

Stock Code: 6023



Yuanta Futures Co., Ltd.

2024 Regular Shareholders Meeting

Meeting Handbook

(physical shareholder meetings)

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

Venue: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City
(Conference Room of the Chinese National Futures Association)

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Yuanta Futures Co., Ltd.

2024 Annual General Meeting Procedures

- I. Commence Meeting
- II. Chairman Takes the Chair
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- VI. Discussions
- VII. Election-related Issues
- VIII. Other items
- IX. Extempore Motion
- X. Adjournment

Yuanta Futures Co., Ltd.

2024 Annual General Meeting Agendas

1. Meeting method: physical shareholder meetings
2. Time: 9 a.m. (Monday), May 27, 2024
3. Venue: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City (The Chinese National Futures Association Business Center)
4. Commence Meeting
5. Chairman Takes the Chair
6. Chairman's Speech
7. Reporting matters
 - (1) Presenting the Company's 2023 Business Report.
 - (2) Audit Committee has the audit report for the Company's 2023 business report, financial statements, and statement of retained earnings presented for approval.
 - (3) Presenting the 2023 Employees' Remuneration Distribution.
 - (4) The sustainable development policies and management rules formulated by the company are hereby submitted for review.
 - (5) The 2024 Sustainable Development Concrete Promotion Plans is hereby submitted for review.
8. Acknowledgments
 - (1) Acknowledging the Company's 2023 Business Report and Financial Statements.
 - (2) Acknowledging the Company's 2023 Earnings Distribution.
9. Discussions
 - (1) Partial amendments to the Regulations Governing the Acquisition or Disposal of Assets.
10. Election-related Issues
 - (1) Please proceed with the election of the Company's directors (including independent directors) for the 12th term.
11. Other items
 - (1) Proposal for lifting competition restrictions on the Company's newly elected directors.
12. Extempore Motion
13. Adjournment

I. Reporting matters

1. Subject: Presenting the Company's 2023 Business Report.
Details: (1) Please refer to Attachment One for The Company's 2023 Business Report (pages 11–15 of this manual).
(2) We report this case for review in this meeting.
2. Subject: Audit Committee has the audit report for the Company's 2023 business report, financial statements, and statement of retained earnings presented for approval.
Details: (1) The Company's 2023 consolidated financial statements and financial statements have been audited by its auditors. Audit Committees have finished reviewing the audited financial statements, the Business Report, and the Earnings Distribution, and issued the Audit Committees' Review Report as shown in Attachment Two (Page 16 of this manual).
(2) We report this case for review in this meeting.
3. Subject: Presenting the 2023 Employees' Remuneration Distribution.
Details: (1) According to the Article 29 of the Articles of Association, the Company will appropriate an amount equivalent to 0.01%–5% of the annual net income (net income before tax and before deducting the remuneration to employees), if any, net of accumulated losses as remuneration to employees, which can be paid with stock or cash.
(2) With respect to the above provision, the 2023 income before tax prior to deducting the compensation for employees as audited by the certified public accountant was NT\$2,290,561,540. About 0.17% of which will be allocated as the 2023 compensation amounted to NT\$3,821,480 for employees according to the Regulations for Distribution of Compensation for Employees. Compensation was distributed in cash to active employees in the year and on the day of distribution. The said amount in the preceding paragraph had already booked in the 2023 operating expense that was no different from the expense recognized in 2023.
(3) We report this case for review in this meeting.
4. Subject: The sustainable development policies and management rules formulated by the company are hereby submitted for review.
Details: (1) The company has it handled in accordance with the provisions of Article 3-2 of the company's Corporate Governance Best-Practice Principles. The company shall consider the development trends of domestic and foreign sustainability issues and the correlation with company's core business, the impact of the overall operating activities of the company and the Group on the stakeholders, etc., to formulate sustainable development policies, systems, or related management guidelines and specific promotion plans in accordance with relevant laws and regulations, which should be reported to the shareholders' meeting after the review and approval of the board of directors. Please bring your attention to the statement.
(2) Please refer to Attachment Three (pages 17–19 of this manual) for the company's sustainable development policy and management rules.
(3) We report this case for review in this meeting.
5. Subject: The 2024 Sustainable Development Concrete Promotion Plans is hereby submitted for review.
Details: (1) The 2024 Sustainable Development Concrete Promotion Plans is drafted up in accordance with the provisions of Article 3-2 of the company's Corporate

Governance Best Practice Principles.

- (2) Please refer to Attachment Four (pages 20–22 of this manual) for the company’s sustainable development concrete promotion plans.
- (3) We report this case for review in this meeting.

II. Acknowledgments

1. Subject: Acknowledging the Company's 2023 Business Report and Financial Statements. (The proposal was submitted by the board of directors)

- Details: (1) The Company’s 2023 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 38th Meeting of the 11th term Board of Directors (February 27, 2024). 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 Attachments One, Five (Pages 11–15 and Pages 23–45 of this manual).
 - (3) The agenda has been proposed for acknowledgment.

Resolution:

2. Subject: Acknowledging the Company's 2023 Earnings Distribution. (The proposal was submitted by the board of directors)

- Details: (1) The 2023 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 38th Meeting of the 11th Board of Directors (February 27, 2024). 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 2023 was NT\$220,698,048 (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\$2,121,255,905 in 2023, which includes the net income of NT\$1,852,718,889 audited by the independent auditors plus the actuarial net profit of NT\$15,614,303 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\$252,922,713. A legal reserve for an amount equivalent to 10% of the earnings, that is, NT\$212,125,591, should be appropriated lawfully. In addition, according to Article 18 of the Regulations Governing Futures Commission Merchants, if the accumulated amount of the special reserve appropriated by a futures commission merchant has reached the paid-in capital, it is not required to make appropriation continuously. Therefore, the earnings available for distribution in this period is NT\$2,129,828,362.
 - (4) The company intends to distribute a cash dividend of NT\$1,449,881,440, based on the number of 289,976,288 outstanding shares. The cash dividend

per share is NT\$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 Six for the earnings appropriation (Page 46 of this manual)

- (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 (2024) 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.

Resolution:

III. Discussions

1. Subject: Please discuss the revision of the Company's Regulations Governing the Acquisition or Disposal of Assets. (The proposal was submitted by the board of directors)

Details: (1) In order to comply with the governing laws and regulations, it is proposed to have amendments made to Article 33 of the company's "Regulations Governing the Acquisition or Disposal of Assets" as follows:

1. Newly added: The company should urge its subsidiaries to formulate and implement the "Regulations Governing the Acquisition or Disposal of Assets" (hereinafter referred to as the "Regulations") and should urge subsidiaries to self-check whether the formulated "Regulations" complying with relevant standards and provisions, and whether the matters related to the acquisition or disposal of assets are handled in accordance with the said "Regulations." Newly added: The company's Auditing Department should review its subsidiary's self-inspection reports and other related matters.
- (2) Please refer to Attachment Seven (Page 47 of this manual) for the comparison table of the "Regulations Governing the Acquisition or Disposal of Assets" amendment.
- (3) Proposed for referendum

Resolution:

IV. Elections

1. Subject: Please proceed with the election of the Company's directors (including independent directors) for the 12th term. (The proposal was submitted by the board of directors.)

Details: (1) The term of office of the (11th) directors (including independent directors) of the company will expire on July 4, 2024; therefore, the election of directors shall be held at the (2024) regular shareholders' meeting lawfully.

- (2) The company has 7–11 directors (including 3 independent directors) selected in accordance with Article 19 of the company’s “Articles of Incorporation.” The company has 9 directors (including three independent directors) on the board currently. The company intends to maintain the same number of directors for the needs of business operation to serve the 12th term of office. The directors (including independent directors) of the 11th term will not be dismissed until the reelection at this regular shareholders’ meeting is completed. The 12th term of office is for a period from May 27, 2024 to May 26, 2027, a 3-year office term; also, the directors can be elected for a second term.
- (3) Please refer to Appendix 4 (Page 62–64 of this manual) for the Procedures for Election of Directors.
- (4) The director (including independent directors) candidates list is resolved by the board of directors on April 10, 2024 as follows:

Name of the candidates for directors:	Number of shares held	Education Background	Work Experience
Yuanta Financial Holdings Co., Ltd. Representative: Tien-Fu Lin	Shareholding of Yuanta Financial Holdings: 192,167,005 shares	Yu Da High School of Commerce and Home Economics	<p>Current position:</p> <ol style="list-style-type: none"> Chairman of Yuanta Futures Co., Ltd. Director of Yuanta Securities Co., Ltd. Independent director of TTY Biopharm Company Limited <p>Previous positions:</p> <ol style="list-style-type: none"> Director of Yuanta Financial Holding Co., Ltd. Vice Chairman of Yuanta Securities Finance Co., Ltd. President of Yuanta Securities Co., Ltd. Director and Executive Vice President of Yuanta Core Pacific Securities Co., Ltd. Director and President of Fuh Hwa Securities Investment Trust Co., Ltd. Chairman of Ding Fu Securities Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Pin-Cheng Chen		MBA, Syracuse University, New York, USA	<p>Current position:</p> <ol style="list-style-type: none"> Vice Chairman of Yuanta Futures Co., Ltd. Director of Yuanta International (Singapore) Company Director of Yuanta Securities Co., Ltd. Director of Taiwan Futures Exchange Independent Director of Alcor

			<p>Micro, Corp.</p> <p>Previous positions:</p> <ol style="list-style-type: none"> 1. Vice Chairman of KGI Futures Co., Ltd. 2. Chairman of United Overseas Bank (Hong Kong) 3. Chairman of Grand Cathay Futures Co., Ltd. 4. Director and President of Grand Cathay Securities (Hong Kong) Corporation 5. President of Grand Cathay Securities Corporation 6. President of KGI Securities (Thailand) Co., Ltd.
<p>Yuanta Financial Holdings Co., Ltd. Representative: Kuo-Tsun Hsu</p>		<p>MBA in Finance, National Taiwan University</p>	<p>Current position:</p> <ol style="list-style-type: none"> 1. Director and President of Yuanta Futures Co., Ltd. 2. Director of Yuanta International (Singapore) Company <p>Previous positions:</p> <ol style="list-style-type: none"> 1. Vice President of Polaris Futures Co., Ltd:
<p>Yuanta Financial Holdings Co., Ltd. Representative: Mei-Ling Kuo</p>		<p>MBA, National Chengchi University</p>	<p>Current position:</p> <ol style="list-style-type: none"> 1. Director of Yuanta Futures Co., Ltd. 2. Chief Executive Officer, Digital financial Dept, Yuanta Financial Holdings Co., Ltd 3. Executive Vice President, Yuanta Securities 4. Director of Yuanta Securities Co., Ltd. <p>Previous positions:</p> <ol style="list-style-type: none"> 1. Executive Vice President, Yuanta Life Insurance Company 2. Executive Vice President, Yuanta Securities 3. Executive Vice President of Capital Securities Corporation 4. Manager of Syscom Computer Engineering Company
<p>Yuanta Financial Holding Co., Ltd. Representative:</p>		<p>MBA, National Chung Hsing University</p>	<p>Current position:</p> <ol style="list-style-type: none"> 1. Executive Vice President, Yuanta Securities <p>Previous positions:</p> <ol style="list-style-type: none"> 1. Senior Vice Presidents, Yuanta

