

Stock Code: 6023



Yuanta Futures Co., Ltd.

2022 Annual General Meeting

Agenda

Meeting time: May 24 (Tuesday), 2022

Meeting place: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei
City

(Conference Room of the Chinese National Futures
Association)

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Yuanta Futures Co., Ltd.

2022 Annual General Meeting Procedures

- I. Commence Meeting
- II. Chairman Takes the Chair
- III. Chairman's Speech
- IV. Reporting matters
- V. Acknowledgments
- VI. Discussions
- VII. Extemporary Motion
- VIII. Adjournment

Yuanta Futures Co., Ltd.

2022 Annual General Meeting Agendas

1. Meeting method: Physical meetings
2. Time: 9am (Tuesday), May 24, 2022
3. Venue: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City ,(Conference Room of the Chinese National Futures Association)
4. Commence Meeting
5. Chairman Takes the Chair
6. Chairman's Speech
7. Reporting matters
 - (1) Presenting the Company's 2021 Business Report.
 - (2) Audit Committee has the audit report for the Company's 2021 business report, financial statements, and statement of retained earnings presented for approval.
 - (3) Presenting the 2021 Employees' Remuneration Distribution.
 - (4) The reasons and matters related to the issuance of the Company's 2021 unsecured subordinate ordinary corporate bonds are hereby presented for review.
8. Acknowledgments
 - (1) Acknowledging the Company's 2021 Business Report and Financial Statements.
 - (2) Acknowledging the Company's 2021 Earnings Distribution.
9. Discussions
 - (1) Partial amendments to the Articles of Incorporation.
 - (2) Partial amendments to the Rules of Procedure for Shareholders Meetings.
 - (3) Partial amendments to the Regulations Governing the Acquisition or Disposal of Assets.
 - (4) Proposal for lifting competition restrictions on the Company's directors.
10. Extemporary Motion
11. Adjournment

I. Reporting matters

1. Subject: Presenting the Company's 2021 Business Report.
Details:
 - (1) Please refer to Attachment 1 for The Company's 2021 Business Report (pages 7~10 of this manual).
 - (2) The report is ready for review.
2. Subject: Audit Committee has the audit report for the Company's 2021 business report, financial statements, and statement of retained earnings presented for approval.
Details:
 - (1) The Company's 2021 consolidated financial statements and financial statements have been audited by its auditors. Audit Committees have finished reviewing the audited financial statements, the Business Report, and the Earnings Distribution, and issued the Audit Committees' Review Report as shown in Attachment 2 (Page 11 of this manual).
 - (2) The report is ready for review.
3. Subject: Presenting the 2021 Employees' Remuneration Distribution.
Details:
 - (1) According to the Article 29 of the Articles of Association, the Company will appropriate an amount equivalent to 0.01% ~ 5% of the annual net income (net income before tax and before deducting the remuneration to employees), if any, net of accumulated losses as remuneration to employees, which can be paid with stock or cash.
 - (2) With respect to the above provision, the 2021 income before tax prior to deducting the compensation for employees as audited by the certified public accountant was NT\$1,052,911,463. About 0.38% of which will be allocated as the 2021 compensation amounted to NT\$3,951,668 for employees according to the Regulations for Distribution of Compensation for Employees. Compensation was distributed in cash to active employees in the year and on the day of distribution. The said amount in the preceding paragraph had already booked in the 2021 operating expense that was no different from the expense recognized in 2021.
 - (3) The report is ready for review.
4. Subject: The reasons and matters related to the issuance of the Company's 2021 unsecured subordinate ordinary corporate bonds are hereby presented for review.
Details:
 - (1) It is processed in accordance with Article 246, Paragraph 1 of the Company Act "A company may, by a resolution adopted by the Board of Directors, offer corporate bonds, provided that the reasons for the said action as well as other relevant matters shall be reported to the shareholder meeting."
 - (2) The Company for the purpose of enriching the working capital, enhancing the financial structure, and increasing the adjusted net capital ratio had a resolution reached in the 4th board meeting of the 11th term on September 29, 2021 to issue the Company's "2021 1st unsecured subordinate ordinary corporate bonds" for an amount limited to NT\$3 billion.
 - (3) The said corporate bonds were reported to and approved by the competent authorities on November 5, 2021; they were also listed at TPEX on November 12, 2021 with a paid-in amount of NT\$1.5 billion that was fully implemented in 2021Q4.
 - (4) The issuance conditions of the Company's "2021 1st unsecured subordinate ordinary corporate bonds" are detailed in prospectus as follows:
 1. Issue Date: November 12, 2021
 2. Total issue amount: NT\$1.5 billion
 3. Issue price: Issued in full at face value
 4. Issue period: 7 years
 5. Coupon rate: Fixed 0.85% per annum

6. Principal and interest payment: The interest is calculated and paid annually at the coupon rate starting from the issue date; also, the principal is to be repaid in a lump sum at the due date.
- (5) The report is ready for review.

II. Acknowledgments

1. Subject: Acknowledging the Company's 2021 Business Report and Financial Statements. (The proposal was submitted by the Board of Directors)

- Details:
- (1) The Company's 2021 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 11th Meeting of the 11th term Board of Directors (March 10, 2022). The audited financial statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
 - (2) For details on the Business report, Independent Auditor's Report, the consolidated financial statements and financial statements, please refer to Attachments 1, 3 (Pages 1 ~ 10 and Pages 12 ~ 31 of this manual).
 - (3) The agenda has been proposed for acknowledgment.

