was NTD 2,052,432 thousand.

Because there are no active market quoted prices for the financial assets at fair value through other comprehensive income - unlisted stocks held by Yuanta Futures Co., Ltd., the management uses valuation techniques to estimate the fair value. The valuation techniques used by Yuanta Futures Co., Ltd. are primarily the market method. The market method's main assumption is determining similar and comparable companies in order to obtain the related parameters as a reference for calculations. The models and parameters used in valuation techniques are based on management's professional judgments and estimates, and such accounting judgments and estimates are highly uncertain. Thus, we have included the fair value valuation of unlisted stocks as a key audit matter in our audit for the year ended December 31, 2022.

How our audit addressed the matter

We obtained an understanding of management's valuation procedures for unlisted equity securities. We sample tested the management authorization procedures for the fair value valuation reports of unlisted equity securities.

In addition, we and our valuation expert discussed with management and sample tested the Group's valuation data for unlisted stocks, evaluated whether the valuation methods used by management were commonly used; we and our valuation expert also evaluated the reasonableness of the comparable companies under the market method and sample tested related supporting documents regarding the parameters used in the valuation.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion on the parent company only financial statements of Yuanta Futures Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulation Governing the Preparation of Financial Reports by Securities Firms and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 9,709,678	9	\$ 9,304,086	10
112000	Financial assets at fair value through profit or loss - current	6(2), 7 and 11	320,880	-	286,529	-
113200	Financial assets at fair value through other comprehensive income - current	6(5)	677,015	1	806,830	1
114070	Customer margin deposits	6(3) and 7	97,049,812	86	83,476,983	85
114100	Security lending deposits		20,094	-	-	-
114130	Accounts receivable		20,105	-	4,057	-
114140	Accounts receivable - related parties	7	979	-	2,002	-
114150	Prepayments	7	16,564	-	13,776	-
114170	Other receivables		85,998	-	14,824	-
114180	Other receivables - related parties	7	135,372	-	4,266	-
114300	Leverage margin contract trading client margin deposits	7	536,152	1	347,405	-
110000	Subtotal current assets		<u>108,572,649</u>	<u>97</u>	<u>94,260,758</u>	<u>96</u>
Non-current assets						
123200	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,155,716	2	1,932,733	2
125000	Property and equipment	6(8) and 7	653,265	1	630,948	1
125800	Right-of-use assets	6(9) and 7	128,033	-	156,634	-
127000	Intangible assets	6(10)	74,012	-	86,979	-
128000	Deferred income tax assets	6(30)	27,643	-	31,686	-
129010	Operating guarantee deposits	6(6) and 7	145,907	-	145,326	-
129020	Clearing and settlement funds	6(7)	453,658	-	544,465	1
129030	Refundable deposits	7	36,798	-	39,598	-
129130	Prepayment for equipment		89,591	-	139,189	-
129990	Other non-current assets - other		18,123	-	11,416	-
120000	Subtotal non-current assets		<u>3,782,746</u>	<u>3</u>	<u>3,718,974</u>	<u>4</u>
906001	Total assets		<u>\$ 112,355,395</u>	<u>100</u>	<u>\$ 97,979,732</u>	<u>100</u>

(Continued)

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
212000	Financial liabilities at fair value through profit or loss - current	6(2) and 11	\$ 26,458	-	\$ 926	-
214080	Futures traders' equity	6(3) and 7	96,731,027	86	83,178,336	85
214100	Leverage margin contract transaction traders' equity		371,174	1	282,808	-
214130	Accounts payable		138,338	-	136,856	-
214140	Accounts payable - related parties	7	22,020	-	19,749	-
214160	Collection for third parties		8,442	-	9,098	-
214170	Other payables		332,488	-	192,019	-
214180	Other payables - related parties	7	408	-	1,842	-
214600	Current income tax liabilities		97,830	-	18,479	-
216000	Lease liabilities - current	7	51,705	-	52,260	-
219000	Other current liabilities	6(11)	6,456	-	31,175	-
210000	Subtotal current liabilities		<u>97,786,346</u>	<u>87</u>	<u>83,923,548</u>	<u>85</u>
Non-current liabilities						
221100	Bonds payable	6(12)	1,497,779	2	1,497,401	2
226000	Lease liabilities - non-current	7	86,754	-	118,224	-
228000	Deferred income tax liabilities	6(30)	42,254	-	11,191	-
229000	Other non-current liabilities		71,413	-	79,470	-
220000	Subtotal non-current liabilities		<u>1,698,200</u>	<u>2</u>	<u>1,706,286</u>	<u>2</u>
906003	Total liabilities		<u>99,484,546</u>	<u>89</u>	<u>85,629,834</u>	<u>87</u>
Equity attributable to owners of the parent company						
Capital						
301010	Common stock	6(14)	2,899,763	3	2,899,763	3
Additional paid-in capital						
302000	Capital surplus	6(15)	3,070,484	3	3,070,484	3
Retained earnings						
304010	Legal reserve	6(17)	1,228,957	1	1,132,477	1
304020	Special reserve	6(16)(17)	2,701,014	2	2,508,054	3
304040	Undistributed earnings	6(17)	1,279,417	1	1,123,207	1
Other equity						
305000	Other equity interest	6(18)	1,691,214	1	1,615,913	2
906004	Total equity		<u>12,870,849</u>	<u>11</u>	<u>12,349,898</u>	<u>13</u>
906002	Total liabilities and equity		<u>\$ 112,355,395</u>	<u>100</u>	<u>\$ 97,979,732</u>	<u>100</u>