Chien-Hua Wu			<p>Securities</p> <p>2. Business Supervisor, Yuanta Securities Co., Ltd.</p> <p>3. Branch manager of Yuanta Securities Co., Ltd.</p>
Yuanta Financial Holding Co., Ltd. Representative: Yung-Chu Su		Boston University, Master's in Financial Law	<p>Current position:</p> <p>1. Legal Officer of Yuanta Financial Holding Co., Ltd.</p> <p>2. Vice President of Yuanta Securities Co., Ltd.</p> <p>3. Supervisor of Yuan Venture Capital Co., Ltd.</p> <p>4. Supervisor of Yuan One Venture Capital Co., Ltd.</p> <p>5. Director of Yuanta Securities (HK) Co., Limited</p> <p>6. Director of Yuanta Financial (Asia) Co., Ltd.</p> <p>7. Director of SUNSHINE CITY GLOBAL (PTC) LIMITED</p> <p>8. Director of EMPIRE VISION LIMITED</p> <p>Previous positions:</p> <p>1. Junior Partner, Lee & Li Attorney at Law</p> <p>2. New York State Attorney</p>
Yu-Chun Wu	0	Master Degree of Executive Master Business Management, National Taiwan University	<p>Current position:</p> <p>1. Independent director of Yuanta Futures Co., Ltd.</p> <p>2. Independent Director of Yuanta Securities Co., Ltd.</p> <p>3. Director of Browave Corporation</p> <p>4. Independent Director of Jing-Jan Retail Business Co., Ltd.</p> <p>Previous positions:</p> <p>1. Independent Director of Taiwan Mask Corporation</p> <p>2. Independent Director of Chun Zu Machinery Industry Co., Ltd.</p> <p>3. President of GreTai Securities Market</p> <p>4. Director of the Securities and Futures Bureau of the Financial Supervisory Commission R.O.C. (Taiwan)</p>
Hui-Erh Yuan	0	Master's degree in accounting from the University of	<p>Current position:</p> <p>1. Independent director of Yuanta Futures Co., Ltd.</p> <p>2. Independent director of Yuanta Life Insurance Company</p> <p>3. Director of Yuanta Foundation</p>

		Missouri and a master's degree in business administration from Southern Illinois University.	4. Supervisor of Dharma Drum Mountain Buddhist Foundation 5. Supervisor of Sheng Yen Education Foundation Previous positions: 1. Independent Director of Coaster International Co., Ltd. (British Cayman Islands) 2. Director of Sheng Yen Education Foundation 3. PWC Partnership Accountant 4. Chairman of PwC Taiwan 5. Director of the Taipei Certified Public Accountants Association of the Republic of China
An-Pin Chen	0	Ph.D. in Industrial Engineering, University of Southern California	Current position: 1. Independent director of Yuanta Futures Co., Ltd. 2. Independent Director of Yuanta Securities Co., Ltd. 3. Supervisor of Tian Mei Rubber Co., Ltd. 4. Chair Professor of the Department of Finance, Asia University Previous positions: 1. Academician of Chinese Society for Management of Technology 2. Assistant Dean of the College of Management, National Chiao Tung University 3. Chair of the Graduate Institute of Information Management, National Chiao Tung University 4. Dean and full-time professor of the Department of Information Management and Finance, National Chiao Tung University 5. Adjunct Associate Professor, Institute of Finance, National Taiwan University 6. Advisor to Polaris Securities Group

Results of the Election:

V. Other items

- Subject: Proposal for lifting competition restrictions on the Company's newly elected directors. (The proposal was submitted 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:

1. The directors on the list of the non-compete clause lifted are as follows

Name		Adjunct to the company	Current additional positions
Director	Yuanta Financial Holding Co., Ltd. Representative: Tien-Fu Lin	Yuanta Securities Co., Ltd.	Director
Director	Yuanta Financial Holding Co., Ltd. Representative: Pin-Cheng Chen	Yuanta Securities Co., Ltd.	Director
Director	Yuanta Financial Holding Co., Ltd. Representative: Chien-Hua Wu	Yuanta Securities Co., Ltd.	Manager
Director	Yuanta Financial Holding Co., Ltd. Representative: Yung-Chu Su	Yuanta Securities Co., Ltd. Yuanta Securities (HK) Co., Limited	Manager Director

2. The independent directors on the list of the non-compete clause lifted are as follows

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

(4) Proposed for referendum.

Resolution:

VI. Extempore Motion

VII. The meeting was adjourned

Attachment One

Yuanta Futures Co., Ltd. 2023 Business Report

I. Market Overview

In retrospect of 2023, the war between Ukraine and Russia was not yet ended, and the Israel–Palestine conflict had emerged that both had affected energy, interest rates and economic growth. The turmoil of global economy, in addition to geopolitical risks, oil production cuts, and other political and economic events, referred to technology trade wars and inflation, had affected major economies worldwide. The development of global digital economy was accelerating in the first season after the COVID-19 pandemic, causing an upsurge in the concept of generative AI and the soaring of relevant stocks. In addition, the largest Israel–Palestine conflict in the last 20 years broke out in October, following the Ukraine–Russia war. This caused severe international oil price fluctuations, brought more uncertainties to the world, and resulted in an emerging awareness for risk hedging. As a result, the demand for risk hedging and trades in the futures market surged. The trading volume of global futures and options reached a new high in 2023, with an annual trading volume of 122.2 billion units. This was an increase of 45.6% from the 83.9 billion units traded the previous year.

In terms of global futures options trade, according to the data of the Futures Industry Association (FIA), the futures market of current year decreased by 8% compared with the same period last year, while options increased by 75% compared with last year. In terms of commodity categories, the trading volume of stocks and stock price indexes remained the largest, accounting for 81% with annual growth rate of 60% in trading volume achieved. The trading volume of exchange rate commodities accounted for 5%, and the trading volume of interest rate commodities accounted for 5%; also, the transaction volume of agricultural products, energy, and metal contracts had all declined compared with the same period last year. In summary, the global business world was facing diversified dynamics and challenges in 2023. The demand for derivative financial products such as futures and options had increased significantly. Therefore, it is advisable to closely observe the subsequent developments with prudent responses formed accordingly.

In terms of domestic market, while in the middle of political and economic turmoil worldwide, the demand for derivative financial products has gone up significantly. Futures and options are important for hedging transactions and stabilizing the financial market. Taiwan futures trading volume has exceeded 300 million units for four consecutive years since the year of 2020. However, since the annualized volatility of the Taiwan Index was for 13% only, the trading volume was slightly decreased compared with last year; therefore, the futures options trading volume was 324 million in 2023, indicating that Taiwan futures market had abundant momentum, of which, the night trading ratio had gone up to more than 30%. Taiwanese traders were further linked to the international market, and their participation in the night trading session had gradually become active. Stock Index Futures, FITX, Mini Taiwan Electronic Sector Index Futures, and US stock index futures, and TXO were the most popular instruments traded in 2023, of which, Stock Index Futures accounted for 34.86%. The popularity of Stock Index Futures increased along with the rise of Taiwan Stock Index, representing an increase of 18.4% compared to last year. Obviously, mini and diversified futures have become the stars to the futures industry because they are the commodities with great potential in the futures market. In addition, the U.S. Philadelphia Semiconductor Futures and a number of new products are traded on the Taiwan Futures Exchange this year with diversified product choices available to traders. TSMC futures are expected to be traded in night trading session in 2024, and a customized

commodity trading platform (FLEX) and trader risk detection platform are to be constructed in order to increase the trading flexibility of Taiwan futures market and to assist traders in conducting optimal risk control in order to improve the efficiency of capital use.

In terms of the regulatory environment, financial technology and sustainable development remained the main concerns of the financial regulatory agencies in 2023. In terms of financial technology development, the Financial Supervisory Commission has successively released “Fintech Roadmap 2.0” and “Core Principles for the Application of Artificial Intelligence (AI) in the Financial Industry.” The company will actively support the policies of the competent authorities, continue to reinforce the information security protection network, initiate the optimization of front-and-back operating system, actively seize opportunities for digital financial development, and expand digital platform channels. In terms of sustainable development, the competent authority announced the “Sustainable Development Action Plan for Listed Companies” in 2023 to promote enterprises sustainable development with four themes and five aspects formed, added with the government’s launching sustainable financial assessment and promoting Taiwan’s capital market to implement the IFRS sustainable disclosure standards gradually. The transformation to net-zero emissions and the climate risk strategies as the two pillars to support the environment will be the next challenge faced by the financial industry. The company is committed to the sustainable development continuously, responding to global sustainable development trends actively, promoting environmental, social, corporate governance and other measures forcefully, integrating sustainability concepts into operating policies, and taking into account the company’s business development and corporate sustainability prospects.

Due to the concern of inflation and uncertainty of the global financial market, the company will continue to have the departments of legal compliance, risk management, information, clearing, audit, etc., integrated to establish a solid control and management defense line, to comprehensively reinforce the company’s internal policies and risk control measures, to enhance the relevant personnels’ awareness and cultural recognition on risk control, prevention of money laundering, and combating financing of terrorism, and to substantiate the goals of customer risk management and sound operations effectively.

II. Operating results

The company continued to enhance various operations and management in 2023, 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 in 2023 amounted to NT\$1.853 billion, ranked in the first place among 14 specialized futures merchants with the record high net income generated. The net EPS was NT\$6.39 and the net ROE was 13.53%.
- (II) In terms of business performance: The company’s futures brokerage market share was 22.58% in 2023, the options brokerage market share was 15.55%, and the offshore brokerage market share was 26.77%. The margin accounted for a market share of 30.68% as of the end of December, the market stock ranked in first place, and the overall business performance was second to none in the industry.
- (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 9th “Corporate Governance Evaluation” of Taiwan Stock Exchange and has been awarded for 9 consecutive years since 2015, demonstrating the high affirmation of the company’s substantiating corporate governance by the competent authority.
2. Received an excellent domestic long-term credit rating of “AA-(twn)” and a domestic short-term credit rating of “F1+(twn)” from Fitch Ratings and a prospect of “stable”
3. Obtained Taiwan Intellectual Property Management Standards (TIPS) Level-A certification for three consecutive years since the year of 2021 to improve the intellectual property management system. The company has continued to introduce the BS 10012 Personal Information Management System (PIMS) international standard certification every year since the same year to fully protect the rights and interests of customers by establishing a comprehensive personal information protection measure.

(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 2023:

1. No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan.
2. The company was awarded with the “Outstanding Risk Management,” “Outstanding Financial Innovation,” “Outstanding Green Finance Award – Futures category,” and “Outstanding Futures Talent” at the 17th Golden Yi Awards.
3. The company has won the “World Magazine Sustainability Citizen Award” in 4th place on the Rising Star List for six consecutive years, and the “CommonWealth Talent Sustainability Award” for the first time, the one and only futures merchant on the list.
4. The company was awarded with the 2023 “TCSA Taiwan Corporate Sustainability Awards” – Talent Development Leadership Award, Gender Equality Leadership Award, and Corporate Sustainability Report Silver Award.
5. Awarded with the “Best Brokerage House of the year” by The Asset magazine.
6. The Asset Magazine awarded the “ESG Corporate Awards Platinum Medal.”
7. Taiwan Futures Exchange 9th “Futures Diamond Award – Futures Brokers Trading Volume Diamond Award No. 1” and “Futures Market Promotion Diamond Award”
8. The company was awarded with the “Digital Innovation Gold Award” and “Digital Information Security Gold Award” by the *Commercial Times*.
9. The 2022 Sustainability Report was verified and certified by the British Standards Institute Taiwan Branch (BSI), and with a confirmation letter received from the CPAs. A futures commission merchant in the futures industry published its first English version of the sustainability report, marking a significant milestone.
10. 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 2023 income and expense and profitability analysis as follows:

(Unit NTD thousand)

Item	2023	2022	Difference	Variation
Operating gains	3,436,053	3,999,798	(563,745)	(14.09%)
Earnings before tax	2,286,740	1,422,465	864,275	60.76%
Current period net profit	1,852,719	1,145,348	707,371	61.76%
Net worth	145.13	128.71	16.42	12.76%
After-tax EPS (NTD)	6.39	3.95	2.44	61.77%
Return on shareholders' equity	13.53%	9.08%	4.45%	49.01%

III. Research and development

- (I) The optimization and upgrade of the core accounting system and hardware equipment was completed in 2021, and the brokerage clearing and trading system conversion plan will be implemented continuously in 2023. Also, various front-end trading systems and backend accounting system will be completed in coordination with the launch of new products and new systems by Taiwan Futures Exchange. In terms of information security protection, Yuanta Futures has established a SIEM security information and event management system, introduced an endpoint security protection system, and conducted ISO 27001 verification continuously to ensure the security of the trading environments for the benefits of the traders.
- (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) The company continues to converge and optimize platform functions in order to provide customers with more comprehensive online services, simultaneously, introduces emerging technologies such as RPA robotic process automation and digital reporting systems into back-end operations in order to improve operational efficiency comprehensively. Yuanta Futures cooperated with the Group to introduce the Fast Identity Online (FIDO) in 2023. 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 anticipation of 2024, the company relies on the fundamental business philosophy of “creating new opportunities, pioneering sustainability” to confront market fluctuations by utilizing long-term and stable sustainable operating capabilities and through continuous innovation and progress. Additionally, the company aims to enhance the risk control DNA of its personnel while considering the core values of corporate governance, to sustain business competitiveness, to increase investment in green finance and sustainable operations, and to actively develop products and green financial service processes that embody the spirit of sustainability. At the same time, the company intends to expand business operations in the Asia-Pacific region and integrate the resources of the headquarters and offices in Hong Kong and Singapore to develop potential customers in Southeast Asian countries and to expand the company’s offshore profit generation.