Resolution:

2. Subject: Acknowledging the Company's 2021 Earnings Distribution. (The proposal was submitted by the Board of Directors)

- Details:
- (1) The 2021 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 11th Meeting of the 11th Board of Directors (March 10, 2022). 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 2021 was NT\$158,407,826 (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 basis of appropriation was NT\$964,799,167 in 2021, including the net income of NT\$860,281,547 in 2021, plus the net actuarial benefit of the defined benefit plan (after tax) of NT\$4,130,458 and the net profit of the equity instruments measured at fair value through other comprehensive profit and loss for an amount of NT\$100,387,162. A 10% legal reserve is appropriated lawfully for an amount of NT\$96,479,917, and a 20% special reserve is appropriated for an amount of NT\$192,959,833. The distributable earnings for the current period are NT\$833,767,243.
 - (4) The company intends to distribute a cash dividend of NT\$666,945,462. The cash dividend per share is NT\$2.3 that is calculated according to the number of outstanding shares. The aforementioned earnings distribution proposal is funded with the distributable amount from the earnings of the current year. Please refer to Attachment 4 for the earnings appropriation (page 32 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 (2022) regular shareholders' meeting

- is suggested to have the board of directors authorized to recalculate the cash dividend ratio based on the number of outstanding shares on the ex-dividend date.
- (7) Once the proposal is resolved by the shareholders' meeting, the board of directors shall be authorized to schedule the ex-dividend date, the payment day, and other related matters. The dividend distribution is based on the shareholder's shareholding ratio on the ex-dividend date.
 - (8) The agenda has been proposed for acknowledgment.

Resolution:

III. Discussions

1. Subject: Partial amendments to the Articles of Incorporation. (The proposal was submitted by the Board of Directors)

- Details:
- (1) For the purpose of having the Company's shareholder meeting convened more flexibly, the Company may explicitly provide for in the Articles of Incorporation to have a virtual shareholder meeting held or have it held with the methods promulgated by the central competent authorities according to Article 172-2, Paragraph 1 of the Company Act. Therefore, the Company plans to have Article 12, Paragraph 2 added to the Company's "Articles of Incorporation" to have a virtual shareholder meeting held or have it held with the methods promulgated by the central competent authorities.
 - (2) Please refer to Attachment 5 (page 33 of this manual) for the comparison table of the Articles of Incorporation amendment.
 - (3) Proposed for referendum.

Resolution:

2. Subject: Partial amendments to the Rules of Procedure for Shareholders Meetings. (The proposal was submitted by the Board of Directors)

- Details:
- (1) It is to be processed in accordance with Article 182-1, Paragraph 2 of the Company Act.
 - (2) It is proposed to have amendments made to the Company's "Rules of Procedure for Shareholder Meetings" corresponding to the amendments made to Article 172-2 of the Company Act and the amendments made to the "Regulations Governing the Administration of Shareholder Services of Public Companies" that permit public companies to hold virtual shareholder meetings.
 - (3) Please refer to Attachment 6 (Page 34~47 of this manual) for the comparison table of the "Rules of Procedure for Shareholders Meetings" amendment.
 - (4) Proposed for referendum.

Resolution:

3. Subject: Partial amendments to the Regulations Governing the Acquisition or Disposal of Assets. (The proposal was submitted by the Board of Directors)

- Details:
- (1) The Company plans to have amendments made to the "Procedures for the Acquisition and Disposal of Assets" to comply with Jin-Guan-Zheng-Fa-Zi No. 1110380465 Letter dated January 28, 2022 by the Financial Supervisory Commission.
 - (2) The amendments made currently are detailed as follows:
 1. Quality of the opinions issued by external experts:
 - (1) Since the issuance of appraisal reports or opinions on the reasonableness of price by experts is not a task of auditing financial reports in its nature, the wording "auditing" is amended as "implementation" accordingly. In addition, the wording of evaluation "completeness, correctness, and reasonableness" is amended as "appropriateness and reasonableness." (Amendments to Article 6)

- (2) Explicitly define that those professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters who issue appraisal reports or opinions, in addition to the matters that should be handled when accepting and executing projects, shall comply with the self-regulatory rules of their respective associations. (Amendments to Article 6, 9, 10 and 11)
2. Enhance the management of related party transactions: When the Company or the Company's subsidiary that is not itself a public company in Taiwan has conducted any transaction as specified in paragraph 1 for an amount exceeding 10% of the total assets, the Company shall have the information as stated in paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. However, the transactions conducted between the Company and the parent company or subsidiaries, or between the subsidiaries, or between the parent company and subsidiaries are not subject to this restriction. (Amendments to Article 17)
3. Ease the information disclosure of certain transactions: The purchase and sale of foreign government bonds with a sovereign rating not lower than the sovereign rating of the R.O.C., and the subscription of foreign government bonds in the primary market and subscription or sell-back of exchange traded notes by professional investors are exempted from making an announcement. (Amendments to Article 31)
- (3) Please refer to Attachment 7 (Page 48~56 of this manual) for the comparison table of the "Regulations Governing the Acquisition or Disposal of Assets" amendment.
- (4) Proposed for referendum.

Resolution:

IV. Subject: Proposal for lifting competition restrictions on the Company's 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) If the Company's board directors are subject to the non-compete clause imposed according to Article 209 of the Company Act, it is advisable to propose to the shareholder meeting to have such non-compete clause lifted under the precondition of not jeopardizing the interests of the Company.
 - (3) The list of the non-compete clause lifted are as follows:

| | Name | Status of concurrent serving |
|----------|--|---|
| Director | Yuanta Financial Holding Co., Ltd. Representative: Tien-Fu Lin | Director of Yuanta Securities Co., Ltd. |
| Director | Yuanta Financial Holding Co., Ltd. Representative: Pin-Cheng Chen | Director of Yuanta Securities Co., Ltd. |

- (4) Proposed for referendum.

