

## The 2024 shareholders' meeting minutes of Yuanta Futures Co., Ltd.

Meeting time: 9:00 AM on May 27 (Monday), 2024  
Meeting place: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City (The Chinese National Futures Association)  
Mode of convention: Physical shareholders meetings  
Shareholding of the attending shareholders: 245,886,072 shares of the attending shareholders and by proxy, representing 84.79% of the total issuance of 289,976,288 shares.  
Chairman: Tien-Fu Lin, the chairman of the board of directors Recorder: Man-Tzu, Hsu  
Attendees: Vice Chairman, Pin-Cheng Chen; Director and President, Kuo-Tsun Hsu; Independent Director, Yu-Chun Wu; Independent Director, Hui-Erh Yuan, Independent Director, An-Pin Chen, Director, Mei-Ling Kuo  
PwC Taiwan CPA: Chiao-Sen Lo  
Attorney Huai-Hsin Liang of Giant Era International Law Firm

I. Meeting commencement: Omitted.

II. Statement by the Chairman: Omitted

III. Reporting matters

1. Presenting the Company's 2023 Business Report. (Attachment 1) -- Acknowledged by all present shareholders.
2. Audit Committee has the audit report for the Company's 2023 business report, financial statements, and statement of retained earnings presented for approval. (Attachment 2)  
-- Acknowledged by all present shareholders.
3. Presenting the 2023 Employees' Remuneration Distribution. -- Acknowledged by all present shareholders.
4. The sustainable development policies and management rules formulated by the company are hereby for review. -- Acknowledged by all present shareholders.
5. The 2024 Sustainable Development Concrete Promotion Plans is hereby submitted for review. -- Acknowledged by all present shareholders.

IV. Acknowledgments

Case 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 38<sup>th</sup> Meeting of the 11<sup>th</sup> 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 Attachment 1 and Attachment 5.
  3. The agenda has been proposed for acknowledgment.

Resolution: This case was voted with 245,017,459 voting rights in favor, accounting for 99.64 % of the total voting rights of the balloting. There were 225,742 voting right not in favor of the case. There were 642,871 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

Case 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 38<sup>th</sup> Meeting of the 11<sup>th</sup> 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 including the net profit 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 shares currently in circulation. 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 40 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:** This case was voted with 245,006,962 voting rights in favor, accounting for 99.64 % of the total voting rights of the balloting. There were 237,038 voting right not in favor of the case. There were 642,072 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

## V. Discussions

### Case 1:

**Subject:** Partial amendments to the 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."
    - (2) Newly added: The company's Auditing Department should review its subsidiary's self-inspection reports and other related matters.
  2. Please refer to Attachment 7 for the comparison table of the "Regulations Governing the Acquisition or Disposal of Assets" amendment.
  3. Proposed for referendum

**Resolution:** This case was voted with 245,007,777 voting rights in favor, accounting for 99.64 % of the total voting rights of the balloting. There were 233,975 voting right not in favor of the case. There were 644,320 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