In 2024, the operating plans of Yuanta Futures are highlighted below:

- (I) Enhance core profitability momentum and develop various domestic and foreign businesses in a balanced manner.
- (II) Grasp the leverage business opportunities and stabilize the profitability of the leverage business.
- (III) Stabilize trading performance and realize strategic diversified deployment.
- (IV) Refine digital financial services and optimize customer trading experience.
- (V) Substantiate the principle of fair treatment and prevent fraud to protect customers’ rights and interests.
- (VI) Realize enterprise sustainable development and seize green financial business opportunities.

Yuanta Futures Co., Ltd.

Audit Committees' Review Report

For the Company's 2023 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.

To

The 2024 Annual General Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.

Convener Yu-Chun Wu

February 27, 2024

Attachment Three

Yuanta Futures Co., Ltd. Sustainable Development Policy and Management Rules

Resolved in the 39th board meeting of the 11th term on March 7, 2024.

- Article 1 The environmental, social, and corporate governance (ESG) concepts are integrated into the company's corporate culture and operating strategies to realize the vision of sustainable development. The "Rules" is formulated in accordance with the Sustainable Development Best-Practice Principles and Sustainable Development Policies and Management Rules of Yuanta Financial Holdings Co., Ltd. and the Corporate Governance Best-Practice Principles of the company.
- Article 2 The "Rules" is applicable to all units within the company and all units should strive to have the purposes and commitments in the "Rules" integrated into the financial products and services.
- Article 3 The company has the following sustainable development policies formulated and is committed to substantiating the sustainability goals accordingly and promoting the substantiation of the concept of corporate sustainability continuously:
1. Comprehensive engagement in social activities
 2. The trustworthy brand preferred by customers
 3. Green vanguard of environmental change
 4. An excellent workplace desired by employees
 5. The driving force for corporate governance
- Article 4 The company at the time of engaging in operational activities should consider the impact on employees, buyers, government agencies, community residents, schools and academic research units, non-profit organizations, customers, investors, and other stakeholders with an appropriate communication method established.
- Article 5 It is advisable to establish a governance structure to promote sustainable development in order to improve the management of sustainable development. A unit should be appointed to propose and implement sustainable development policies, systems, or related management guidelines and specific promotion plans. The unit responsible for sustainable development should report to the board of directors regularly. The aforementioned responsible in the preceding paragraph refers to the company's General Planning Department.
- Article 6 The organizational structure (as shown in the attached chart) and responsibilities of the company's sustainable development promotion team are as follows:
1. Sustainable development promotion group: The President serves as the convener and is responsible for promoting the implementation of sustainable development, coordinating the establishment of relevant systems, supervising and reviewing the implementation of this policy and its effectiveness, and regularly reviewing relevant implementation reports.
 2. Sustainable development execution – Each department is responsible for the implementation of matters related to sustainable development, and the responsible unit shall regularly compile the sustainability-related work plans and implementation results of each department, and then reports them to the board of directors.

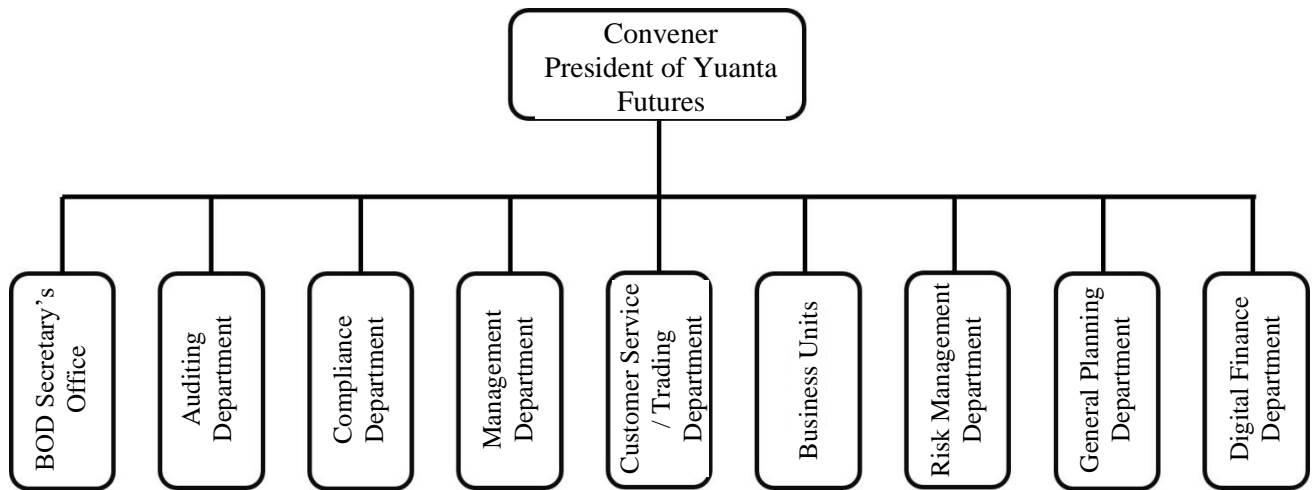
Article 7 The Company should observe relevant issues including but not limited to the following issues in accordance with the management policy to promote sustainable development with positive actions taken:

1. Corporate governance: Promote the transparency of corporate governance affairs, financial management and financial information disclosure, propagandize anti-bribery and corruption, establish communication channels for institutional investors, fulfill tax-paying obligations truthfully, and establish reasonable internal procedures for corporate donations.
2. Sustainable Finance: Promote green operations, develop green products and responsible investment, and promote products and services with environmental and social benefits.
3. Customer care: Handle customer complaints, protect customer information, and safeguard customer rights and interests.
4. Employee care: Arrange education and training related to the sustainable development of the enterprise, establish appropriate human resources management methods and procedures, safeguard employees' rights and interests and provide relevant information, establish effective career ability development training programs, establish communication channels for employees, safeguard employee job safety, promote gender equality at the workplace, etc.
5. Environmental sustainability: Develop an environmental management system (including water conservation, energy saving, carbon reduction, greenhouse gas reduction, and other related environmental protection management measures), purchase low energy consumption and green energy office supplies and equipment, properly dispose of waste, energy-consuming supplies recycling and reuse, supplier management, and green procurement.
6. Social participation: Promote cooperation and communication with domestic and foreign academic research institutions and individuals, award and support domestic and foreign academic research and young elites in school, plan and arrange academic keynote speeches, symposiums, and seminars, and organize various charity events (including culture, education, and society), and promote volunteer service plans.

Article 8 The Company should regularly (at least once a year) report the formulation and implementation results of various sustainable development-related systems to the sustainable development promotion team, and then it should be reported to the board of directors by the responsible unit.

Article 9 These Rules shall take effect after having been submitted to and approved by Board of Directors. Subsequent amendments thereto shall be effected in the same manner.

[Chart] Organizational chart of the Sustainable Development Promotion Team of Yuanta Futures



Yuanta Futures Co., Ltd.

2024 Sustainable Development Concrete Promotion Plans

The company bases on the five sustainability goals including corporate governance, customer rights and interests, employee care, environmental sustainability, and social welfare to actively invest resources and plan specific actions in order to substantiate the sustainable development of enterprises, align with the United Nations Sustainable Development Goals (SDGs), promote the environmental (E), social (S) and governance (G) aspects, and establish a sustainable business management and service model. The said goals are highlighted as follows:

I. Corporate governance

(I) Corporate Governance and Ethical Management

The company adheres to the highest principle of ethical management, complies with the “Corporate Governance Best-Practice Principles for Public Companies” and the “Corporate Governance Best-Practice Principles for Futures Commission Merchants” strictly, responds to the Corporate Governance 3.0 sustainable development blueprint actively, improves the corporate governance structure, enhances the functions and effectiveness of the Board of Directors, improves information transparency, and ensures shareholder interests and rights.

(II) Law Compliance

Substantiate relevant laws and regulations to reduce operational risks and major penalties and losses; also, it is beneficial to promoting international business and expanding operational scale.

(III) Risk Management

Formulate an independent and complete risk identification and management mechanism to manage various operational risks, improve the quality of risk management, and ensure the sustainable and sound operation of the enterprise.

II. Customer rights and interests

(I) Customer service

Provide customer-oriented high-quality services and build Yuanta Futures as a financial brand that customers can trust with peace of mind.

(II) Financial product innovation and services

Profoundly develop the field of digital finance, introduce ESG factors into technological development, enhance network and mobile applications, embrace the paperless digital revolution, and strive to provide convenient and smooth financial services.

(III) Responsible investment

The company is committed to implementing the “Green Finance Action Plan 2.0” in line with the Group’s policies, providing diversified financial services and observing ESG issues with customers jointly, integrating ESG concepts into investment strategies, and incorporating environmental and social risks into investment decisions.

(IV) Information Security

Provide comprehensive information security protection, create a reliable financial transaction environment, ensure perfect information systems and deployment, and enhance information security defense capabilities.

III. Employee care

(I) Friendly and excellent working environment

Employees are the most important asset of a company. The company strives to promote physical and mental health programs and welfare measures that are superior to the requirements by laws and regulations with a friendly and excellent working environment provided to employees.

(II) Talent development and cultivation

Provide employees with multi-functional education and training to enhance their competitive advantages and to increase talent retention rate.

(III) Human rights

Implement the Declaration of Human Rights Policy comprehensively, and introduce human rights due diligence and issue management into overseas subsidiaries.

IV. Environmental sustainability

(I) Energy and climate change

The company fully responds to energy conservation and carbon reduction efforts while facing the crisis of global warming and resource depletion; the company also cooperates with the policies of Yuanta Financial Holdings Group to reduce the impact of business operation on the environment.

The company has incorporated climate change risks into operational decisions for identification and risk management in order to properly manage the risks associated with extreme climate events and transition towards a low-carbon economy.

(II) Supplier management

The company encourages suppliers to substantiate the concept of sustainable development and safeguard basic human rights jointly; also, the company demands supplies comply with the “Supplier Sustainable Procurement Guidelines.”

V. Social welfare

(I) Social participation

The company centers on the “Public Welfare Platform,” follows the policies of Yuanta Financial Holdings Group, and uses financial functions and power to help solve social and environmental problems and to demonstrate social influence.

(II) Public welfare actions

Observe social changes and integrate the company’s operations with the concept of public welfare and social feedback to voluntarily organize or actively encourage employees to participate in public welfare activities that are organized by Yuanta Financial Holdings Group, and to work with stakeholders to help children in rural areas, disadvantaged families, physically and mentally challenged individuals, and underprivileged groups.

(III) Donating financial aids and educating talents

The Company provides financial aids to students continuously and cooperates with colleges and universities on internship projects, with more and more beneficiaries helped year by year. The Company also ensures the rights and interests of disadvantaged students

to receive high-quality education fairly and offers employment opportunities to help young people become independent.

Attachment Five

INDEPENDENT AUDITORS' REPORT

PWCR23000333

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 was NTD 2,146,883 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 technique 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, 2023.

How our audit addressed the matter

We obtained an understanding of management's valuation procedures for unlisted equity securities. We sample tested the management authorisation 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, 2023 and 2022.