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Revenues						
401000	Brokerage	6(19) and 7	\$ 3,849,693	96	\$ 3,658,844	94
410000	(Losses) gains on trading of securities	6(2)(20) and 7	(88,117)	(2)	119,534	3
421300	Dividend income	6(2)	79,463	2	7,518	-
421500	Losses on valuation of trading securities	6(2)	(6,869)	-	(2,576)	-
421600	Gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	6(2)	34	-	(49,017)	(1)
421610	Valuation gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(2)	2,132	-	35,719	1
424200	Securities commission revenue	7	13,585	-	19,880	1
424300	Clearance fee from consignment	6(21) and 7	37,221	1	65,185	2
424400	Net gains on derivative financial instruments	6(2)(22)	94,352	3	14,280	-
424900	Futures advisory revenues	7	8,352	-	16,142	-
428000	Other operating revenues	7	9,952	-	3,182	-
400000	Total revenues		<u>3,999,798</u>	<u>100</u>	<u>3,888,691</u>	<u>100</u>
Costs and expenses						
501000	Brokerage fee	6(23)	(800,438)	(20)	(776,978)	(20)
502000	Dealer handling fee	6(23)	(608)	-	(3,586)	-
521200	Interest expense	7	(124,846)	(3)	(9,165)	-
425300	Expected credit impairment losses and reversal gains		2,795	-	3,755	-
524100	Futures commission	6(24) and 7	(739,770)	(19)	(708,571)	(18)
524300	Clearance fee	6(25)	(569,590)	(14)	(573,923)	(15)
528000	Other operating fee		(3,206)	-	(2,737)	-
531000	Employee benefit expense	6(26)	(850,134)	(21)	(731,790)	(19)
532000	Depreciation and amortization	6(27)	(172,914)	(4)	(143,441)	(4)
533000	Other operating expenses	6(28) and 7	(493,283)	(13)	(480,389)	(11)
500000	Total costs and expenses		<u>(3,751,994)</u>	<u>(94)</u>	<u>(3,426,825)</u>	<u>(87)</u>
Operating income						
602000	Other gains and losses	6(2)(29) and 7	1,174,661	30	587,094	15
902001	Income before income tax		1,422,465	36	1,048,960	28
701000	Income tax expense	6(30)	(277,117)	(7)	(188,678)	(5)
902005	Net income		<u>\$ 1,145,348</u>	<u>29</u>	<u>\$ 860,282</u>	<u>23</u>

(Continued)

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Items that will not be reclassified to profit or loss					
805510	Remeasurement of defined benefit obligations	\$ 8,500	-	\$ 5,163	-
805540	Unrealized (loss) gain on equity instrument investment measured at fair value through other comprehensive income	(68,495)	(2)	471,095	12
805599	Income tax related to components of items not to be reclassified	(1,700)	-	(1,032)	-
Items that may be reclassified to profit or loss subsequently					
805610	Translation gain and loss on the financial statements of foreign operating entities	104,243	3	(32,238)	(1)
805000	Total other comprehensive income (net of tax)	<u>\$ 42,548</u>	<u>1</u>	<u>\$ 442,988</u>	<u>11</u>
902006	Total comprehensive income	<u>\$ 1,187,896</u>	<u>30</u>	<u>\$ 1,303,270</u>	<u>34</u>
Consolidated net income attributable to:					
	Owners of the parent	<u>\$ 1,145,348</u>	<u>29</u>	<u>\$ 860,282</u>	<u>23</u>
Consolidated comprehensive income attributable to:					
	Owners of the parent	<u>\$ 1,187,896</u>	<u>30</u>	<u>\$ 1,303,270</u>	<u>34</u>
Earnings per share (in New Taiwan Dollars)					
	Basic and diluted earnings per share	<u>\$</u>	<u>3.95</u>	<u>\$</u>	<u>2.97</u>