## VI. Elections

### Case 1:

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

- Details:**
1. The term of office of the (11<sup>th</sup>) 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 12<sup>th</sup> term of office. The directors (including independent directors) of the 11<sup>th</sup> term will not be dismissed until the reelection at this regular shareholders' meeting is completed. The 12<sup>th</sup> 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 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	Current position: 1. Chairman of Yuanta Futures Co., Ltd. 2. Director of Yuanta Securities Co., Ltd. 3. Independent director of TTY Biopharm Company Limited  Previous positions: 1. Director of Yuanta Financial Holding Co., Ltd. 2. Vice Chairman of Yuanta Securities Finance Co., Ltd. 3. President of Yuanta Securities Co., Ltd. 4. Director and Executive Vice President of Yuanta Core Pacific Securities Co., Ltd. 5. Director and President of Fuh Hwa Securities Investment Trust Co., Ltd. 6. Chairman of Ding Fu Securities Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Pin-Cheng Chen		MBA, Syracuse University, New York, USA	Current position: 1. Vice Chairman of Yuanta Futures Co., Ltd. 2. Director of Yuanta International (Singapore) Company 3. Director of Yuanta Securities Co., Ltd. 4. Director of Taiwan Futures Exchange 5. Independent Director of Alcor Micro, Corp.  Previous positions: 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.
Yuanta Financial Holdings Co., Ltd. Representative: Kuo-Tsun Hsu		MBA in Finance, National Taiwan University	Current position: 1. Director and President of Yuanta Futures Co., Ltd. 2. Director of Yuanta International (Singapore) Company  Previous positions: 1. Vice President of Polaris Futures Co., Ltd.
Yuanta Financial Holdings Co., Ltd.		MBA, National Chengchi	Current position: 1. Director of Yuanta Futures Co., Ltd. 2. Chief Executive Officer, Digital financial

Representative: Mei-Ling Kuo		University	<p>Dept, Yuanta Financial Holdings Co., Ltd</p> <p>3. Executive Vice President, Yuanta Securities</p> <p>4. Director of Yuanta Securities Co., Ltd.</p> <p>Previous positions:</p> <p>1. Executive Vice President, Yuanta Life Insurance Company</p> <p>2. Executive Vice President, Yuanta Securities</p> <p>3. Executive Vice President of Capital Securities Corporation</p> <p>4. Manager of Syscom Computer Engineering Company</p>
Yuanta Financial Holding Co., Ltd. Representative: Chien-Hua Wu		MBA, National Chung Hsing University	<p>Current position:</p> <p>1. Executive Vice President, Yuanta Securities</p> <p>Previous positions:</p> <p>1. Senior Vice Presidents, Yuanta 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 &amp; 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 Missouri and a master's degree in business administration from Southern Illinois University.	<p>Current position:</p> <ol style="list-style-type: none"> <li>1. Independent director of Yuanta Futures Co., Ltd.</li> <li>2. Independent director of Yuanta Life Insurance Company</li> <li>3. Director of Yuanta Foundation</li> <li>4. Supervisor of Dharma Drum Mountain Buddhist Foundation</li> <li>5. Supervisor of Sheng Yen Education Foundation</li> </ol> <p>Previous positions:</p> <ol style="list-style-type: none"> <li>1. Independent Director of Coaster International Co., Ltd. (British Cayman Islands)</li> <li>2. Director of Sheng Yen Education Foundation</li> <li>3. PWC Partnership Accountant</li> <li>4. Chairman of PwC Taiwan</li> <li>5. Director of the Taipei Certified Public Accountants Association of the Republic of China</li> </ol>
An-Pin Chen	0	Ph.D. in Industrial Engineering, University of Southern California	<p>Current position:</p> <ol style="list-style-type: none"> <li>1. Independent director of Yuanta Futures Co., Ltd.</li> <li>2. Independent Director of Yuanta Securities Co., Ltd.</li> <li>3. Supervisor of Tian Mei Rubber Co., Ltd.</li> <li>4. Chair Professor of the Department of Finance, Asia University</li> </ol> <p>Previous positions:</p> <ol style="list-style-type: none"> <li>1. Academician of Chinese Society for Management of Technology</li> <li>2. Assistant Dean of the College of Management, National Chiao Tung University</li> <li>3. Chair of the Graduate Institute of Information Management, National Chiao Tung University</li> <li>4. Dean and full-time professor of the Department of Information Management and Finance, National Chiao Tung University</li> <li>5. Adjunct Associate Professor, Institute of Finance, National Taiwan University</li> <li>6. Advisor to Polaris Securities Group</li> </ol>

Result of election: As illustrated below:

Identity	Account No. (ID No.)	Name of the elected	Elected shareholding (including number of electronic voting rights)
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Tien-Fu Lin	344,567,380
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Pin-Cheng Chen	256,311,379
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Kuo-Tsun Hsu	184,412,456
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Mei-Ling Kuo	183,502,864