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

April 30, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

ASSETS		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 11,262,291	10	\$ 9,709,678	9
112000	Financial assets at fair value through profit or loss - current	6(2), 7 and 11	686,305	1	320,880	-
113200	Financial assets at fair value through other comprehensive income - current	6(5)	152,712	-	677,015	1
114070	Customer margin deposits	6(3) and 7	95,469,319	85	97,049,812	86
114100	Security lending deposits	7	-	-	20,094	-
114130	Accounts receivable		251,176	-	20,105	-
114140	Accounts receivable - related parties	7	1,648	-	979	-
114150	Prepayments	7	13,497	-	16,564	-
114170	Other receivables		186,587	-	85,998	-
114180	Other receivables - related parties	7	122,815	-	135,372	-
114300	Leverage margin contract trading client margin deposits	7	573,860	1	536,152	1
110000	Subtotal current assets		108,720,210	97	108,572,649	97
Non-current assets						
123200	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,276,213	2	2,155,716	2
123300	Financial assets at amortised cost - non-current	6(6) and 7	57,095	-	-	-
125000	Property and equipment	6(9)	712,032	1	653,265	1
125800	Right-of-use assets	6(10)	79,576	-	128,033	-
127000	Intangible assets	6(11)	97,986	-	74,012	-
128000	Deferred income tax assets		23,772	-	27,643	-
129010	Operating guarantee deposits	6(7) and 7	161,447	-	145,907	-
129020	Clearing and settlement funds	6(8)	446,100	-	453,658	-
129030	Refundable deposits	7	21,521	-	36,798	-
129130	Prepayment for equipment		13,266	-	89,591	-
129990	Other non-current assets - other		28,228	-	18,123	-
120000	Subtotal non-current assets		3,917,236	3	3,782,746	3
906001	Total assets		\$ 112,637,446	100	\$ 112,355,395	100

(Continued)

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

LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
			Notes	AMOUNT	%	AMOUNT
Current liabilities						
212000	Financial liabilities at fair value	6(2) and 11				
	through profit or loss - current		\$	8,422	-	\$ 26,458 -
214080	Futures traders' equity	6(3) and 7		95,307,015	85	96,731,027 86
214100	Leverage margin contract transaction					
	traders' equity			372,254	-	371,174 1
214130	Accounts payable			117,574	-	138,338 -
214140	Accounts payable - related parties	7		17,456	-	22,020 -
214160	Collection for third parties			9,445	-	8,442 -
214170	Other payables	6(12)		469,351	1	332,488 -
214180	Other payables - related parties	6(12) and 7		4	-	408 -
214600	Current income tax liabilities			137,762	-	97,830 -
216000	Lease liabilities - current	7		48,831	-	51,705 -
219000	Other current liabilities	6(13)		6,327	-	6,456 -
210000	Subtotal current liabilities			96,494,441	86	97,786,346 87
Non-current liabilities						
221100	Bonds payable	6(14)		1,498,157	1	1,497,779 2
226000	Lease liabilities - non-current	7		37,915	-	86,754 -
228000	Deferred income tax liabilities			39,927	-	42,254 -
229000	Other non-current liabilities			54,297	-	71,413 -
220000	Subtotal non-current liabilities			1,630,296	1	1,698,200 2
906003	Total liabilities			98,124,737	87	99,484,546 89
Equity attributable to owners of the parent company						
Capital						
301010	Common stock	6(16)		2,899,763	2	2,899,763 3
Additional paid-in capital						
302000	Capital surplus	6(17)		3,070,484	3	3,070,484 3
Retained earnings						
304010	Legal reserve	6(19)		1,340,216	1	1,228,957 1
304020	Special reserve	6(18)(19)		2,923,533	3	2,701,014 2
304040	Undistributed earnings	6(19)		2,341,954	2	1,279,417 1
Other equity						
305000	Other equity interest	6(20)		1,936,759	2	1,691,214 1
906004	Total equity			14,512,709	13	12,870,849 11
906002	Total liabilities and equity		\$	112,637,446	100	\$ 112,355,395 100

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

			Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
Items		Notes				
Revenues						
401000	Brokerage	6(21) and 7	\$	3,200,814	93	\$ 3,859,473 97
410000	Gains (losses) on trading of securities	6(2)(22)	(	50,775)	(1)	(88,117) (2)
421300	Dividend income	6(2)		321,081	9	79,463 2
421500	Gains (losses) on valuation of trading securities	6(2)		13,211	- (	6,869) -
421600	Losses (gains) on covering of borrowed securities and bonds with resale agreements-short sales	6(2)	(	458)	-	34 -
421610	Valuation (losses) gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(2)	(	2,132)	-	2,132 -
424200	Securities commission revenue	7		15,533	1	13,585 -
424300	Clearance fee from consignment	6(23)		35,363	1	37,221 1
424400	Net (losses) gains on derivative financial instruments	6(2)(24)	(	105,760)	(3)	94,352 2
424900	Futures advisory revenues	7		9,519	-	8,352 -
428000	Other operating revenues	7	(	343)	-	172 -
400000	Total revenues			3,436,053	100	3,999,798 100
Costs and expenses						
501000	Brokerage fee	6(25)	(	607,506)	(17)	(800,438) (20)
502000	Dealer handling fee	6(25)	(	641)	- (	608) -
521200	Interest expense	7	(	470,129)	(14)	(124,846) (3)
425300	Expected credit impairment losses and reversal gains	6(4)		38,353	1	2,795 -
524100	Futures commission	6(26) and 7	(	666,211)	(19)	(739,770) (19)
524300	Clearance fee	6(27)	(	436,442)	(13)	(569,590) (14)
524700	Futures administrative expenses		(	839)	-	- -
528000	Other operating fee		(	6,592)	- (	3,206) -
531000	Employee benefit expense	6(28) and 7	(	965,357)	(28)	(850,134) (21)
532000	Depreciation and amortization	6(29) and 7	(	180,050)	(5)	(172,914) (4)
533000	Other operating expenses	6(30) and 7	(	538,803)	(16)	(493,283) (13)
500000	Total costs and expenses		(	3,834,217)	(111)	(3,751,994) (94)
Operating income			(	398,164)	(11)	247,804 6
602000	Other gains and losses	6(2)(5)(6)(31) and 7		2,684,904	78	1,174,661 30
902001	Income before income tax			2,286,740	67	1,422,465 36
701000	Income tax expense	6(32)	(	434,021)	(13)	(277,117) (7)
902005	Net income		\$	1,852,719	54	\$ 1,145,348 29

(Continued)

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

				Year ended December 31			
				2023		2022	
Items		Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income							
Items that will not be reclassified to profit or loss							
805510	Remeasurement of defined benefit obligations	6(15)	\$ 19,518	1	\$ 8,500	-	
805540	Unrealized gain (loss) on equity instrument investment measured at fair value through other comprehensive income	6(5)(20)	500,331	14	(68,495)	(2)	
805599	Income tax related to components of items not to be reclassified	6(32)	(3,904)	-	(1,700)	-	
Items that may be reclassified to profit or loss subsequently							
805610	Translation gain and loss on the financial statements of foreign operating entities	6(20)	(1,863)	-	104,243	3	
805000	Total other comprehensive income (net of tax)		\$ 514,082	15	\$ 42,548	1	
902006	Total comprehensive income		\$ 2,366,801	69	\$ 1,187,896	30	
Consolidated net income attributable to:							
	Owners of the parent		\$ 1,852,719	54	\$ 1,145,348	29	
Consolidated comprehensive income attributable to:							
	Owners of the parent		\$ 2,366,801	69	\$ 1,187,896	30	
Earnings per share (in New Taiwan Dollars)							
	Basic and diluted earnings per share	6(33)	\$	6.39	\$	3.95	

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
		Capital surplus			Retained earnings			Other equity interest		
								Translation gain and loss on the financial statements of foreign operating entities	Unrealised gain and loss on equity instrument investment measured at fair value through other comprehensive income	
	Notes	Capital -common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings			Total equity
<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)(20)	-	-	-	-	-	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	6(19)	-	-	-	96,480	-	(96,480)	-	-	-
Special reserve	6(19)	-	-	-	-	192,960	(192,960)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(666,945)	-	-	(666,945)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(20)	-	-	-	-	-	(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
<u>For the year ended December 31, 2023</u>										
Balance, January 1, 2023		\$ 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
Net income for the year		-	-	-	-	-	1,852,719	-	-	1,852,719
Other comprehensive income (loss) for the year	6(5)(20)	-	-	-	-	-	15,614	(1,863)	500,331	514,082
Total comprehensive income (loss)		-	-	-	-	-	1,868,333	(1,863)	500,331	2,366,801
Appropriations of 2022 earnings:										
Legal reserve	6(19)	-	-	-	111,259	-	(111,259)	-	-	-
Special reserve	6(19)	-	-	-	-	222,519	(222,519)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(724,941)	-	-	(724,941)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(20)	-	-	-	-	-	252,923	-	(252,923)	-
Balance, December 31, 2023		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,340,216	\$ 2,923,533	\$ 2,341,954	\$ 5,157	\$ 1,931,602	\$ 14,512,709

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	2,286,740	\$	1,422,465
Adjustments					
Income and expenses having no effect on cash flows					
Depreciation	6(9)(10)(29)		146,305		145,809
Amortization	6(11)(29)		33,745		27,105
Interest income	6(31)	(	2,347,418	(	926,281
Interest expense			470,129		124,846
Dividend income	6(31)	(	580,701	(	234,462
Expected credit impairment losses and reversal gains		(	38,353	(	2,795
Losses (gains) on disposal of property and equipment	6(9)(31)		-		1,988
Changes in operating assets and liabilities					
Changes in operating assets					
Financial assets at fair value through profit or loss - current		(	365,476	(	35,839
Customer margin deposits			1,577,881	(	13,258,684
Futures trading margin receivable			38,353		2,795
Security lending deposits			20,094	(	20,094
Accounts receivable		(	227,489	(	16,048
Accounts receivable - related parties		(	669		1,023
Prepayments			3,081	(	2,303
Other receivables			2,034		1,007
Other receivables - related parties			32,599	(	118,078
Leverage margin contract trading client margin deposits		(	37,708	(	188,747
Other non-current assets - other		(	10,105	(	6,707
Changes in operating liabilities					
Financial liabilities at fair value through profit or loss - current		(	18,036		25,532
Futures traders' equity		(	1,418,537		13,278,756
Leverage margin contract transaction traders' equity			1,080		88,366
Accounts payable		(	20,764		1,482
Accounts payable - related parties		(	4,564		2,271
Collection for third parties			1,003	(	656
Other payables			118,998		126,136
Other payables - related parties		(	404	(	1,434
Other current liabilities		(	131	(	24,729
Other non-current liabilities			2,402		443
Cash (outflow) inflow generated from operations		(	335,911		413,167
Interest received			2,223,115		841,956
Interest paid		(	451,754	(	110,968
Dividends received			577,288		234,523
Income tax paid		(	396,449	(	164,360
Net cash flows from operating activities			<u>1,616,289</u>		<u>1,214,318</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through other comprehensive income		(	909,693	(	543,350
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)		1,813,830		381,687
Acquisition of financial assets at amortised cost		(	55,032		-
Acquisition of property and equipment	6(9)	(	43,136	(	53,125
Increase in intangible assets	6(11)	(	17,884	(	10,545
Increase in operating guarantee deposits		(	15,729		-
Decrease in clearing and settlement funds			7,558		90,807
Decrease in refundable deposits			15,279		3,086
Increase in prepayment for equipment		(	76,875	(	19,133
Net cash flows from (used in) investing activities			<u>718,318</u>		<u>150,573</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payment for lease liabilities		(	51,794	(	54,715
Payment of cash dividends	6(19)	(	724,941	(	666,945
Net cash flows used in financing activities		(	<u>776,735</u>	(	<u>721,660</u>
Effect of change in foreign exchange rates		(	5,259		63,507
Net increase in cash and cash equivalents			1,552,613		405,592
Cash and cash equivalents at beginning of year			9,709,678		9,304,086
Cash and cash equivalents at end of year		\$	<u>11,262,291</u>	\$	<u>9,709,678</u>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000305

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, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation of Engagements 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, 2023 was NTD 2,146,883 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. is 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 technique 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, 2023.

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 Company'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.