Resolution:

IV. Extemporary Motion

V. The meeting was adjourned

Attachment 1

Yuanta Futures Co., Ltd.

2021 Business Report

1. Market Overview

The prevalence of the COVID-19 pandemic had continued to impact the financial market in 2021. The global market turmoil was on a surge continuously. The market was with an eye on the pandemic and economic relief plan, the lack of workers and materials in the supply chain, China's economic imbalance, green energy, the U.S.A. debt ceiling, inflation, and balance sheets reduction. Traders face more variables and that causes the volatility of various instruments in the futures market intensified. The global futures and option market had been active with a trading volume of futures and options reached NT\$56.44 billion in 2021, representing an increase of 33.8% from the year before.

In terms of the global options trading, the COVID-19 pandemic came along with uncertainties and severe market fluctuation. According to the statistics of the USA Futures Industry Association (FIA) till November, in terms of instruments, the top three instruments traded were stock price indexes (44.2%), individual stocks (22.2%), and exchange rate (8.8%). The global demand for derivatives and hedging increased relatively due to the growth in the trading volume of stock market in most economies in the world. The trading volume of index futures and options increased by 47.7%, the trading volume of individual futures and options increased by 42.7%, and exchange rate futures increased by 21.8% from the year before, mainly due to the unsynchronized monetary policies of the central banks in the world, the strong USD currency, and the weak non-U.S. currency. Take the regional market for example, the transaction volume in 2021 grew record high by 51.7% from the year before in the Asia-Pacific region.

In terms of the domestic market, TSEE weighted index (TAIEX) reached a record high in 2021, so was the trading volume of the futures. The total trading volume of the Taiwan futures market reached 392 million lots, representing an increase of 15% from the 341 million lots in the year before. However, the transaction volume of the WTXP& was 75.99 million lots, down by 11% from the 85.4 million lots in the year before. FITX, FIMTX, stocks and futures, and TXO were the most popular instruments traded in 2021, of which, the trade of FIMTX reached 71.79 million lots in 2021, which was a substantial growth of 20% from 2020. The trade of stocks and futures were 75.73 million lots, which was a growth of 183% from the year before, a growth by two-fold. The ratio of natural person to legal person in the trade of futures was close to 1:1. The trade ratio of foreign investors grew conspicuously with a record of 20%, 26%, and 31.5% achieved in the last 3 years, respectively. In terms of the futures accountholders, a total of 65,000 accountholders opened in 2021, of which, the annual increase of accountholders in the age group of 20–30 years old was 28%.

The world remained in a cycle of interest rate reduction in 2021. The interest income of margin of the futures industry was affected significantly due to the low interest rate in market. The management team of Yuanta Futures strives to improve the profitability momentum of the brokerage business continuously. In terms of financial performance, the annual operating income increased by NT\$60.78 million from the year of 2020. The net income amounted to NT\$860 million in 2021, accounted for 29% market share, ranking the first among 14 futures commission merchants; moreover, the EPS (after tax) was NT\$2.97 and the ROE (after tax) was 7.11%. In terms of business performance, the market share of futures brokerage was

23.36%, the market share of option brokerage was 18.42%, and the market share of foreign futures was 26.39%.

The Company while facing the unpredictable financial environment had held a rigorous risk control attitude to respond prudently in 2021. The Company also continued to integrate the department of legal compliance, risk management, information, settlement, audit, etc., so as to establish a profound line of defense across departments, comprehensively enhance the Company's internal policies and risk control measures, and also refine the responsible personnel's awareness and culture of risk control, money laundering prevention, and countering the financing of terrorism in order to effectively substantiate the goals of customer risk management and stable operation.

2. Corporate governance

- (I) Participated in the "Corporate Governance Evaluation" held by the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) and the Company had been ranked in the top-5% of the listed companies for 7 consecutive years. It was indeed a true recognition on the Company's continuing commitment to protect the rights of shareholders and the pursuit of sustainable development of the Company based on the principle of ethical corporate management.
- (II) After April 2012, the Board of Directors had the "Audit Committee" setup to replace the functions of supervisors, to supervise the Company's financial operations, internal control, regulatory compliance, and risk control for emphasizing an open and transparent management philosophy. The Audit Committee had convened 17 meetings in 2021.
- (III) The Company for the purpose of substantiating the "principle of treating client fairly" had the "Fair Hospitality Committee Organizational and Operational Enforcement Rules" completed and the Committee formed on October 4, 2019 with the general manager appointed as the commissioner and an operational unit appointed to organize and manage. The Company convenes the Fair Hospitality Committee meeting on a quarterly basis to regularly review the plan execution and results of the principle of treating client fairly in each department in order to establish a horizontal communication channel for each department to promote and implement the principle of treating client fairly, and also report the performance of the said principle to the board of directors for discussion on a quarterly basis. The board of directors is to supervise the Company's policy on the principle of treating client fairly, to optimize various acts of fair hospitality, and to reinforce the protection of consumers' rights and interests.