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent								Total equity
		Capital surplus			Retained earnings			Other equity interest		
		Common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings	Translation gain and loss on the financial statements of foreign operating entities	Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income	
<u>For the year ended December 31, 2021</u>										
Balance, January 1, 2021		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,021,010	\$ 2,294,034	\$ 1,295,828	(\$ 64,985)	\$ 1,342,428	\$ 11,858,562
Net income for the year		-	-	-	-	-	860,282	-	-	860,282
Other comprehensive income (loss) for the year	6(5)(18)	-	-	-	-	-	4,131	(32,238)	471,095	442,988
Total comprehensive income (loss)		-	-	-	-	-	864,413	(32,238)	471,095	1,303,270
Appropriations of 2020 earnings:										
Legal reserve		-	-	-	111,467	-	(111,467)	-	-	-
Special reserve		-	-	-	-	214,020	(214,020)	-	-	-
Cash dividends	6(17)	-	-	-	-	-	(811,934)	-	-	(811,934)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(18)	-	-	-	-	-	100,387	-	(100,387)	-
Balance, December 31, 2021		<u>\$ 2,899,763</u>	<u>\$ 3,024,151</u>	<u>\$ 46,333</u>	<u>\$ 1,132,477</u>	<u>\$ 2,508,054</u>	<u>\$ 1,123,207</u>	<u>(\$ 97,223)</u>	<u>\$ 1,713,136</u>	<u>\$ 12,349,898</u>
<u>For the year ended December 31, 2022</u>										
Balance, January 1, 2022		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,132,477	\$ 2,508,054	\$ 1,123,207	(\$ 97,223)	\$ 1,713,136	\$ 12,349,898
Net income for the year		-	-	-	-	-	1,145,348	-	-	1,145,348
Other comprehensive income (loss) for the year	6(5)(18)	-	-	-	-	-	6,800	104,243	(68,495)	42,548
Total comprehensive income (loss)		-	-	-	-	-	1,152,148	104,243	(68,495)	1,187,896
Appropriations of 2021 earnings:										
Legal reserve		-	-	-	96,480	-	(96,480)	-	-	-
Special reserve		-	-	-	-	192,960	(192,960)	-	-	-
Cash dividends	6(17)	-	-	-	-	-	(666,945)	-	-	(666,945)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(18)	-	-	-	-	-	(39,553)	-	39,553	-
Balance, December 31, 2022		<u>\$ 2,899,763</u>	<u>\$ 3,024,151</u>	<u>\$ 46,333</u>	<u>\$ 1,228,957</u>	<u>\$ 2,701,014</u>	<u>\$ 1,279,417</u>	<u>\$ 7,020</u>	<u>\$ 1,684,194</u>	<u>\$ 12,870,849</u>

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,422,465	\$ 1,048,960
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(27)	145,809	131,246
Amortization	6(10)(27)	27,105	12,195
Interest income	6(29)	(926,281)	(350,351)
Interest expense		124,846	9,165
Dividend income	6(29)	(234,462)	(160,228)
Expected credit impairment losses and reversal gains		(2,795)	(3,755)
Losses (gains) on disposal of property and equipment	6(8)	1,988	(271)
Gains on lease modification	6(9)	-	(502)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(35,839)	649,836
Customer margin deposits		(13,258,684)	513,156
Futures trading margin receivable		2,795	3,755
Security lending deposits		(20,094)	169,187
Accounts receivable		(16,048)	195,552
Accounts receivable - related parties		1,023	1,567
Prepayments		(2,303)	(4,026)
Other receivables		1,007	(2,428)
Other receivables - related parties		(118,078)	42
Leverage margin contract trading client margin deposits		(188,747)	(52,957)
Other current assets		-	29,237
Other non-current assets - other		(6,707)	(2,999)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current		25,532	(220,061)
Futures traders' equity		13,278,756	(521,349)
Leverage margin contract transaction traders' equity		88,366	39,235
Accounts payable		1,482	(21,055)
Accounts payable - related parties		2,271	(3,837)
Collection for third parties		(656)	(516)
Other payables		126,136	(56,650)
Other payables - related parties		(1,434)	1,652
Other current liabilities		(24,729)	10,655
Other non-current liabilities		443	2,727
Cash inflow generated from operations		413,167	1,417,182
Interest received		841,956	359,805
Interest paid		(110,968)	(7,951)
Dividends received		234,523	160,998
Income tax paid		(164,360)	(241,652)
Net cash flows from operating activities		1,214,318	1,688,382
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(543,350)	(1,141,643)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	381,687	1,147,130
Acquisition of property and equipment	6(8)	(53,125)	(52,703)
Proceeds from disposal of property and equipment	6(8) and 7	-	405
Increase in intangible assets	6(10)	(10,545)	(52,565)
Decrease in clearing and settlement funds		90,807	3,627
Decrease in refundable deposits		3,086	4,423
Increase in prepayment for equipment		(19,133)	(100,174)
Net cash flows used in investing activities		(150,573)	(191,500)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Principal payment for lease liabilities		(54,715)	(53,158)
Proceeds from issuing of bonds	6(12)	-	1,497,350
Payment of cash dividends	6(17)	(666,945)	(811,934)
Net cash flows (used in) from financing activities		(721,660)	(632,258)
Effect of change in foreign exchange rates		63,507	(14,264)
Net increase in cash and cash equivalents		405,592	2,114,876
Cash and cash equivalents at beginning of year		9,304,086	7,189,210
Cash and cash equivalents at end of year		\$ 9,709,678	\$ 9,304,086