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

February 27, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 10,188,549	9	\$ 8,657,642	8
112000	Financial assets at fair value through profit or loss - current	6(2), 7 and 11	685,885	1	320,027	-
113200	Financial assets at fair value through other comprehensive income - current	6(5)	152,712	-	677,015	1
114070	Customer margin deposits	6(3) and 7	92,916,102	84	94,577,662	86
114100	Security lending deposits	7	-	-	20,094	-
114130	Accounts receivable		251,176	-	20,105	-
114140	Accounts receivable - related parties	7	1,648	-	979	-
114150	Prepayments	7	11,626	-	12,854	-
114170	Other receivables		126,500	-	63,270	-
114180	Other receivables - related parties	7	48,669	-	17,118	-
114300	Leverage margin contract trading client margin deposits	7	573,860	1	536,152	-
110000	Subtotal current assets		104,956,727	95	104,902,918	95
Non-current assets						
123200	Financial assets at fair value through other comprehensive income - non-current	6(5)	2,276,213	2	2,155,716	2
124100	Investments accounted for under the equity method	6(6)	1,282,080	1	1,218,760	1
125000	Property and equipment	6(9)	708,583	1	649,159	1
125800	Right-of-use assets	6(10)	73,265	-	113,172	-
127000	Intangible assets	6(11)	97,515	-	74,012	-
128000	Deferred income tax assets		23,772	-	27,643	-
129010	Operating guarantee deposits	6(7) and 7	140,000	-	140,000	-
129020	Clearing and settlement funds	6(8)	446,100	1	453,658	1
129030	Refundable deposits	7	20,896	-	35,928	-
129130	Prepayment for equipment		6,690	-	89,591	-
129990	Other non-current assets - other		28,228	-	18,123	-
120000	Subtotal non-current assets		5,103,342	5	4,975,762	5
906001	Total Assets		\$ 110,060,069	100	\$ 109,878,680	100

(Continued)

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

LIABILITIES AND EQUITY			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
212000	Financial liabilities at fair value	6(2) and 11				
	through profit or loss - current		\$ 8,422	-	\$ 26,458	-
214080	Futures traders' equity	6(3) and 7	92,758,076	84	94,279,967	86
214100	Leverage margin contract transaction					
	traders' equity		372,254	-	371,174	1
214130	Accounts payable		117,574	-	138,338	-
214140	Accounts payable - related parties	7	17,456	-	22,020	-
214160	Collection for third parties		9,445	-	8,442	-
214170	Other payables	6(12)	447,483	1	321,990	-
214180	Other payables - related parties	6(12) and 7	4	-	408	-
214600	Current income tax liabilities		137,762	-	97,830	-
216000	Lease liabilities - current	7	42,286	-	43,322	-
219000	Other current liabilities	6(13)	6,302	-	6,235	-
210000	Subtotal current liabilities		93,917,064	85	95,316,184	87
Non-current liabilities						
221100	Bonds payable	6(14)	1,498,157	2	1,497,779	1
226000	Lease liabilities - non-current	7	37,915	-	80,201	-
228000	Deferred income tax liabilities		39,927	-	42,254	-
229000	Other non-current liabilities		54,297	-	71,413	-
	Subtotal non-current liabilities		1,630,296	2	1,691,647	1
906003	Total Liabilities		95,547,360	87	97,007,831	88
Capital						
301010	Common stock	6(16)	2,899,763	2	2,899,763	3
Additional paid-in capital						
302000	Capital surplus	6(17)	3,070,484	3	3,070,484	3
Retained earnings						
304010	Legal reserve	6(19)	1,340,216	1	1,228,957	1
304020	Special reserve	6(18)(19)	2,923,533	3	2,701,014	2
304040	Undistributed earnings	6(19)	2,341,954	2	1,279,417	1
Other equity						
305000	Other equity interest	6(20)	1,936,759	2	1,691,214	2
906004	Total equity		14,512,709	13	12,870,849	12
906002	Total liabilities and equity		\$ 110,060,069	100	\$ 109,878,680	100

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

Items			Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
Revenues						
401000	Brokerage	6(21) and 7	\$ 3,139,823	93	\$ 3,785,620	97
410000	Losses on trading of securities	6(2)(22) and 7	(50,775)	(1)	(88,117)	(2)
421300	Dividend income	6(2)	321,081	10	79,463	2
421500	Gains (losses) on valuation of trading securities	6(2)	13,211	-	(6,869)	-
421600	(Losses) gains on covering of borrowed securities and bonds with resale agreements-short sales	6(2)	(458)	-	34	-
421610	Valuation (losses) gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(2)	(2,132)	-	2,132	-
424200	Securities commission revenue	7	15,533	-	13,581	-
424300	Clearance fee from consignment	6(23)	35,363	1	37,221	1
424400	Net (loss) gain on derivative financial instruments	6(2)(24)	(106,334)	(3)	90,321	2
424900	Futures advisory revenues		9,519	-	8,352	-
428000	Other operating revenues	7	(283)	-	85	-
400000	Total revenues		3,374,548	100	3,921,823	100
Costs and expenses						
501000	Brokerage fee	6(25)	(607,506)	(18)	(800,438)	(20)
502000	Dealer handling fee	6(25)	(641)	-	(608)	-
521200	Interest expense	7	(468,544)	(14)	(124,495)	(3)
425300	Expected credit impairment losses and reversal gains		38,353	1	2,795	-
524100	Futures commission	6(26) and 7	(642,898)	(19)	(711,970)	(18)
524300	Clearance fee	6(27)	(436,442)	(13)	(569,590)	(15)
524700	Futures administrative expenses		(839)	-	-	-
528000	Other operating fee		(6,592)	-	(3,206)	-
531000	Employee benefit expense	6(28)	(901,352)	(26)	(799,901)	(20)
532000	Depreciation and amortization	6(29)	(169,349)	(5)	(157,659)	(4)
533000	Other operating expenses	6(30) and 7	(498,267)	(15)	(458,561)	(12)
500000	Total costs and expenses		(3,694,077)	(109)	(3,623,633)	(92)
Operating income			(319,529)	(9)	298,190	8
601100	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	65,183	2	(27,264)	(1)
602000	Other gains and losses	6(2)(5)(31) and 7	2,541,086	75	1,150,941	29
902001	Income before income tax		2,286,740	68	1,421,867	36
701000	Income tax expense	6(32)	(434,021)	(13)	(276,519)	(7)
902005	Net income		\$ 1,852,719	55	\$ 1,145,348	29

(Continued)

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

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
805510	Remeasurement of defined benefit obligations	6(15)	\$ 19,518	-	\$ 8,500	-
805540	Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income	6(5)(20)	500,331	15 (	68,495) (	2)
805599	Income tax related to components of items not to be reclassified	6(32)	(3,904)	- (	1,700)	-
Items that may be reclassified to profit or loss subsequently						
805610	Translation gain (loss) on the financial statements of foreign operating entities	6(6)(20)	(1,863)	-	104,243	3
805000	Total other comprehensive income (net of tax)		\$ 514,082	15	\$ 42,548	1
	Total comprehensive income		\$ 2,366,801	70	\$ 1,187,896	30
Earnings per share (in New Taiwan dollars)						
	Basic and diluted earnings per share	6(33)	\$ 6.39		\$ 3.95	

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital surplus			Retained earnings			Other equity interest		
								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	
	Notes	Capital -common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings			Total equity
For the year ended December 31, 2022										
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)(20)	-	-	-	-	-	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(19)	-	-	-	-	-	(666,945)	-	-	(666,945)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(5)(20)	-	-	-	-	-	(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
For the year ended December 31, 2023										
Balance, January 1, 2023		\$ 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
Net income for the year		-	-	-	-	-	1,852,719	-	-	1,852,719
Other comprehensive income (loss) for the year	6(5)(20)	-	-	-	-	-	15,614	(1,863)	500,331	514,082
Total comprehensive income (loss)		-	-	-	-	-	1,868,333	(1,863)	500,331	2,366,801
Appropriations of 2022 earnings:										
Legal reserve	6(19)	-	-	-	111,259	-	(111,259)	-	-	-
Special reserve	6(19)	-	-	-	-	222,519	(222,519)	-	-	-
Cash dividends	6(19)	-	-	-	-	-	(724,941)	-	-	(724,941)
Disposal of equity instrument investment measured at fair value through other comprehensive income	6(20)	-	-	-	-	-	252,923	-	(252,923)	-
Balance, December 31, 2023		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,340,216	\$ 2,923,533	\$ 2,341,954	\$ 5,157	\$ 1,931,602	\$ 14,512,709

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

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,286,740	\$ 1,421,867
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(10)(29)	135,664	130,554
Amortization	6(11)(29)	33,685	27,105
Interest income	6(31)	(2,206,949)	(883,189)
Interest expense		468,544	124,495
Share of profit or loss of subsidiaries associates, and joint ventures accounted for using the equity method	6(6)	(65,183)	27,264
Dividend income		(321,081)	-
Dividend income	6(31)	(580,701)	(234,462)
Expected credit impairment losses and reversal gains		(38,353)	(2,795)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current	(	365,858)	(34,143)
Customer margin deposits		1,661,560	(13,518,841)
Futures trading margin receivable		38,353	2,795
Security lending deposits		20,094	(20,094)
Accounts receivable	(	227,489)	(16,048)
Accounts receivable - related parties	(	669)	1,023
Prepayments		1,228	(4,113)
Other receivables		2,350	224
Other receivables - related parties	(	11,386)	(154)
Leverage margin contract trading client margin deposits	(	37,708)	(188,747)
Other non-current assets - other	(	10,105)	(6,707)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current	(	18,036)	25,532
Futures traders' equity	(	1,521,891)	13,411,131
Leverage margin contract transaction traders' equity		1,080	88,366
Accounts payable	(	20,764)	1,482
Accounts payable - related parties	(	4,564)	2,271
Collection for third parties		1,003	(656)
Other payables		107,496	124,305
Other payables-related parties	(	404)	(1,434)
Other current liabilities		67	(24,908)
Other non-current liabilities		2,402	443
Cash (outflow) inflow generated from operations	(	670,875)	452,566
Interest received		2,121,035	819,387
Interest paid	(	450,169)	(110,617)
Dividends received		577,288	234,523
Income tax paid	(	396,449)	(163,762)
Dividend received		317,499	-
NewItem		321,081	-
NewItem	(	317,499)	-
Net cash flows from operating activities		1,501,911	1,232,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(	909,693)	(543,350)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	1,813,830	381,687
Acquisition of property and equipment	6(9)	(43,011)	(50,017)
Increase in intangible assets	6(11)	(17,884)	(10,545)
Decrease in clearing and settlement funds		7,558	90,807
Decrease in refundable deposits		15,032	50
Increase in prepayment for equipment	(	68,573)	(19,133)
Net cash flows from (used in) investing activities		797,259	150,501
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment for lease liabilities	(	43,322)	(43,025)
Payment of cash dividends	6(19)	(724,941)	(666,945)
Net cash flows used in financing activities	(	768,263)	(709,970)

(Continued)

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

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Net increase in cash and cash equivalents		\$ 1,530,907	\$ 371,626
Cash and cash equivalents at beginning of year		<u>8,657,642</u>	<u>8,286,016</u>
Cash and cash equivalents at end of year		<u>\$ 10,188,549</u>	<u>\$ 8,657,642</u>

Attachment Six

Yuanta Futures Co., Ltd.
Earnings Appropriation Statement
2023

Unit: NTD

Item	Amount
Opening undistributed earnings	220,698,048
Add: The 2023 Net income	1,852,718,889
Add: net actuarial benefit of defined benefit plan after tax in 2023	15,614,303
Add: 2023 net gain of equipment instruments measured at FVTOCI	252,922,713
Less: Appropriation of 10% legal reserve	(212,125,591)
Less: Appropriation of 20% special reserve (Note)	0
Distributable earnings	2,129,828,362
Distribution	
Cash dividend (NT\$5 per share)	(1,449,881,440)
Stock dividends	0
Closing undistributed earnings	679,946,922

Details:

Note: According to Article 18 of the Regulations Governing Futures Commission Merchants, a futures commission merchant that has issued securities in accordance with the Securities and Exchange Act shall appropriate special reserve for an amount equivalent to 20% of the net income. However, if the accumulated amount has reached the amount of paid-in capital, further appropriation is not required.

The company had special reserve appropriated for an amount of NT\$2,923,533,032 as of December 31, 2023, which had exceeded the paid-in capital of NT\$2,899,762,880. Therefore, it is exempt from further appropriation in accordance with the aforementioned regulations.

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.