3. Operating results

In 2021, the Company continued intensifying a variety of business management, including the efforts to boost the profitability of the shareholders' equity, put into implementation thoroughly risk management, implement the targets of proprietary dealing and brokerage businesses which have been embodied through various business targets below:

1. In terms of financial performance: The Company's net income amounted to NT\$860 million, ranking the first among 14 futures commission merchants; moreover, the EPS (after tax) was NT\$2.97 and the ROE (after tax) was 7.11%.
2. In terms of business performance, the market share of futures brokerage was 23.36% with 90.87 million lots traded, the market share of option brokerage was 18.42% with 72.84 million lots traded, and the market share of foreign futures was 26.39% with 98.35 million lots traded.

3. Credits and honors: As a leading futures brand in Taiwan, apart from providing investors with the best platform service for futures transaction through transparent operations and scrupulous governance and internal control, taking into account R & D capabilities and innovation, we adhere to our core value to become a benchmarking brand in Asia-Pacific's financial market.

Credits and honors in 2021:

1. Received a long-term credit rating of "AA-(tw)" from Fitch Ratings and a prospect of "stable."
2. Awarded with the honor of the 7th corporate governance "OTC company top five-percent performance."
3. No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan.
4. Ranked 4th place in the Little Giant List of the "Excellence in Corporate Social Responsibility Award" – the one and only futures merchant on the list.
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. Awarded with first place in the category of futures commission merchant trade volume of the 7th "Futures Diamond Award" held by Taiwan Futures Exchange.
8. Awarded with the "Outstanding Talent Cultivation Award" and "Futures Outstanding Talent Award" in the 16th Golden Goblet Award of the Securities and Futures Institute.
9. Awarded with the TCSA Taiwan Sustainability Award "Innovative Growth Leader Award" and "Sustainability Report – Silver Award."

4. The Company's 2021 income and expense and profitability analysis as follows:

(Unit NTD thousand)

| Item | 2021 | 2020 | Difference | Variation |
|--------------------------------|-----------|-----------|------------|-----------|
| Operating gains | 3,888,691 | 3,877,625 | 11,066 | 0.29% |
| Earnings before tax | 1,048,960 | 1,325,580 | -276,620 | -20.87% |
| Current period net profit | 860,282 | 1,070,099 | -209,817 | -19.61% |
| Net worth (NT\$100mn) | 123.5 | 118.59 | 4.91 | 4.14% |
| After-tax EPS (NTD) | 2.97 | 4.23 | -1.26 | -29.79% |
| Return on shareholders' equity | 7.11% | 10.33% | -3.22% | -31.17% |

5. Research and development

The Company's Research Department continues to refine the research report, improve the readability and diversity of the report, and expand social media channel to provide traders with real-time research information in the form of community posts, video and audio. The Research Department strives to have futures and industrial trends integrated for the service of corporate customers, as well as customized industry and corporate project briefings, provided strategic hedging and forward-looking analysis, etc., so as to have futures services extended to industry and corporate physical economy services.

The Company for the purpose of providing customers with a stable and excellent trading environment completed the core accounting system and hardware equipment upgrade in 2021, as well as enhancing more application services and increasing the system loading capacity. Moreover, the Information Department and the Digital Finance Department had worked together to develop an innovative trading system, optimize the e-trading platform, and provide customers with more convenient and fast ordering functions. Simultaneously and comprehensively enhance the Company's information security and personal information protection mechanism to protect customers' trading rights and interests.

6. Future operating plans and development strategies

In prospect of 2022, the Company will base on the main business strategy of "sustainable optimization, cross-border innovation" to review the overall operating procedures and to set short-term, mid-term, and long-term goals for the brokerage business, digital finance development, overseas business deployment, and other aspects, and to optimize various performance indexes. Massive resources are invested in system replacement, optimizing the trading platform, developing the subscription economy, enhancing the information security protection system, and cultivating customer service and experience in-depth so as to provide traders with a more convenient, stable, and safe trading environment. In terms of international business development, the mission is to have business in Asia-Pacific region integrated through a cross-border and cross-industry operation, develop overseas business bases, expand business territory, stabilize core business, and strive to become a large international futures commission merchant. At the same time, the Company values the importance of ESG realization. The Company while striving to maximize profits continuously refines the improvement and implementation in environmental sustainability, social commitment, corporate governance, and other relevant aspects in order to create an internal ESG ecosystem, enhance corporate value, and substantiate sustainable development.

In 2022, the operating plans of Yuanta Futures are highlighted below:

1. Adjust the brokerage channel structure; increase the market share and gross profit of domestic and foreign options.
2. Generate multiple sources of income; develop corporate brokerage business and new leveraged businesses.
3. Adjust the structure of the proprietary trading team and optimize trading strategies.
4. Refine digital financial services; exercise the value of digital channels.
5. Promote ESG action goals; substantiate sustainable business operations.

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.

Audit Committees' Review Report

For the Company's 2021 consolidated financial statements, financial statements and the 2021 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 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. This report is presented to

The 2022 Annual General Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.

Convener Yu-Chun Wu

March 10, 2022

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 21000323

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, 2021 and 2020, 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, 2021 and 2020, 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 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 measurement of 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(2); 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, 2021 was NTD 1,806,258 thousand.

Because there are no active market quoted prices for financial assets at fair value through other comprehensive income – unlisted stocks held by Yuanta Futures Co., Ltd., the management uses valuation techniques to estimate the fair value. The valuation techniques used by Yuanta Futures Co., Ltd. are primarily the market method. The market method involves certain assumptions and significant inputs that are not based on observable market data, including the selected valuation methods, the determination of similar and comparable companies, price to earnings ratio and discount of marketability, etc. 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, 2021.