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000418

To the Board of Directors and Stockholders of Yuanta Futures Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Yuanta Futures Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Yuanta Futures Co., Ltd. as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and Regulation Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements for the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Fair value valuation of the unlisted stocks

Description

For the accounting policy of the unlisted stocks (accounted under financial assets at fair value through other comprehensive income), please refer to Note 4(7); for critical accounting estimates and assumption uncertainty of the fair value of unlisted stocks, please refer to Note 5; for the details on unlisted stocks, please refer to Note 6(5). The carrying amount of financial assets at fair value through other comprehensive income – unlisted stocks as at December 31, 2022 was NTD 2,052,432 thousand.

Because there are no active market quoted prices for the financial assets at fair value through other comprehensive income - unlisted stocks held by Yuanta Futures Co., Ltd., the management uses valuation techniques to estimate the fair value. The valuation techniques used by Yuanta Futures Co., Ltd. are primarily the market method. The market method's main assumption is determining similar and comparable companies in order to obtain the related parameters as a reference for calculations. The models and parameters used in valuation techniques are based on management's professional judgments and estimates, and such accounting judgments and estimates are highly uncertain. Thus, we have included the fair value valuation of unlisted stocks as a key audit matter in our audit for the year ended December 31, 2022.

How our audit addressed the matter

We obtained an understanding of management's valuation procedures for unlisted equity securities. We sample tested the management authorization procedures for the fair value valuation reports of unlisted equity securities.

In addition, we and our valuation expert sample tested the Company's valuation data and discussed with management for unlisted stocks, evaluated whether the valuation methods used by management were commonly used; we and our valuation expert also evaluated the reasonableness of the comparable companies under the market method and sample tested related supporting documents regarding the parameters used in the valuation.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the parent company only audit. We remain solely responsible for our audit opinion.

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

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

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

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 8,657,642	8	\$ 8,286,016	9
112000	Financial assets at fair value through profit or loss - current	6(2), 7 and 11	320,027	-	285,884	-
113200	Financial assets at fair value through other comprehensive income - current	6(5)	677,015	1	806,830	1
114070	Customer margin deposits	6(3) and 7	94,577,662	86	81,058,821	85
114100	Security lending deposits		20,094	-	-	-
114130	Accounts receivable		20,105	-	4,057	-
114140	Accounts receivable - related parties	7	979	-	2,002	-
114150	Prepayments	7	12,854	-	8,741	-
114170	Other receivables		63,270	-	12,552	-
114180	Other receivables - related parties	7	17,118	-	4,165	-
114300	Leverage margin contract trading client margin deposits	7	536,152	-	347,405	-
110000	Subtotal current assets		<u>104,902,918</u>	<u>95</u>	<u>90,816,473</u>	<u>95</u>
Non-current assets						
123200	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,155,716	2	1,932,733	2
124100	Investments accounted for under the equity method	6(6)	1,218,760	1	1,141,781	1
125000	Property and equipment	6(9) and 7	649,159	1	624,845	1
125800	Right-of-use assets	6(10) and 7	113,172	-	147,548	-
127000	Intangible assets	6(11)	74,012	-	86,979	-
128000	Deferred income tax assets	6(31)	27,643	-	31,686	-
129010	Operating guarantee deposits	6(7) and 7	140,000	-	140,000	-
129020	Clearing and settlement funds	6(8)	453,658	1	544,465	1
129030	Refundable deposits	7	35,928	-	35,978	-
129130	Prepayment for equipment		89,591	-	139,051	-
129990	Other non-current assets - other		18,123	-	11,416	-
120000	Subtotal non-current assets		<u>4,975,762</u>	<u>5</u>	<u>4,836,482</u>	<u>5</u>
906001	Total Assets		<u>\$ 109,878,680</u>	<u>100</u>	<u>\$ 95,652,955</u>	<u>100</u>

(Continued)