The comparison table of amendments to the “Regulations Governing the Acquisition or Disposal of Assets”

Amendments	Current existing clauses	Description
<p>Article 33</p> <p>The Company has the subsidiary’s acquisition or disposal of assets controlled in accordance the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies.” <u>The company should urge its subsidiaries to formulate and implement the “Regulations Governing the Acquisition or Disposal of Assets” (hereinafter referred to as the “Regulations”) and should urge subsidiaries to self-check whether the formulated “Regulations” complying with relevant standards and provisions, and whether the matters related to the acquisition or disposal of assets are handled in accordance with the said “Regulations.”</u></p> <p><u>The Company’s Auditing Department should review its subsidiary’s self-inspection reports and other related matters.</u></p>	<p>Article 33</p> <p>The Company has the subsidiary’s acquisition or disposal of assets controlled in accordance with <u>the governing law</u> and the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies.”</p>	<p>According to Question 58 of the Q&A section within the 'Regulations Governing the Acquisition and Disposal of Assets by Public Companies,' public companies are required to establish control procedures for supervising their subsidiaries in the acquisition or disposal of assets, ensuring adherence to the 'Regulations. 2. Supervise the subsidiaries to self-check whether the formulated “Regulations” complying with relevant standards and provisions, and whether the matters related to the acquisition or disposal of assets are handled in accordance with the said “Regulations.” 3. The company should audit and review the subsidiary’s self-inspection reports and other related matters.</p>

Appendix 1

Current and minimum number of shares held by Directors

- I. The Company has a paid-up capital of \$2,899,762,880, issued in 289,976,288 ordinary shares.
- II. According to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shareholding of the Company’s board directors is 12,000,000 shares. The Company has an Audit Committee established; therefore, there is no requirement on the minimum shareholding of the supervisors.
- III. As at the book closure date of this annual general meeting (March 28, 2024), the shareholders registry showed total shares held by Directors at 192,167,005, of which have complied with Article 26 of The Securities and Exchange Act. The details are as follows:

Ex-transfer date on March 28, 2024

Title	Name	Number of shares held (shares)	Shareholding percentage (%)
Chairman	Yuanta Financial Holding Co., Ltd. Representative: Tien-Fu Lin	192,167,005	66.26%
Vice Chairman	Yuanta Financial Holding Co., Ltd. Representative: Pin-Cheng Chen		
Director	Yuanta Financial Holding Co., Ltd. Representative: Kuo-Tsun Hsu		
Director	Yuanta Financial Holding Co., Ltd. Representative: Mei-Ling Kuo		
Director	Yuanta Financial Holding Co., Ltd. Representative: Wei-Chen Chang		
Director	Yuanta Financial Holding Co., Ltd. Representative: Wen-Ching Chiu		
Independent Director	Yu-Chun Wu	0	0%
Independent Director	Hui-Erh Yuan	0	0%
Independent Director	An-Pin Chen	0	0%
Total Directors' shareholding		192,167,005	66.26%

Appendix 2

Information relating to shareholders meeting agendas

I. Shareholders meeting agendas

1. According to Article 172-1 of The Company Act, shareholders who own more than 1% of The Company's outstanding shares are entitled to submit one agenda for discussion during the annual general meeting. The submission must be made in writing and is limited to 300 words.
2. The Company has accepted shareholders' proposed agendas for this year's annual general meeting between March 18 to 28, 2024. This information has been published on the Market Observation Post System.
3. The Company received no proposals from existing shareholders during that period.

Appendix 3

Yuanta Futures Co., Ltd.

“Regulations Governing the Acquisition or Disposal of Assets” (Before amendments)

Resolved in the shareholders' meeting on May 23, 2012

The amendment was resolved in the shareholder's meeting on May 17, 2013

The amendment was resolved in the shareholder's meeting on May 20, 2014

The amendment was resolved in the shareholder's meeting on May 18, 2016

The amendment was resolved in the shareholder's meeting on May 17, 2017

The amendment was resolved in the shareholder's meeting on May 23, 2019

The amendment was resolved in the shareholder's meeting on May 24, 2022

Chapter 1 General Provisions

Article 1 The Company has the Guidelines stipulated to strengthen asset management and substantiate information disclosure.

Article 2 The Company's acquisition or disposal of assets is processed in accordance with the “Regulations Governing the Acquisition or Disposal of Assets.” The requirements, if any, specified in laws and regulations in relation to finance or by the Financial Supervisory Commission (FSC) shall apply.

Article 3 If the Company's acquisition or disposal of assets in accordance with the Guidelines or other law must be approved by the board of directors; also, there is director's recorded or documented objections filed, the director's objections should be delivered to the Audit Committee.

For the discussion of the Guidelines and the proposal for the acquisition or disposal of assets, the Company must invite the independent directors to attend the meeting, have the opinions of each independent director considered sufficiently, and have their supporting or opposing opinions and reasons documented in the minutes of meeting.

Article 4 The scope of assets defined in the Guidelines is as follows:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real estate (including land, housing and construction, investment real estate) and equipment
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

9. Other major assets.

Article 5 The terminologies used in the operating procedures are as follows:

1. Financial derivatives: referred herein are broadly defined as instruments that derive their value from the performance of underlying particular interest rate, financial instrument prices, commodity prices, currency exchange rates, prices or premium rate indexes, credit ratings or credit indexes or other variables. Such instruments include forward contracts, option contracts, futures contracts, leverage contracts, various combination thereof, or combined contracts embedded in financial derivatives or structured goods. The term forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party and subsidiaries: It is recognized in accordance with the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants."
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign

competent authority and that is permitted to conduct securities business.

Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Chapter 2 Disposition Procedures

Section 1 Acquisition or disposal of assets

Article 7 Related laws and regulations and related business regulations and the Regulations for Fund Management of this Company shall apply to the limit on the total amount of real property or other right-of-use assets or marketable securities and the limit on individual marketable securities acquired by this Company and subsidiaries not for operational uses.

Article 8 The Company's investment scope and amount may not go beyond the regulations of the Futures Act.

The decision procedures (including prices determination, reference, and authorization hierarchy) of transaction terms and conditions for the acquisition and disposal of the Company's long-term and short-term investment portfolio, real estate and equipment are processed in accordance with the governing laws and the related business regulations and

fund management provisions of the Company.

Article 9 In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.
 - (1) The spread between the appraisal result and the transaction amount exceeds 20%
 - (2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; However, if it is applicable to the same present value announced and is not over six months, the original professional appraiser may have an opinion issued.

Article 10 For the acquisition or disposal of securities, the Company should collect the latest financial statements audited or reviewed by the CPAs of the underlying company before the date of occurrence as a reference for evaluating the transaction prices. In addition, if the transaction amount exceeds 20% of the company's paid-in capital or an amount of NT\$300 million, an independent auditor should be consulted to express an opinion on the reasonableness of the transaction price before the date of occurrence. However, the securities are offered publicly with a quote available in market or otherwise authorized by the competent authorities; it is not subject to this restriction.

Article 11 When the Company's acquisition and disposal of intangible assets the right-of-use assets or memberships reaches 20% or more of paid-in capital or NT\$300 million or more, unless it is a transaction conducted with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 12 The transactions amount in the first three clauses should be calculated in accordance with Article 31, Paragraph 2. Also, the alleged "within one year" meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA's opinions acquired in accordance with the guidelines.

Article 13 For the Company's acquisition or disposal of assets by the court auction process, the

supporting documents issued by the court can be used instead of the appraisal report or CPA's opinions.

Article 14 The assets acquired by the Company are listed in the property catalog by the Accounting Department, and the relevant vouchers are safekept by the Administration Office for inventory count at the end of the year and together with the Auditing Department when necessary.

Article 15 The Company's obsolete assets or assets lost in inventory count should be handled in accordance with the Company's internal rules and the provisions of the "Regulation Governing Assessment of Profit-Seeking Enterprise Income Tax Act" by the Administration Office.

Section 2 Related party transactions

Article 16 In addition to processing the related decision procedures and assessing the reasonableness of trade conditions in accordance with the provision referred to above and in this section, the appraisal report issued by the professional appraiser or the CPA's opinions must be acquired in accordance with the guidelines referred to above for the acquisition or disposal of assets by the Company from the related party with a transaction amount over 10% of the Company's total assets.

The calculation of the transaction amount referred to above should be processed in accordance with Article 12.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 17 When acquiring or disposing of real property or its right-of-use assets or other assets with a related party through purchase or swap at an amount reaching twenty percent (20%) of paid-in capital or the percent (10%) of the total assets or exceeding NT\$300 million, the Company shall prepare the following documentation and submit it to the Audit Committee and the Board of Directors for approval prior to signing the transaction contract and disbursing the payment, except for trading domestic bonds or bonds under repurchase and resale agreements, or subscription or buy back of domestic money market funds issued by security investment trust funds.

1. The purpose, necessity, and expected benefits of the acquisition or disposal of real estate and assets
2. The reason for choosing the related party as a transaction counterparty.
3. When acquiring real property or its right-of-use assets from a related party, assess the fairness of transaction terms according Articles 18 and 19.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

When the Company or the Company's subsidiary that is not itself a public company in

Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Company's total assets, the Company shall have the information as stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. However, the transactions conducted between the Company and the parent company or subsidiaries, or between the subsidiaries, or between the parent company and subsidiaries are not subject to this restriction.

The calculation of the transaction amount referred to in the paragraph 1 and preceding paragraph shall be made with respect to paragraph 2 of Article 31. "Within the previous year" as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part approved by the Board of Directors, the shareholders' meeting and recognized by the Audit Committee according to these Procedures shall be exempted.

When reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.

Matters recognized by the Audit Committee with respect to paragraph 1 shall first be approved by over half of all members of the Audit Committee and submitted to the Board of Directors for resolutions prior to implementing according to the regulations specified by the competent authority.

Article 18 When acquiring real property or its right-of-use assets from a related party, this Company shall evaluate the fairness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The alleged necessary funds interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets purchased provided that it should not be higher than the non-financial industry's highest loan interest rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

When acquiring real property or its right-of-use assets from a related party, this Company shall assess the fairness of the transaction cost with respect to the previous two paragraphs and ask a CPA for a review and specific opinion.

When any one of the following circumstances exists while acquiring real property or its right-of-use assets from a related party, this Company shall acquire such property with respect to Article 16, and the above three paragraphs shall not apply.

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date

for the current transaction.

3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The right-of-use of the real property for business use are acquired between this Company and the parent company, between subsidiaries, or between this Company with a subsidiary wholly owned, either directly or indirectly, by this Company.

Article 19 If the assessment result is lower than the transaction price in accordance with Section 1 and Section 2 referred to above, the Company is to have it processed in accordance with Article 20. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. This Company evidences that the transaction terms and area of the real property acquired or its right-of-use assets leased from a related party are similar to that of transactions completed by unrelated parties in the neighborhood within the previous year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 20 When acquiring real property or its right-of-use assets from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction cost, the following steps shall be taken:

1. A special reserve shall be set aside with respect to paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real property or its right-of-use assets, without being distributed or used for capital increase or issuance of bonus shares. If the Company has the

investment in other company valued under the equity method, the Company is to have special reserve appropriated proportionally to the shareholding ratio in respect of the invested company's appropriated amount in accordance with Article 41 Section 1 of the Securities and Exchange Act.

2. Article 218 of the Company Act shall apply mutatis mutandis to the independent directors forming the Audit Committee.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

After appropriating a special reserve under the preceding paragraph, this Company may not utilize the special reserve until a loss is recognized on the decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and FSC has given its consent.

With acquiring real property or its right-of-use assets from a related party, this Company shall comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Section 3 Engaged in derivative transactions

- Article 21 When engaging in derivatives trading and trading derivatives, this Company shall comply with the Regulations Governing Futures Commission Merchants, Regulations Governing Leverage Transaction Merchants, related FSC letters and orders, and the division of responsibility, division of authorization, and other related regulations of this Company.
- Article 22 This Company shall also supervise re-invested subsidiaries to follow related laws and regulations at home and abroad and the regulations of this Company when engaging in derivatives trading.