Identity	Account No. (ID No.)	Name of the elected	Elected shareholding (including number of electronic voting rights)
Director	12169	Yuanta Financial Holding Co., Ltd. Representative: Chien-Hua Wu	182,397,558
Director	12169	Yuanta Financial Holding Co., Ltd. Representative: Yung-Chu Su	181,414,342
Independent Director	C10*****61	Yu-Chun Wu	250,302,352
Independent Director	B22*****61	Hui-Erh Yuan	180,302,362
Independent Director	B10*****78	An-Pin Chen	177,897,463

VII. Other items

Case 1:

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.	Manager
		Yuanta Securities (HK) Co., Limited	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: This case was voted with 244,881,531 voting rights in favor, accounting for 99.59 % of the total voting rights of the balloting. There were 285,438 voting right not in favor of the case. There were 719,103 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

VIII. Extempore Motion: None

IX. Meeting adjourned: (9:35 a.m.)

(No shareholder spoke on any of the proposals in the current shareholders' meeting)

Chairman: Tien-Fu Lin

Recorder: Man-Tzu Hsu

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





## **Attachment 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-(tw’n)” and a domestic short-term credit rating of “F1+(tw’n)” 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 17<sup>th</sup> Golden Yi Awards.
3. The company has won the “World Magazine Sustainability Citizen Award” in 4<sup>th</sup> 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 39<sup>th</sup> board meeting of the 11<sup>th</sup> 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:

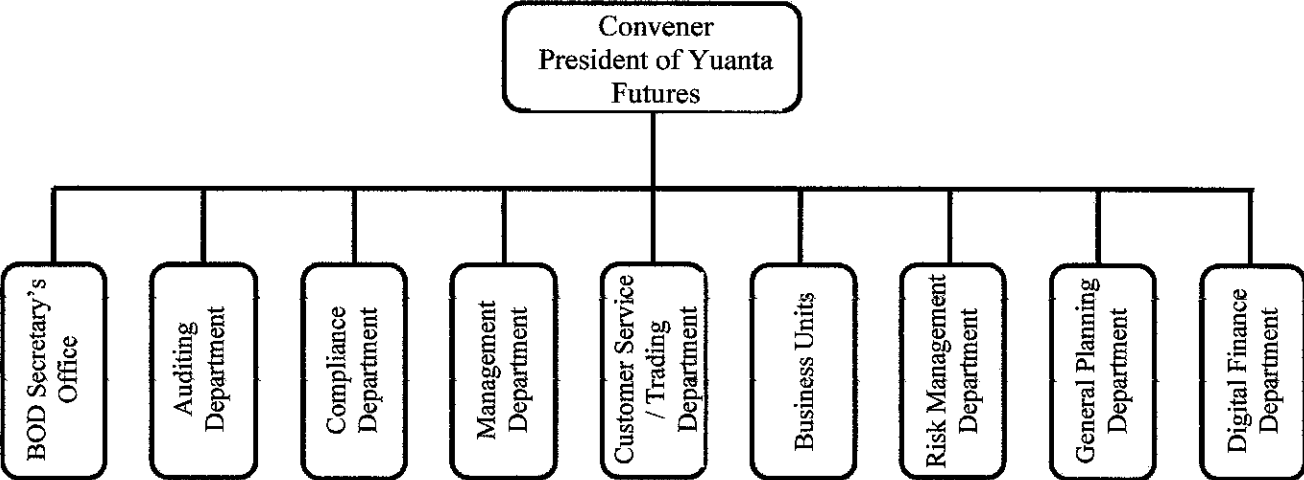
1. Corporate governance: Promote the transparency of corporate governance affairs, financial management and financial information disclosure, propagandize anti-bribery and corruption, establish communication channels for institutional investors, fulfill tax-paying obligations truthfully, and establish 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





## **Attachment Four**

### **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 suppliers 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.