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
212000	Financial liabilities at fair value through profit or loss - current	6(2) and 11	\$ 26,458	-	\$ 926	-
214080	Futures traders' equity	6(3) and 7	94,279,967	86	80,868,836	85
214100	Leverage margin contract transaction traders' equity		371,174	1	282,808	-
214130	Accounts payable		138,338	-	136,856	-
214140	Accounts payable - related parties	7	22,020	-	19,749	-
214160	Collection for third parties		8,442	-	9,098	-
214170	Other payables		321,990	-	184,185	-
214180	Other payables - related parties	7	408	-	1,842	-
214600	Current income tax liabilities		97,830	-	18,479	-
216000	Lease liabilities - current	7	43,322	-	42,849	-
219000	Other current liabilities	6(12)	6,235	-	31,143	-
210000	Subtotal current liabilities		<u>95,316,184</u>	<u>87</u>	<u>81,596,771</u>	<u>85</u>
Non-current liabilities						
221100	Bonds Payable	6(13)	1,497,779	1	1,497,401	2
226000	Lease liabilities - non-current	7	80,201	-	118,224	-
228000	Deferred income tax liabilities	6(31)	42,254	-	11,191	-
229000	Other non-current liabilities	6(14)	71,413	-	79,470	-
	Subtotal non-current liabilities		<u>1,691,647</u>	<u>1</u>	<u>1,706,286</u>	<u>2</u>
906003	Total Liabilities		<u>97,007,831</u>	<u>88</u>	<u>83,303,057</u>	<u>87</u>
Capital						
301010	Common stock	6(15)	2,899,763	3	2,899,763	3
Additional paid-in capital						
302000	Capital surplus	6(16)	3,070,484	3	3,070,484	3
Retained earnings						
304010	Legal reserve	6(18)	1,228,957	1	1,132,477	1
304020	Special reserve	6(17)(18)	2,701,014	2	2,508,054	3
304040	Undistributed earnings	6(18)	1,279,417	1	1,123,207	1
Other equity						
305000	Other equity interest	6(19)	1,691,214	2	1,615,913	2
906004	Total equity		<u>12,870,849</u>	<u>12</u>	<u>12,349,898</u>	<u>13</u>
906002	Total liabilities and equity		<u>\$ 109,878,680</u>	<u>100</u>	<u>\$ 95,652,955</u>	<u>100</u>

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Revenues						
401000	Brokerage	6(20) and 7	\$ 3,775,840	96	\$ 3,551,708	94
410000	(Losses) gains on trading of securities	6(2)(21) and 7	(88,117)	(2)	119,534	3
421300	Dividend income	6(2)	79,463	2	7,518	-
421500	Losses on valuation of trading securities	6(2)	(6,869)	-	(2,576)	-
421600	Gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	6(2)	34	-	(49,017)	(1)
421610	Valuation gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(2)	2,132	-	35,719	1
424200	Securities commission revenue	7	13,581	1	19,880	1
424300	Clearance fee from consignation	6(22) and 7	37,221	1	65,185	2
424400	Net gain on derivative financial instruments	6(2)(23)	90,321	2	13,862	-
424900	Futures advisory revenues	7	8,352	-	16,142	-
428000	Other operating revenues	7	9,865	-	4,354	-
400000	Total revenues		<u>3,921,823</u>	<u>100</u>	<u>3,782,309</u>	<u>100</u>
Costs and expenses						
501000	Brokerage fee	6(24)	(800,438)	(20)	(776,978)	(21)
502000	Dealer handling fee	6(24)	(608)	-	(3,572)	-
521200	Interest expense	7	(124,495)	(3)	(8,229)	-
425300	Expected credit impairment losses and reversal gains		2,795	-	3,755	-
524100	Futures commission	6(25) and 7	(711,970)	(18)	(650,567)	(17)
524300	Clearance fee	6(26)	(569,590)	(15)	(573,923)	(15)
528000	Other operating fee		(3,206)	-	(2,737)	-
531000	Employee benefit expense	6(27)	(799,901)	(20)	(676,529)	(18)
532000	Depreciation and amortization	6(28)	(157,659)	(4)	(126,828)	(3)
533000	Other operating expenses	6(29) and 7	(458,561)	(12)	(450,286)	(12)
500000	Total costs and expenses		<u>(3,623,633)</u>	<u>(92)</u>	<u>(3,265,894)</u>	<u>(86)</u>
	Operating income		<u>298,190</u>	<u>8</u>	<u>516,415</u>	<u>14</u>
601100	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	(27,264)	(1)	(33,082)	(1)
602000	Other gains and losses	6(2)(30) and 7	<u>1,150,941</u>	<u>29</u>	<u>565,627</u>	<u>15</u>
902001	Income before income tax		<u>1,421,867</u>	<u>36</u>	<u>1,048,960</u>	<u>28</u>
701000	Income tax expense	6(31)	(276,519)	(7)	(188,678)	(5)
902005	Net income		<u>\$ 1,145,348</u>	<u>29</u>	<u>\$ 860,282</u>	<u>23</u>

(Continued)