Section 4 Corporate merger, spins-off, acquisition, and assignment of shares

- Article 23 For the process of corporate merger, spins-off, acquisition, or assignment of shares, the Company should have a CPA, lawyer, or securities underwriter invited to comment on the reasonableness of the exchange ratio, acquisition price, cash distributed to the shareholders, and the other assets and then presented in the board meeting for resolutions. For mergers between the Company and wholly-owned subsidiaries directly or indirectly, or for mergers between wholly-owned subsidiaries directly or indirectly, it is not necessary to obtain a reasonable opinion from the aforementioned experts.
- Article 24 When engaging in a merger, demerger, or acquisition of another company, this Company shall prepare a public report before a meeting of shareholders to detail the important contents and related matters of the merger, demerger, or acquisition. The expert opinion referred to in the preceding article and the notice of meeting of shareholders shall be delivered to shareholders for the reference of approving the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

For the merger, spins-off, or acquisition of a company, if the shareholders' meeting of either party cannot be convened and a resolution cannot be reached due to insufficient attendance, insufficient ballots, or other legal restriction, or the proposal is vetoed in the shareholders' meeting, the company of merger, spins-off, or acquisition should immediately explain the root cause to the public, the subsequent operations, and the

expected date of the shareholders' meeting.

Article 25 Unless other laws and regulations otherwise require or the competent authority otherwise approves, the company participating in a merger, demerger, or acquisition of this Company shall convene a board meeting and a meeting of shareholders on the day of the transaction to resolve matters in relation to the merger, demerger, or acquisition.

Unless other laws and regulations otherwise require or the competent authority otherwise approves, the company participating in a transfer of this Company shall convene a board meeting and a meeting of shareholders on the day of the transaction to resolve matters in relation to the merger, demerger, or acquisition.

When engaging in a merger, demerger, transfer of shares or acquisition of another company, this Company shall document the following records and retain them for five years for future reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When engaging in a merger, demerger, transfer of shares or acquisition, this Company shall report to the competent authority for reference over the internet specified in subparagraphs 1 and 2 of the preceding paragraph in the required format within two days from the board's resolution.

For the merger, spins-off, acquisition, or assignment of shares of a non-listed company or the company without stock traded at the securities business premise, the Company shall have an agreement signed with it in accordance with according to the preceding two paragraphs.

Article 26 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 27 For the Company's participating in the merger, spins-off, acquisition, or assignment of shares, the swap ratio or purchase price, except for in the following circumstances, shall not be changed arbitrarily; also, the tolerable changes of the swap ratio or purchase price should be detailed in the merger, spins-off, acquisition, or assignment of shares contract:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects

shareholder equity or share price.

4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 28 The Company that participates in the merger, spins-off, acquisition, or assignment of shares should have the rights and obligations in the merger, spins-off, acquisition, or assignment of shares detailed in the contract, including the following information:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 29 If the Company and the company that participates in the merger, spins-off, acquisition, or assignment of shares intends to go for another merger, spins-off, acquisition, or assignment of shares after disclosing information publicly, unless the number of companies involved is reduced and a resolution is reached in the shareholders' meeting with the board of directors authorized to have the authorization changed so the involving company needs not to have a shareholders' meeting convened again for resolutions, the completed procedures or legal act in the original merger, spins-off, acquisition, or assignment of shares should be processed again by the involving companies.

Article 30 For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with Article 25, Article 26, and referred to above.

Chapter 3 Public Disclosure of Information

Article 31 The Company should have the acquisition or disposal of assets that fell in one of the following circumstances reported in the designated format on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:

1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party with a transaction amount that reaches twenty percent (20%) or more of the paid-in capital, ten percent (10%) or more of the Company's total assets, or NT\$300 million or more, provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by

domestic securities investment trust enterprises.

2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Acquisition or disposal of equipment or its right-of-use assets for business operations from an unrelated party at a transaction amount of or above NT\$500 million.
5. Acquisition of real property under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and redistribution of housing units, joint construction and redistribution of ownership percentages, or joint construction and separate sales from an unrelated party in which the Company expects to invest up to NT\$500 million.
6. The amount of the assets trade other than the ones in the five paragraphs referred to above, the disposal of credit by the financial institutions, or the investment in Mainland China for an amount exceeds 20% of the paid-in capital or NT\$300 million. provided, this shall not apply to the following circumstances:
 - A. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - B. Where done by professional investors, securities trading at TWSE/TPEX, or subscription of foreign corporate bonds, ordinary corporate bonds, or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes.
 - C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

The alleged "within one year" referred to above meant for the one year prior to the date of occurrence excluding the part that had already been announced in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

The Company shall have the derivative transaction of the Company and its non-public subsidiary up to the last month published in the designated format on-line at the information network designated by the competent authorities before the 10th day of each month.

When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items

should be published and reported again within 2 days from the date of learning of the discrepancy.

The Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company's premise for at least 5 years unless otherwise provided by law.

If the competent authorities has the Company's investment in Mainland China authorized after it is announced and reported by the Company in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the information of the original announcement date, the invested company in China, the expected investment amount, counterparty, and the approval date of the competent authorities should be disclosed on the Market Observation Post System (MOPS).

The Company should have the announcement and reporting made on behalf of the non-public subsidiary.

Article 32 If the transactions reported and announced by the Company in accordance with the provision referred to above are found with any of the following circumstances, the Company should have the related information announced and reported on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Chapter 4 Additional Provisions

Article 33 The Company has the subsidiary's acquisition or disposal of assets controlled in accordance with the governing law and the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies."

Article 34 The personnel in violation of the procedures will be disciplined and punished in accordance with the Company's Personnel Management Rules.

Article 35 When reporting the acquisition or disposal of assets as mentioned above is required, a subsidiary that is not a domestic company shall let this Company handle the reporting.

The paid-in capital or total asset of this Company shall apply to subsidiaries in the preceding paragraph required to report acquisition or disposal of assets based on the paid-in capital or total asset under paragraph 1 of Article 31.

Article 36 The requirement of 10% of the total assets stated in the Procedures is based on the total assets in the latest proprietary or independent financial statements governed by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Article 37 The "Guidelines" is resolved by the board of directors and submitted to the shareholders' meeting for approval before implementation, same as the amendment.

Appendix 4

Yuanta Futures Co., Ltd. Procedures for Election of Directors

Resolved in the shareholders' meeting on June 7, 2005.

Amended and resolved in the shareholders' meeting on March 22, 2007

Amended and resolved in the shareholders' meeting on June 2, 2009

Amended and resolved in the shareholders' meeting on May 23, 2012

Amended and resolved in the shareholders' meeting on May 20, 2014

Amended and resolved in the shareholders' meeting on May 21, 2015

Amended and resolved in the shareholders' meeting on May 24, 2018

The amendment was resolved in the shareholder's meeting on July 5, 2021

Article 1

The election, re-election, and supplement election of the Company's directors, unless otherwise provided by law or the Articles of Incorporation, should be processed in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Article 1-1

The qualification and appointment of the Company's independent directors should be processed in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 2

The election of the Company's directors (including independent directors) should be held with the considerations of the overall configuration of the Board and the diversification of the Board members; also, diversified guidelines should be formulated in accordance with the operation, business patterns, and development needs, which should include but not limited to the standards with the following two aspects:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

The election of the Company's directors (including independent directors) should be processed in accordance with the candidate nomination system and procedure defined in Article 192-1 of the Company Act.

If the dismissal of any director for any reason causes the board with less than five directors in service, an election of directors should be held in the most recent shareholders' meeting. However, if the vacancy of board director is one thirds of the chairs designated, the Company shall have an extraordinary shareholders' meeting held within 60 days from the date of the event occurred.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 3

The cumulative voting system shall be adopted for the election of the company's directors. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. Unless otherwise provided by law, each stock share contains the suffrage equivalent to the number of directors to be elected, which can be distributed to one or more than one candidate.

Article 4

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

The individual who has been elected as a director and supervisor at the same time may determine discretionally to assume either one of the positions but not both, and the vacancy is to be filled by the un-elected candidate who has received the highest votes in the original election.

When the elected director is found nonconforming to the requirements of Article 26-3, Subparagraph 3 and Subparagraph 4 of the Securities Exchange Act, the election of the director should be concluded in accordance with Article 26-3, Subparagraph 5 of the Securities Exchange Act.

Article 5

The Board of Directors shall prepare ballots for a number equivalent to the chairs of directors designated and the ballots should be numbered in accordance with the attendance certificate number with the vote of suffrage detailed before distributing them to shareholders in the shareholders' meeting. No ballot will be prepared if shareholders have votes casted in an electronic form.

Article 6

The Chairman is to have two ballot inspectors and several tellers designated at the beginning of the election for surveillance and vote counting; however, ballot inspectors must be a shareholder of the Company.

Article 7

Ballot boxes should be prepared for the election of directors by the board of directors; also, the ballot boxes are to be inspected by the ballot inspectors in public before voting. The results of the vote should be announced in the meeting immediately.

Article 8

Ballots are invalid in any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 9

The voting rights shall be calculated under the monitoring of the vote counting personnel; also, the result of voting shall be announced by the chairman on site immediately after the end of the poll, including the list of elected directors and non-elected directors and their respective weights received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel 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 ballots shall be retained until the conclusion of the litigation.

Article 10

The Company is to issue a certificate of election to each elected director and the elected director is to fill out the “Letter of Consent” for registration and inauguration.

Article 11

The matters that are not addressed in the “Rules for the Election of Directors and Supervisors” should be processed in accordance with the Company Act and Articles of Incorporation.

Article 12

These procedures will be implemented after being approved in the shareholders’ meeting, same as the amendment.

Yuanta Futures Co., Ltd.

Rules of Procedure for Shareholders Meetings

The amendment was resolved in the shareholder's meeting on June 7, 2005

The amendment was resolved in the shareholder's meeting on March 22, 2007

The amendment was resolved in the shareholder's meeting on June 2, 2009

The amendment was resolved in the shareholder's meeting on October 6, 2011

The amendment was resolved in the shareholder's meeting on October 6, 2011

The amendment was resolved in the shareholder's meeting on May 23, 2012

It was resolved for re-set in the shareholder's meeting on May 17, 2013

The amendment was resolved in the shareholder's meeting on May 21, 2015

The amendment was resolved in the shareholder's meeting on May 27, 2020

The amendment was resolved in the shareholder's meeting on July 5, 2021

The amendment was resolved in the shareholder's meeting on May 24, 2022

Article 1 For the purpose of 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 Company's "Corporate Governance Best-Practice Principles" for compliance.

Article 2 The Company's "Shareholders Meeting Rules' Meetings," unless otherwise provided by the law and regulations or Articles of Incorporation, should be processed in accordance with the Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The preparation and upload of the Company's notice of shareholders' meeting and Agenda Handbook is processed in accordance with the Company Act, Securities and Exchange Act, Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbook of Public Companies, and the regulations published by the competent authorities.

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.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the cease of public offering, approval of competing with the company by directors, profit distributed in the form of new shares, additional paid-in capital distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Stock Exchange Act, and Article 56-1 and Article 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" should be detailed in the meeting notice instead of being proposed in motions.

The reason for the convening of the shareholders' meeting is indicated as a full re-election of directors, and the date of assuming office is specified. After the re-election in the

shareholders' meeting is completed, the date of assuming office shall not be changed via an extraordinary motion or other means at the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. The board of directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 Section 4 of the Company Act included for discussion. A shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities should be handled in accordance with the provision of Article 172-1 of the Company Act, is limited to one item only, and no more than one item will be included in the meeting agenda.

The company shall, prior to the book-close date for the general shareholders' meeting, publicly announce the acceptance of shareholder's proposals, written or electronic acceptance method, acceptance venue and acceptance period; the acceptance period shall be no less than 10 days.

A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the regular shareholders' meeting in person or by proxy and participate in the discussion of his or her proposal.

The Company shall notify the shareholder submitting the proposal of the status of his or her proposal before the date when the notice of the shareholders' meeting is sent, and include the proposals that have met the requirements in this article in the meeting notice. The Board shall provide reasons for not including a shareholder's proposal in the agenda at the shareholders' meeting.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

It is one shareholder one proxy and limited to one commission that should be delivered to the Company 5 days before the shareholders' meeting date. The matter of proxy received in duplication is handled in accordance with the "first arrival" principle. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business 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 venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only 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. For a virtual shareholders' meeting convened, the company shall indicate in the shareholders' meeting notice how shareholders should attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, the date the meeting is postponed or resumed when necessary, and other matters needing attention. For a virtual-only shareholders' meeting, it is necessary to specify appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

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, shall be at least 30 minutes prior to the time the virtual shareholder 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 at the virtual meeting platform. Shareholders who have completed the registration shall be deemed as attending the shareholder meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily 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, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

For a virtual shareholder 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 7 If the shareholders' meeting is convened by the board of directors, the chairman of the board is to preside the meeting. If the chairman of the board is on leave of absence or for some reason cannot perform duty, the representative of the Chairman is appointed in accordance with the Company Act.