How our audit addressed the key audit matter

In response to specific aspects of the above-mentioned key audit matter, we made use of experts to assist the evaluation of the reasonableness of valuation information used by the management, and conducted the following procedures:

1. Obtained an understanding and evaluated the policy and valuation process relevant to the fair value measurement of the unlisted stocks.
2. Evaluated whether the valuation methods used by the management were commonly used.
3. Evaluated the reasonableness of the selection of comparable companies by the management.
4. Sample tested the price to earnings ratio and the inputs of discount of marketability used in the valuation methods, and reviewed relevant information and supporting evidence.

Other matter – Parent company only financial reports

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, 2021 and 2020.

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' 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2022

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on Behalf of PricewaterhouseCoopers, Taiwan

April 13, 2022

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.

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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

| ASSETS | Notes | December 31, 2021 | | December 31, 2020 | | |
|---------------------------|---|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 111100 | Cash and cash equivalents | 6(1) and 7 | \$ 9,304,086 | 10 | \$ 7,189,210 | 8 |
| 112000 | Financial assets at fair value through profit or loss - current | 6(2), 7 and 11 | 286,529 | - | 935,945 | 1 |
| 113200 | Financial assets at fair value through other comprehensive income - current | 6(5) | 806,830 | 1 | 655,432 | 1 |
| 114070 | Margin deposits | 6(3) and 7 | 83,476,983 | 85 | 84,071,446 | 87 |
| 114100 | Security lending deposits | | - | - | 169,187 | - |
| 114130 | Accounts receivable | | 4,057 | - | 199,609 | - |
| 114140 | Accounts receivable - related parties | 7 | 2,002 | - | 3,569 | - |
| 114150 | Prepayments | 7 | 13,776 | - | 9,919 | - |
| 114170 | Other receivables | | 14,824 | - | 20,324 | - |
| 114180 | Other receivables - related parties | 7 | 4,266 | - | 6,711 | - |
| 114300 | Leverage margin contract trading client margin deposits | 7 | 347,405 | - | 294,448 | - |
| 114600 | Current income tax assets | | - | - | 341 | - |
| 119000 | Other current assets | | - | - | 29,815 | - |
| 110000 | Subtotal current assets | | <u>94,260,758</u> | <u>96</u> | <u>93,585,956</u> | <u>97</u> |
| Non-current assets | | | | | | |
| 123200 | Financial assets at fair value through other comprehensive income - non-current | 6(5) | 1,932,733 | 2 | 1,618,523 | 2 |
| 125000 | Property and equipment | 6(8) | 630,948 | 1 | 618,532 | 1 |
| 125800 | Right-of-use assets | 6(9) | 156,634 | - | 213,221 | - |
| 127000 | Intangible assets | 6(10) | 86,979 | - | 42,169 | - |
| 128000 | Deferred income tax assets | 6(30) | 31,686 | - | 43,647 | - |
| 129010 | Operating guarantee deposits | 6(6) and 7 | 145,326 | - | 145,516 | - |
| 129020 | Clearing and settlement funds | 6(7) | 544,465 | 1 | 548,092 | - |
| 129030 | Refundable deposits | 7 | 39,598 | - | 44,148 | - |
| 129130 | Prepayment for equipment | | 139,189 | - | 73,982 | - |
| 129990 | Other non-current assets - other | | 11,416 | - | 8,417 | - |
| 120000 | Subtotal non-current assets | | <u>3,718,974</u> | <u>4</u> | <u>3,356,247</u> | <u>3</u> |
| 906001 | Total assets | | <u>\$ 97,979,732</u> | <u>100</u> | <u>\$ 96,942,203</u> | <u>100</u> |

(Continued)

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

| LIABILITIES AND EQUITY | Notes | December 31, 2021 | | December 31, 2020 | | |
|---|--|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | |
| 212000 | Financial liabilities at fair value through profit or loss - current | 6(2) and 11 | \$ 926 | - | \$ 220,993 | - |
| 214080 | Futures traders' equity | 6(3) and 7 | 83,178,336 | 85 | 83,763,813 | 87 |
| 214100 | Leverage margin contract transaction traders' equity | | 282,808 | - | 243,573 | - |
| 214130 | Accounts payable | | 136,856 | - | 157,911 | - |
| 214140 | Accounts payable - related parties | 7 | 19,749 | - | 23,586 | - |
| 214160 | Collection for third parties | | 9,098 | - | 9,614 | - |
| 214170 | Other payables | | 192,019 | - | 247,707 | 1 |
| 214180 | Other payables - related parties | 7 | 1,842 | - | 225 | - |
| 214600 | Current income tax liabilities | | 18,479 | - | 93,913 | - |
| 216000 | Lease liabilities - current | 7 | 52,260 | - | 50,089 | - |
| 219000 | Other current liabilities | 6(11) | 31,175 | - | 20,538 | - |
| 210000 | Subtotal current liabilities | | <u>83,923,548</u> | <u>85</u> | <u>84,831,962</u> | <u>88</u> |
| Non-current liabilities | | | | | | |
| 221100 | Bonds payable | 6(12) | 1,497,401 | 2 | - | - |
| 226000 | Lease liabilities - non-current | 7 | 118,224 | - | 169,772 | - |
| 228000 | Deferred income tax liabilities | 6(30) | 11,191 | - | - | - |
| 229000 | Other non-current liabilities | | 79,470 | - | 81,907 | - |
| 220000 | Subtotal non-current liabilities | | <u>1,706,286</u> | <u>2</u> | <u>251,679</u> | <u>-</u> |
| 906003 | Total liabilities | | <u>85,629,834</u> | <u>87</u> | <u>85,083,641</u> | <u>88</u> |
| Equity attributable to owners of the parent company | | | | | | |
| Capital | | | | | | |
| 301010 | Common stock | 6(15) | 2,899,763 | 3 | 2,899,763 | 3 |
| Additional paid-in capital | | | | | | |
| 302000 | Capital surplus | 6(16) | 3,070,484 | 3 | 3,070,484 | 3 |
| Retained earnings | | | | | | |
| 304010 | Legal reserve | 6(18) | 1,132,477 | 1 | 1,021,010 | 1 |
| 304020 | Special reserve | 6(17)(18) | 2,508,054 | 3 | 2,294,034 | 2 |
| 304040 | Undistributed earnings | 6(18) | 1,123,207 | 1 | 1,295,828 | 1 |
| Other equity | | | | | | |
| 305000 | Other equity interest | 6(19) | 1,615,913 | 2 | 1,277,443 | 2 |
| 906004 | Total equity | | <u>12,349,898</u> | <u>13</u> | <u>11,858,562</u> | <u>12</u> |
| 906002 | Total liabilities and equity | | <u>\$ 97,979,732</u> | <u>100</u> | <u>\$ 96,942,203</u> | <u>100</u> |