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Items that will not be reclassified to profit or loss					
805510	Remeasurement of defined benefit obligations 6(14)	\$ 8,500	-	\$ 5,163	-
805540	Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income 6(5)(19)	(68,495)	(2)	471,095	12
805599	Income tax related to components of items not to be reclassified 6(31)	(1,700)	-	(1,032)	-
Items that may be reclassified to profit or loss subsequently					
805610	Translation gain (loss) on the financial statements of foreign operating entities 6(6)(19)	104,243	3	(32,238)	(1)
805000	Total other comprehensive income (net of tax)	<u>\$ 42,548</u>	<u>1</u>	<u>\$ 442,988</u>	<u>11</u>
	Total comprehensive income	<u>\$ 1,187,896</u>	<u>30</u>	<u>\$ 1,303,270</u>	<u>34</u>
Earnings per share (in New Taiwan dollars)					
	Basic and diluted earnings per share 6(32)	\$	3.95	\$	2.97

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus		Retained earnings			Other equity interest		Total equity	
		Common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings	Translation gain and loss on the financial statements of foreign operating entities		Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income
<u>For the year ended December 31, 2021</u>										
Balance, January 1, 2021		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,021,010	\$ 2,294,034	\$ 1,295,828	(\$ 64,985)	\$ 1,342,428	\$ 11,858,562
Net income for the year		-	-	-	-	-	860,282	-	-	860,282
Other comprehensive income (loss) for the year	6(5)(19)	-	-	-	-	-	4,131	(32,238)	471,095	442,988
Total comprehensive income (loss)		-	-	-	-	-	864,413	(32,238)	471,095	1,303,270
Appropriations of 2020 earnings:										
Legal reserve		-	-	-	111,467	-	(111,467)	-	-	-
Special reserve		-	-	-	-	214,020	(214,020)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	(811,934)	-	-	(811,934)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(19)	-	-	-	-	-	100,387	-	(100,387)	-
Balance, December 31, 2021		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,132,477	\$ 2,508,054	\$ 1,123,207	(\$ 97,223)	\$ 1,713,136	\$ 12,349,898
<u>For the year ended December 31, 2022</u>										
Balance, January 1, 2022		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,132,477	\$ 2,508,054	\$ 1,123,207	(\$ 97,223)	\$ 1,713,136	\$ 12,349,898
Net income for the year		-	-	-	-	-	1,145,348	-	-	1,145,348
Other comprehensive income (loss) for the year	6(5)(19)	-	-	-	-	-	6,800	104,243	(68,495)	42,548
Total comprehensive income (loss)		-	-	-	-	-	1,152,148	104,243	(68,495)	1,187,896
Appropriations of 2021 earnings:										
Legal reserve		-	-	-	96,480	-	(96,480)	-	-	-
Special reserve		-	-	-	-	192,960	(192,960)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	(666,945)	-	-	(666,945)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(19)	-	-	-	-	-	(39,553)	-	39,553	-
Balance, December 31, 2022		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,228,957	\$ 2,701,014	\$ 1,279,417	\$ 7,020	\$ 1,684,194	\$ 12,870,849

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,421,867	\$ 1,048,960
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(10)(28)	130,554	114,664
Amortization	6(11)(28)	27,105	12,164
Interest income	6(30)	(883,189)	(339,968)
Interest expense		124,495	8,229
Share of profit or loss of subsidiaries associates, and joint ventures accounted for using the equity method	6(6)	27,264	33,082
Gains on disposal of property and equipment	6(9)	-	(271)
Dividend income	6(30)	(234,462)	(159,578)
Expected credit impairment losses and reversal gains		(2,795)	(3,755)
Gain on lease modification	6(10)(30)	-	(490)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(34,143)	574,306
Customer margin deposits		(13,518,841)	1,750,191
Futures trading margin receivable		2,795	3,755
Security lending deposits		(20,094)	169,187
Accounts receivable		(16,048)	195,552
Accounts receivable - related parties		1,023	1,567
Prepayments		(4,113)	(3,507)
Other receivables		224	(2,697)
Other receivables - related parties		(154)	-
Leverage margin contract trading client margin deposits		(188,747)	(52,957)
Other current assets		-	23
Other non-current assets - other		(6,707)	(2,999)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current		25,532	(219,746)
Futures traders' equity		13,411,131	(1,719,813)
Leverage margin contract transaction traders' equity		88,366	39,235
Accounts payable		1,482	(21,055)
Accounts payable - related parties		2,271	(3,837)
Collection for third parties		(656)	(516)
Other payables		124,305	(58,062)
Other payables-related parties		(1,434)	1,652
Other current liabilities		(24,908)	11,559
Other non-current liabilities		443	2,727
Cash inflow generated from operations		452,566	1,377,602
Interest received		819,387	348,029
Interest paid		(110,617)	(7,015)
Dividends received		234,523	160,348
Income tax paid		(163,762)	(241,652)
Net cash flows from operating activities		<u>1,232,097</u>	<u>1,637,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(543,350)	(1,141,643)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	381,687	1,147,130
Acquisition of property and equipment	6(9)	(50,017)	(52,308)
Proceeds from disposal of property and equipment	6(9) and 7	-	405
Increase in intangible assets	6(11)	(10,545)	(52,565)
Decrease in clearing and settlement funds		90,807	3,627
Decrease in refundable deposits		50	4,478
Increase in prepayment for equipment		(19,133)	(100,034)
Net cash flows used in investing activities		<u>(150,501)</u>	<u>(190,910)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment for lease liabilities		(43,025)	(41,761)
Proceeds from issuance of bonds	6(13)	-	1,497,350
Payment of cash dividends	6(18)	(666,945)	(811,934)
Net cash flows (used in) from financing activities		(709,970)	643,655
Net increase in cash and cash equivalents		371,626	2,090,057
Cash and cash equivalents at beginning of year		8,286,016	6,195,959
Cash and cash equivalents at end of year		<u>\$ 8,657,642</u>	<u>\$ 8,286,016</u>