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Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

April 30, 2024

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Lee, Hsiu-Ling

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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			Notes	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		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	
Items		Notes	AMOUNT	%	AMOUNT	%	
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	%	
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
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					
			500,331	14	( 68,495)	( 2)
805599	Income tax related to components of items not to be reclassified	6(32)				
		(	3,904)	-	( 1,700)	-
<b>Items that may be reclassified to profit or loss subsequently</b>						
805610	Translation gain and loss on the financial statements of foreign operating entities	6(20)				
		(	1,863)	-	104,243	3
805000	<b>Total other comprehensive income (net of tax)</b>		\$ 514,082	15	\$ 42,548	1
902006	<b>Total comprehensive income</b>		\$ 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)

	Notes	Equity attributable to owners of the parent							Total equity	
		Capital surplus			Retained earnings		Other equity interest			
		Capital -common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings	Translation gain and loss on the financial statements of foreign operating entities		Unrealised gain and loss on equity instrument measured at fair value through other comprehensive income
<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.

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Lo, Chiao-Sen

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Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

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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	%
<b>Current liabilities</b>						
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	<b>Subtotal current liabilities</b>		<u>93,917,064</u>	<u>85</u>	<u>95,316,184</u>	<u>87</u>
<b>Non-current liabilities</b>						
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	-
	<b>Subtotal non-current liabilities</b>		<u>1,630,296</u>	<u>2</u>	<u>1,691,647</u>	<u>1</u>
906003	<b>Total Liabilities</b>		<u>95,547,360</u>	<u>87</u>	<u>97,007,831</u>	<u>88</u>
<b>Capital</b>						
301010	Common stock	6(16)	2,899,763	2	2,899,763	3
<b>Additional paid-in capital</b>						
302000	Capital surplus	6(17)	3,070,484	3	3,070,484	3
<b>Retained earnings</b>						
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
<b>Other equity</b>						
305000	Other equity interest	6(20)	1,936,759	2	1,691,214	2
906004	<b>Total equity</b>		<u>14,512,709</u>	<u>13</u>	<u>12,870,849</u>	<u>12</u>
906002	<b>Total liabilities and equity</b>		<u>\$ 110,060,069</u>	<u>100</u>	<u>\$ 109,878,680</u>	<u>100</u>

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

			Year ended December 31			
			2023		2022	
Items	Notes		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		<u>3,374,548</u>	<u>100</u>	<u>3,921,823</u>	<u>100</u>
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		<u>( 3,694,077)</u>	<u>( 109)</u>	<u>( 3,623,633)</u>	<u>( 92)</u>
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	<u>2,541,086</u>	<u>75</u>	<u>1,150,941</u>	<u>29</u>
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		<u>\$ 1,852,719</u>	<u>55</u>	<u>\$ 1,145,348</u>	<u>29</u>

(Continued)

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

		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		Total equity	
	Notes	Capital -common stock	Paid-in capital in excess of par value	Paid-in capital from business merger	Legal reserve	Special reserve	Undistributed earnings		Translation gain and loss on the financial statements of foreign operating entities
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
Net income for the year		-	-	-	-	-	1,145,348	-	-
Other comprehensive income (loss) for the year	6(5)(20)	-	-	-	-	-	6,800	104,243	( 68,495 )
Total comprehensive income (loss)		-	-	-	-	-	1,152,148	104,243	( 68,495 )
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
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
Net income for the year		-	-	-	-	-	1,852,719	-	-
Other comprehensive income (loss) for the year		-	-	-	-	-	15,614	( 1,863 )	500,331
Total comprehensive income (loss)	6(5)(20)	-	-	-	-	-	1,868,333	( 1,863 )	500,331
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
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
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
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
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”)</u> 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.”</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 the governing law and the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies.”</p>	<p>According to Question 58 of the Q&amp;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>