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

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

| Items | Notes | Year ended December 31 | | | | |
|---------------------------|---|------------------------|---------------------|--------------|---------------------|--------------|
| | | 2021 | | 2020 | | |
| | | AMOUNT | % | AMOUNT | % | |
| Revenues | | | | | | |
| 401000 | Brokerage | 6(20) and 7 | \$ 3,658,844 | 94 | \$ 3,636,279 | 94 |
| 410000 | Gains on trading of securities | 6(2)(21) | 119,534 | 3 | 35,220 | 1 |
| 421300 | Dividend income | 6(2) and 7 | 7,518 | - | 2,087 | - |
| 421500 | (Losses) gains on valuation of trading securities | 6(2) | (2,576) | - | 1,897 | - |
| 421600 | Losses on covering of borrowed securities and bonds with resale agreements-short sales | 6(2) | (49,017) | (1) | (3,862) | - |
| 421610 | Valuation gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss | 6(2) | 35,719 | 1 | (19,447) | (1) |
| 424200 | Securities commission revenue | 7 | 19,880 | 1 | 7,972 | - |
| 424300 | Clearance fee from consignment | 6(22) and 7 | 65,185 | 2 | 73,190 | 2 |
| 424400 | Net gains on derivative financial instruments | 6(2)(23) | 14,280 | - | 142,039 | 4 |
| 424900 | Futures advisory revenues | 7 | 16,142 | - | 13,487 | - |
| 428000 | Other operating revenues | 7 | 3,182 | - | (11,237) | - |
| 400000 | Total revenues | | <u>3,888,691</u> | <u>100</u> | <u>3,877,625</u> | <u>100</u> |
| Costs and expenses | | | | | | |
| 501000 | Brokerage fee | 6(24) | (776,978) | (20) | (745,408) | (19) |
| 502000 | Dealer handling fee | 6(24) | (3,586) | - | (6,368) | - |
| 521200 | Interest expense | 7 | (9,165) | - | (20,951) | (1) |
| 425300 | Expected credit impairment losses and reversal gains | | 3,755 | - | (34,492) | (1) |
| 524100 | Futures commission | 6(25) and 7 | (708,571) | (18) | (745,895) | (19) |
| 524300 | Clearance fee | 6(26) | (573,923) | (15) | (561,880) | (14) |
| 528000 | Other operating fee | | (2,737) | - | (3,468) | - |
| 531000 | Employee benefit expense | 6(28) | (731,459) | (19) | (718,088) | (19) |
| 532000 | Depreciation and amortization | 6(27) | (143,441) | (4) | (115,205) | (3) |
| 533000 | Other operating expenses | 6(27) and 7 | (480,720) | (11) | (452,629) | (12) |
| 500000 | Total costs and expenses | | <u>(3,426,825)</u> | <u>(87)</u> | <u>(3,404,384)</u> | <u>(88)</u> |
| Operating income | | | | | | |
| 602000 | Other gains and losses | 6(2)(29) and 7 | 587,094 | 15 | 852,339 | 22 |
| 902001 | Income before income tax | | 1,048,960 | 28 | 1,325,580 | 34 |
| 701000 | Income tax expense | 6(30) | (188,678) | (5) | (255,481) | (7) |
| 902005 | Net income | | <u>\$ 860,282</u> | <u>23</u> | <u>\$ 1,070,099</u> | <u>27</u> |

(Continued)