Attachment 4

Yuanta Futures Co., Ltd.
Earnings Appropriation Statement
2022

Unit: NTD

Item	Amount
Opening undistributed earnings	166,821,781
Add: net actuarial benefit of defined benefit plan after tax in 2022	6,800,470
Minus: 2022 net loss of equipment instruments measured at FVTOCI	(39,552,737)
Add: The 2022 Net income	1,145,347,963
Less: Appropriation of 10% legal reserve (Note)	(111,259,570)
Less: Appropriation of 20% special reserve (Note)	(222,519,139)
Distributable earnings	945,638,768
Distribution	
Cash dividend (a cash dividend of NT\$2.5 per share)	(724,940,720)
Stock dividends	0
Closing undistributed earnings	220,698,048

Details:

Note: Legal reserve and special reserve are appropriated on the basis of the “net income and profit and loss other than the net income adjusted to the current year’s unappropriated earnings” as stipulated in the Jing-Shang-Zi No. 10802432410 Letter dated January 9, 2020 by the Ministry of Economic Affairs and the Jin-Guan-Zheng-Qi-Zi No. 1110380212 Letter dated January 21, 2022 by the Financial Supervisory Commission.

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.
Amendments to the Articles of Incorporation

Amendments	Current existing clauses	Description of amendments
<p>Article 2 The company's business operations are as <u>follows</u>:</p> <p>H401011 Futures Merchant. H405011 Futures Consultation Services. H407011 Futures Management. H301011 Securities Brokerage. H310011 Futures Introducing Broker. H404011 Leverage Transaction Merchants.</p>	<p>Article 2 The company's business operations are as <u>left</u>:</p> <p>H401011 Futures Merchant. H405011 Futures Consultation Services. H304011 Security-investing Advices. H407011 Futures Management. H301011 Securities Brokerage. H310011 Futures Introducing Broker. H404011 Leverage Transaction Merchants.</p>	<p>This Article is amended since the Company does not operate a securities investment consulting business.</p>
<p>Article 2-1 The Company's business activities are:</p> <ol style="list-style-type: none"> 1. Securities brokerage. 2. Proprietary futures trading. 3. Futures consultation services. 4. <u>4.</u> Futures management. 5. <u>5.</u> Proprietary trading of securities listed on Taiwan Stock Exchange. 6. <u>6.</u> Proprietary trading of securities within business premise. 7. <u>7.</u> Futures introducing agency. 8. <u>8.</u> Leverage Transaction Merchants. 9. <u>9.</u> Other business functions approved by the competent authority. 	<p>Article 2-1 The Company's business activities are:</p> <ol style="list-style-type: none"> 1. Securities brokerage. 2. Proprietary futures trading. 3. Futures consultation services. 4. <u>Securities investment advice.</u> 5. Futures management. 6. Proprietary trading of securities listed on Taiwan Stock Exchange. 7. Proprietary trading of securities within business premise. 8. Futures introducing agency. 9. Leverage Transaction Merchants. 10. Other business functions approved by the competent authority. 	<p>This Article is amended since the Company does not operate a securities investment consulting business.</p>
<p>Article 19 (Paragraph 1 is omitted) The company has independent directors appointed as stated in the preceding paragraph in accordance with the provisions of Article 14-2 of the Securities and Exchange Act. The Directors (including independent directors) elections were held in accordance with a nomination system. Shareholders who are with over 1% shareholding and the board of directors may propose the list of nominees for directors presented in the shareholders' meeting to be elected by the shareholders. (Paragraph 4 is omitted)</p>	<p>Article 19 (Paragraph 1 is omitted) The Company shall appoint the above mentioned Independent Directors by way of candidate nomination according to Article 14-2 <u>and 183</u> of The Securities and Exchange Act. The Directors (including independent directors) elections were held in accordance with a nomination system. Shareholders who are with over 1% shareholding and the board of directors may propose the list of nominees for directors <u>for the review of the board of directors and with the qualified candidates</u> presented in the shareholders' meeting to be elected by the shareholders. (Paragraph 4 is omitted)</p>	<ol style="list-style-type: none"> 1. Amendments to the citations. 2. According to Article 192-1, paragraph 5 of the Company Act, for director candidates proposed by shareholders holding 1% or more of the total number of outstanding shares issued by the company, the board of directors or other persons with the right to convene, unless otherwise specified, shall have the proposed candidates included in the list of director candidates