The director who is the representative of the chairman to preside the meeting referred to above must have already served the term for more than six months and understand the Company's finance and business conditions. The same shall be true for a representative of

a juristic person director that serves as chair.

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 directors, 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, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and 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 ballots shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, 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 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 meeting.

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 sign-in cards and the number of shares registered on the virtual meeting platform, plus the number of shares whose voting rights are exercised in writing or electronically.

The chair shall call the meeting to order at the scheduled meeting time and shall announce the shares without voting rights and the shares presented by the attending shareholders at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, 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.

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 1 month. The shareholders who intend to attend the virtual shareholder meeting by means of visual communication network shall complete the registration with the Company in accordance with Article 6.

If the number of shares represented during the meeting accumulates to more than half of all outstanding shares, the chairman may re-propose the temporary resolutions for final

voting according to Article 174 of The Company Act.

Article 10 If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and all relevant proposals shall be voted. The meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without the 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 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 extraordinary 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 extraordinary 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. When 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 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When 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.

When a juristic 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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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 calculated as part of the total number of issued shares.

When 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, that 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 calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that 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 calculation.

Article 13 Shareholders are entitled to one balloting right per share except for those restricted without any voting right granted or those without any voting according to Article 179, Paragraph 2 of the Company Act.

When 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 extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

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 before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression 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. When 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 in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting. The result of the votes of approval,

objection, or waiver casted by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable 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 the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end 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 meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each elected director shall be disclosed and shall be kept permanently during the company's existence.

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 chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

Article 16 The Company shall prepare the statistics of the number of shares acquired by the solicitors, the number of shares represented by the entrusted agents, and the number of shares held by the shareholders attending the meeting in writing or electronically in an appropriate format as prescribed on the shareholder meeting date and should be disclosed on the shareholder meeting date. For a virtual shareholder meeting, the Company shall have the aforementioned data uploaded to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting.

The Company while holding a virtual shareholder meeting should 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. The same applies to the number of voting rights counted separately during the meeting.

If the resolutions reached in the shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall within the prescribed time have the material information uploaded to the MOPS.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards 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 card 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 The Chairman at his/her discretion may announce the meeting in recess; also, may announce to have the meeting suspended due to force majeure and announce the time for the meeting to resume.

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

A resolution of having the meeting postponed or continued can be reached within 5 days in the shareholders' meeting 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 chair has announced the meeting adjourned.

Article 20 When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair 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.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair 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 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the annual general meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.

When the shareholder meeting is postponed or reconvened in accordance with the preceding paragraph, the voting and vote count completed and announced or the proposal regarding the list of elected directors need not be re-discussed or resolved.

The company when postponing or resuming a meeting according to paragraph II 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 4 of the "Regulations Governing the Administration of Shareholder Services of Public Companies." Also, those who are in the register of shareholders on the book-entry closing date are entitled to attend the shareholders' meeting.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 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 the second paragraph.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 22 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Yuanta Futures Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1 This Company is named “元大期貨股份有限公司”, English as Yuanta Futures Co., Ltd., according to the Articles of Corporation of this Company.

Article 2 The company’s business operations are as follows:

H401011 Futures Merchant.

H405011 Futures Consultation Services.

H407011 Futures Management.

H301011 Securities Brokerage.

H310011 Futures Introducing Broker.

H404011 Leverage Transaction Merchants.

Section 2-1 The Company's business activities are:

1. Securities brokerage.
2. Proprietary futures trading.
3. Futures consultation services.
4. Futures management.
5. Proprietary trading of securities listed on Taiwan Stock Exchange.
6. Proprietary trading of securities within business premise.
7. Futures introducing agency.
8. Leverage Transaction Merchants.
9. Other business functions approved by the competent authority.

Article 3 The Company is headquartered in Taipei City, the Republic of China, and may have branches or offices set up elsewhere at home or abroad as necessary as resolved by the board of directors, subject to approval by the competent authority.

Article 4 Public announcements of the Company shall be duly made in accordance with the Company Act and relevant laws of the authority.

Chapter 2 Share capital

Article 5 The Company's rated capital is NT\$3.5 billion, divided into 350 million shares at NT\$10 per share and the board of directors is authorized to issue shares in several tranches.

Article 6 The Company issues its shares in non-tangible forms, and shall register them to the Central Securities Depository.

Article 7 Shareholders must provide their names and residential or registered addresses, along with their signature specimen cards, to The Company. This information shall be registered into the shareholders registry.

Article 8 The total amount of reinvestment of the Company is not subject to the restriction in Article 13 of the Company Act to the extent prescribed by the Act or the competent authority.

- Article 9 The company's share administration practices shall comply with "Printing Specifications for the Certificates of Publicly Traded Shares".
- Article 10 The company's shareholders' registry will be closed within 60 days before the annual general meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the base date for distributing dividends or other entitlements.
- Article 11 All other matters relating to share administration shall comply with The Company Act and other relevant regulations.

Chapter 3 Shareholders Meetings

- Article 12 The Company holds two types of shareholders meetings:
- I. The annual general meeting is held at least once a year, and within six months after the end of an accounting period unless otherwise permitted by The Company Act.
 - II. Extraordinary shareholders meetings may be held whenever necessary, subject to compliance with the relevant laws.
- Convene a virtual shareholder meeting or have it held with the methods promulgated by the central competent authorities.
- Article 13 The convention of an annual general meeting must be communicated to shareholders with detailed date, venue, and agendas at least 30 days, and 15 days for extraordinary shareholders meetings, in advance. The Company may distribute the above mentioned notices to shareholders holding less than one thousand shares by way of public announcements instead.
- Article 14 The shareholders of the Company have one voting right per share, except for the non-voting rights of the shares provided for in Article 179 of the Company Act and other laws and regulations.
- Article 15 If a shareholder is unable to attend the shareholders meeting in person, a proxy can be appointed by completing The Company's proxy form and by specifying the scope of delegated authority. Unless otherwise regulated by The Company Act, shareholders must delegate their proxies in compliance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- Article 16 Unless otherwise specified in The Company Act, shareholders meetings are convened by the Board of Directors. Shareholders meetings shall be chaired by the Chairmen. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Vice Chairman will take the Chairman's place in the meeting. If the Vice Chairman is also absent, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.
- Article 17 Except otherwise regulated by The Company Act, a shareholders meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting. In addition, when the Company has adopted an electronic voting form in accordance with the provisions of the competent authorities, the shareholders of the Company may exercise their voting rights in an electronic form. The shareholders who exercise their voting rights in an electronic form shall be deemed as voting in person; also, the relevant matters shall be handled in accordance with the laws and regulations.
- If the Company intends to apply for the suspension of public offering, it shall submit a special resolution to the shareholders' meeting.

Article 18 Shareholders meeting resolutions must be compiled into detailed minutes, signed by the meeting chairman, and distributed to every shareholder within 20 days after the meeting. The distribution can be made by way of public announcement. The minutes must detail the date and venue of the meeting, the meeting chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained indefinitely. Shareholders' attendance sheets and proxy forms shall be retained as required by the relevant regulations. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Chapter 4 The Board of Directors, Directors and Managers

Article 19 The Company may have a total of 7–11 Directors (including 3 Independent Directors); they are elected by shareholders to serve a term of three years, which can be renewed if elected at the end of the term. The amount of shares held by Directors must comply with all relevant securities regulations.

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.

The nomination and announcement of Director candidates shall comply with The Company Act, the Securities and Exchange Act, and other relevant regulations.

Article 20 The Board shall have the following powers and authorities:

1. Approval of The Company's business strategies and plans.
2. Approves The Company's budgets and reviews period-end closing.
3. Approval of The Company's foundation rules.
4. Approval of major policies within The Company.
5. Decides the increase/decrease of raised capital, and certifies the issuance of share certificates.
6. Draft up a proposal for the company's earnings distribution or making up for the loss.
7. Resolves The Company's corporate bond issuance.
8. Decisions regarding buybacks of The Company's shares.
9. Appoints The Company's managers and finance, accounting, risk management, legal & compliance, and internal audit executives.
10. Approves the acquisition or disposal of major assets.
11. Sets the dates for The Company's annual general meetings or extraordinary shareholders meetings.
12. Approves managers' performance and remuneration standards, and the remuneration to individual directors.
13. Other matters prescribed by law or authorized by the shareholders' meeting.

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.

Article 20-2 The Company may set up other functional committees under the board of directors. The number, term of office, powers and other matters shall be prescribed in the organizational rules of the functional committees and the setup shall be carried out after the resolution of the board of directors.

Article 21 The Chairman of the Board of Directors shall be appointed with the presence of more than two thirds of all directors, and the supports from more than half of all present directors. The Chairman represents the company in all dealings. If necessary, a Vice Chairman can be appointed through the same procedure. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Vice Chairman will take the Chairman's place. If the Vice Chairman is also absent, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.

Board of Directors meetings are convened by the Chairman. However, the first meeting of a newly-elected board shall be convened by the director receiving the highest number of votes during the shareholders meeting. The first meetings among newly-elected boards shall take place within 15 days after the election.

The convention of a Board of Directors meeting must be advised to all Directors with detailed agenda at least 7 days in advance. However, meetings can be held in shorter notices in case of emergency.

The notice of convening the board meeting can be made electronically or by fax with the consent of the counterparty.

Article 22 Unless otherwise regulated by The Company Act, all resolutions to Board of Directors meeting agendas must be discussed among more than half of all directors, and agreed by more than half of all directors present at the meeting. The meeting minutes must be signed or stamped by the meeting chairman and the recorder, and distributed to all Directors within 20 days after the meeting. Kept as essential document files of the Company for the perpetuity of the Company.

The preparation and distribution of meeting minutes can be made in electronic form.

Article 23 If a Director is unable to attend the Board of Directors meeting in person, another director can be appointed as proxy, subject to compliance with Article 205 of The Company. The proxy arrangement must be supported by a proxy form. If the Board of Directors meeting proceeds by way of video conferencing, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.

Article 24 (Deleted)

Article 25 The Company has the "Audit Committee" composed by all the independent directors in accordance with Article 14-4 of the Securities and Exchange Act.

The size, terms, responsibilities, authorities, and meeting rules relating to the Audit Committee shall comply with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and be governed under a separate set of Audit Committee Foundation Rules.

Article 26 The Company employs one President and several managers; the appointment, dismissal, and remuneration of whom shall comply with Article 29 of the Company Act.

The President and managers must carry out corporate operations according to the Board of Directors' resolutions and the relevant laws.

Article 27 As a guideline, salaries to the Chairman and Vice Chairman shall be set between 50% to 200% of the President's salary. The actual sum is subject to the Board of Directors' approval.

Other remunerations and benefits to the Chairman and the Vice Chairman shall be granted according to The Company's relevant policies or in reference to industry peers. The Board of Directors is authorized to determine the level of compensation for Chairman's/Vice Chairman's resignation based on their participation and contribution to The Company, and in reference to industry peers.

The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings distributions under Article 29.

Article 27-1 The Company may acquire liability insurance for board directors in accordance with the resolutions reached by the Board of Directors.

Chapter 5 Accounting

Article 28 The Company's fiscal year is from January 1 to December 31. The Board of Directors shall have the following statements prepared at the end of the fiscal year and presented in the shareholders' meeting for acceptance in accordance with the governing procedures:

1. Business report;
2. Financial statements; and
3. Earnings distribution or loss reimbursement proposal.

Article 29 The company's earnings, if any, should be first applied to pay taxes and make up for the losses over the years, and then 10% legal reserve 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 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.

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:

1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for distribution.

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.

Chapter 6 Additional Rules

- Article 30 The Board of Directors is authorized to determine The Company's foundation rules and levels of authority.
- Article 31 Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and the relevant regulations.
- 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 23, 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; 31st amendment was completed on May 24, 2023 and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.