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

| Items | Notes | Year ended December 31 | | | | | |
|--|---|------------------------|---|---------------------|---------------|---------------------|-----------|
| | | 2021 | | 2020 | | | |
| | | AMOUNT | % | AMOUNT | % | | |
| Other comprehensive income | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | |
| 805510 | Remeasurement of defined benefit obligations | 6(13) | | \$ 5,163 | - (\$ 13,558) | - | |
| 805540 | Unrealized gain on equity instrument investment measured at fair value through other comprehensive income | 6(5)(19) | | 471,095 | 12 | 80,198 | 2 |
| 805599 | Income tax related to components of items not to be reclassified | 6(30) | | (1,032) | - | 2,712 | - |
| Items that may be reclassified to profit or loss subsequently | | | | | | | |
| 805610 | Translation gain and loss on the financial statements of foreign operating entities | 6(19) | | (32,238) | (1) | (43,610) | (1) |
| 805000 | Total other comprehensive income (net of tax) | | | <u>\$ 442,988</u> | <u>11</u> | <u>\$ 25,742</u> | <u>1</u> |
| 902006 | Total comprehensive income | | | <u>\$ 1,303,270</u> | <u>34</u> | <u>\$ 1,095,841</u> | <u>28</u> |
| Consolidated net income attributable to: | | | | | | | |
| | Owners of the parent | | | <u>\$ 860,282</u> | <u>23</u> | <u>\$ 1,070,099</u> | <u>27</u> |
| Consolidated comprehensive income attributable to: | | | | | | | |
| | Owners of the parent | | | <u>\$ 1,303,270</u> | <u>34</u> | <u>\$ 1,095,841</u> | <u>28</u> |
| Earnings per share (in New Taiwan Dollars) | | | | | | | |
| | Basic and diluted earnings per share | 6(31) | | <u>\$ 2.97</u> | | <u>\$ 4.23</u> | |

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

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

| | Equity attributable to owners of the parent | | | | | | | | | |
|--|---|---------------------|--|--------------------------------------|---------------------|---------------------|------------------------|---|--|----------------------|
| | Notes | Capital Surplus | | | Retained earnings | | | Other equity interest | | Total equity |
| | | Common stock | Paid-in capital in excess of par value | Paid-in capital from business merger | Legal reserve | Special reserve | Undistributed earnings | Translation gain and loss on the financial statements of foreign operating entities | Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income | |
| <u>For the year ended December 31, 2020</u> | | | | | | | | | | |
| Balance, January 1, 2020 | | \$ 2,322,763 | \$ 894,643 | \$ 46,333 | \$ 907,430 | \$ 2,074,901 | \$ 1,313,798 | (\$ 21,375) | \$ 1,317,644 | \$ 8,856,137 |
| Net income for the year | | - | - | - | - | - | 1,070,099 | - | - | 1,070,099 |
| Other comprehensive income (loss) for the year | 6(5)(19) | - | - | - | - | - | (10,846) | (43,610) | 80,198 | 25,742 |
| Total comprehensive income (loss) | | - | - | - | - | - | 1,059,253 | (43,610) | 80,198 | 1,095,841 |
| Appropriations of 2019 earnings: | | | | | | | | | | |
| Legal reserve | | - | - | - | 113,580 | - | (113,580) | - | - | - |
| Special reserve | | - | - | - | - | 219,133 | (219,133) | - | - | - |
| Cash dividends | | - | - | - | - | - | (799,924) | - | - | (799,924) |
| Issuance of shares | | 577,000 | 2,085,472 | - | - | - | - | - | - | 2,662,472 |
| Share-based payments | 6(14) | - | 44,036 | - | - | - | - | - | - | 44,036 |
| Disposal of equity instrument investment measured at fair value through other comprehensive income | 6(5)(19) | - | - | - | - | - | 55,414 | - | (55,414) | - |
| Balance, December 31, 2020 | | <u>\$ 2,899,763</u> | <u>\$ 3,024,151</u> | <u>\$ 46,333</u> | <u>\$ 1,021,010</u> | <u>\$ 2,294,034</u> | <u>\$ 1,295,828</u> | <u>(\$ 64,985)</u> | <u>\$ 1,342,428</u> | <u>\$ 11,858,562</u> |
| <u>For the year ended December 31, 2021</u> | | | | | | | | | | |
| Balance, January 1, 2021 | | \$ 2,899,763 | \$ 3,024,151 | \$ 46,333 | \$ 1,021,010 | \$ 2,294,034 | \$ 1,295,828 | (\$ 64,985) | \$ 1,342,428 | \$ 11,858,562 |
| Net income for the year | | - | - | - | - | - | 860,282 | - | - | 860,282 |
| Other comprehensive income (loss) for the year | 6(5)(19) | - | - | - | - | - | 4,131 | (32,238) | 471,095 | 442,988 |
| Total comprehensive income (loss) | | - | - | - | - | - | 864,413 | (32,238) | 471,095 | 1,303,270 |
| Appropriations of 2020 earnings: | | | | | | | | | | |
| Legal reserve | | - | - | - | 111,467 | - | (111,467) | - | - | - |
| Special reserve | | - | - | - | - | 214,020 | (214,020) | - | - | - |
| Cash dividends | | - | - | - | - | - | (811,934) | - | - | (811,934) |
| Disposal of equity instrument investment measured at fair value through other comprehensive income | 6(5)(19) | - | - | - | - | - | 100,387 | - | (100,387) | - |
| Balance, December 31, 2021 | | <u>\$ 2,899,763</u> | <u>\$ 3,024,151</u> | <u>\$ 46,333</u> | <u>\$ 1,132,477</u> | <u>\$ 2,508,054</u> | <u>\$ 1,123,207</u> | <u>(\$ 97,223)</u> | <u>\$ 1,713,136</u> | <u>\$ 12,349,898</u> |