Amendments	Current existing clauses	Description of amendments
		without examining and/or screening the data and information of each director candidate nominated; therefore, the relevant text of this article is deleted.
<p>Article 20 (Paragraph 1 to 5, omitted)</p> <p>6. Drafts the Company's earnings <u>distribution</u> proposals or making up for the loss. (Paragraph 7 to 13, omitted)</p>	<p>Article 20 (Paragraph 1 to 5, omitted)</p> <p>6. Drafts the Company's earnings <u>allocation</u> proposals or making up for the loss. (Paragraph 7 to 13, omitted)</p>	The words “allocation” and “distribution” in the company’s Articles of Incorporation should be expressed uniformly as “distribution” for clarification.
<p>Article 20-1 The Company shall assemble a <u>Remuneration</u> Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.</p>	<p>Article 20-1 The Company shall assemble a Remuneration Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.</p>	Amended the names of functional committees.
<p>Article 27 (Paragraph 1 and 2, omitted)</p> <p>The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings <u>distributions</u> under Article 29.</p>	<p>Article 27 (Paragraph 1 and 2, omitted)</p> <p>The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings <u>allocation</u> under Article 29.</p>	The words “allocation” and “distribution” in the company’s Articles of Incorporation should be expressed uniformly as “distribution” for clarification.
<p>Article 29 <u>The company’s earnings, if any</u>, should be first applied to pay taxes and make up for the losses over the years, <u>and then 10% legal reserve</u> and 20% special reserve appropriated lawfully. Also, the balance of the earnings after the appropriation or reversal of the special reserve should be completed lawfully, and the undistributed earnings of the previous year distributed according to the proposal of the board of directors and the resolution of the shareholders meeting on the distribution of shareholder dividends. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company’s paid-in capital. To incentivize employees and the management team, this Company shall appropriate one per-mille (0.1%) to five per-cent (5%) of the balance from deducting the accumulated deficits from the profit of the year (e.g. income before</p>	<p>Article 29 After paying tax and making up for the accumulated losses with the annual earnings, the Company <u>shall appropriate 10% of the remaining earnings as legal reserve</u>, 20% of the remaining earnings as special reserve and with the special reserve appropriated or reversed according to the law and regulations before distributing earnings. The remaining balance amount plus the unappropriated earnings of previous years should be distributed to shareholders according to the proposal of the Board of Directors and the resolution reached in the Shareholders’ meeting. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company’s paid-in capital. To incentivize employees and the management team, this Company shall appropriate one per-mille (0.1%) to five per-cent (5%) of the balance from</p>	<ol style="list-style-type: none"> 1. The calculation method for the appropriation of legal reserve is clearly defined with the text amended accordingly. 2. The words “allocation” and “appropriation” in the company’s Articles of Incorporation are expressed uniformly as “appropriation”; also, the word “allocation” and “distribution” should be expressed uniformly as “distribution” for clarification.

Amendments	Current existing clauses	Description of amendments
<p>tax deducting the income before deducting the compensation for employees). In addition, when distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements.</p> <p>The said “certain requirements” shall be determined by the Board of Directors. The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:</p> <ol style="list-style-type: none"> 1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for <u>distribution</u>. 2. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued. 	<p>deducting the accumulated deficits from the profit of the year (e.g. income before tax deducting the income before deducting the compensation for employees). In addition, when distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements.</p> <p>The said “certain requirements” shall be determined by the Board of Directors. The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:</p> <ol style="list-style-type: none"> 1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for <u>allocation</u>. 2. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued. 	
<p>Article 32 The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 20, 2019; the 28th amendment was completed on May 27 , 2020; the 29th amendment was completed on July 5 , 2021; the 30th amendment was completed on May 24 , 2022; <u>the 31st amendment was completed on 2023</u> and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p>	<p>Article 32 The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 20, 2019; the 28th amendment was completed on May 27 , 2020; the 29th amendment was completed on July 5 , 2021; the 30th amendment was completed on May 24 , 2022; and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p>	<p>Revision history</p>