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

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

| | Notes | For the years ended December 31 | |
|---|-------------|---------------------------------|----------------|
| | | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 1,048,960 | \$ 1,325,580 |
| Adjustments | | | |
| Income and expenses having no effect on cash flows | | | |
| Depreciation | 6(8)(9)(27) | 131,246 | 102,845 |
| Amortization | 6(10)(27) | 12,195 | 12,360 |
| Interest income | 6(29) | (350,351) | (720,365) |
| Interest expense | | 9,165 | 20,951 |
| Dividend income | 6(29) | (160,228) | (90,851) |
| Expected credit impairment losses and reversal gains | | (3,755) | 34,492 |
| (Gains) losses on disposal of property and equipment | 6(8) | (271) | 259 |
| Share-based payments | 6(14) | - | 44,036 |
| Gains on lease modification | 6(9) | (502) | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss - current | | 649,836 | (617,059) |
| Margin deposits | | 513,156 | (19,452,418) |
| Futures trading margin receivable | | 3,755 | (34,492) |
| Security lending deposits | | 169,187 | (123,343) |
| Accounts receivable | | 195,552 | (143,614) |
| Accounts receivable - related parties | | 1,567 | (1,192) |
| Prepayments | | (4,026) | (2,759) |
| Other receivables | | (2,428) | 976 |
| Other receivables - related parties | | 42 | (260) |
| Leverage margin contract trading client margin deposits | | (52,957) | (36,198) |
| Other current assets | | 29,237 | (30,901) |
| Other non-current assets - other | | (2,999) | (6,331) |
| Changes in operating liabilities | | | |
| Financial liabilities at fair value through profit or loss - current | | (220,061) | 148,913 |
| Futures traders' equity | | (521,349) | 19,303,279 |
| Leverage margin contract transaction traders' equity | | 39,235 | 18,388 |
| Accounts payable | | (21,055) | 53,297 |
| Accounts payable - related parties | | (3,837) | 9,081 |
| Collection for third parties | | (516) | 3,292 |
| Other payables | | (56,650) | (107) |
| Other payables-related parties | | 1,652 | (969) |
| Other current liabilities | | 10,655 | 4,884 |
| Other non-current liabilities | | 2,727 | (1,457) |
| Cash inflow (outflow) generated from operations | | 1,417,182 | (179,683) |
| Interest received | | 359,805 | 736,743 |
| Interest paid | | (7,951) | (25,192) |
| Dividends received | | 160,998 | 90,350 |
| Income tax paid | | (241,652) | (249,893) |
| Net cash flows from operating activities | | 1,688,382 | 372,325 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (1,141,643) | (1,120,976) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 6(5) | 1,147,130 | 1,027,205 |
| Acquisition of property and equipment | 6(8) | (52,703) | (37,161) |
| Proceeds from disposal of property and equipment | 6(8) and 7 | 405 | 210 |
| Increase in intangible assets | 6(10) | (52,565) | (2,447) |
| Decrease (increase) in clearing and settlement funds | | 3,627 | (12,406) |
| Decrease (increase) in refundable deposits | | 4,423 | (5,850) |
| Increase in prepayment for equipment | | (100,174) | (63,728) |
| Net cash flows used in investing activities | | (191,500) | (215,153) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Principal payment for lease liabilities | | (53,158) | (35,312) |

(Continued)

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

| | Notes | For the years ended December 31 | |
|--|-------|---------------------------------|--------------|
| | | 2021 | 2020 |
| Proceeds from issuing of bonds | 6(12) | \$ 1,497,350 | \$ - |
| Payment of cash dividends | 6(18) | (811,934) | (799,924) |
| Proceeds from issuance of shares | 6(15) | - | 2,662,472 |
| Net cash flows from financing activities | | 632,258 | 1,827,236 |
| Effect of change in foreign exchange rates | | (14,264) | (20,143) |
| Net increase in cash and cash equivalents | | 2,114,876 | 1,964,265 |
| Cash and cash equivalents at beginning of year | | 7,189,210 | 5,224,945 |
| Cash and cash equivalents at end of year | | \$ 9,304,086 | \$ 7,189,210 |

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR21000315

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, 2021 and 2020, 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, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and Regulation Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 measurement of 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(2); 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, 2021 was NTD 1,806,258 thousand.

Because there are no active market quoted prices for financial assets at fair value through other comprehensive income - unlisted stocks held by Yuanta Futures Co., Ltd., the management uses valuation techniques to estimate the fair value. The valuation techniques used by Yuanta Futures Co., Ltd. are primarily the market method. The market method involves certain assumptions and significant inputs that are not based on observable market data, including the selected valuation methods, the determination of similar and comparable companies, price to earnings ratio and discount of marketability, etc. 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, 2021.

How our audit addressed the key audit matter

In response to specific aspects of the above-mentioned key audit matter, we made use of experts to assist the evaluation of the reasonableness of valuation information used by the management, and conducted the following procedures:

1. Obtained an understanding and evaluated the policy and valuation process relevant to the fair value measurement of the unlisted stocks.
2. Evaluated whether the valuation methods used by the management were commonly used.
3. Evaluated the reasonableness of the selection of comparable companies by the management.
4. Sample tested the price to earnings ratio and the inputs of discount of marketability used in the valuation methods, and reviewed relevant information and supporting evidence.

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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the parent company only audit. We remain solely responsible for our audit opinion.

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

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

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

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2022

Lo, Chiao-Sen

Lee, Hsiu-Ling

For and on Behalf of PricewaterhouseCoopers, Taiwan

April 13, 2022

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
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | December 31, 2021 | | December 31, 2020 | | |
|---------------------------|---|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 111100 | Cash and cash equivalents | 6(1) and 7 | \$ 8,286,016 | 9 | \$ 6,195,959 | 6 |
| 112000 | Financial assets at fair value through profit or loss - current | 6(2), 7 and 11 | 285,884 | - | 860,190 | 1 |
| 113200 | Financial assets at fair value through other comprehensive income - current | 6(5) | 806,830 | 1 | 655,432 | 1 |
| 114070 | Customer margin deposits | 6(3) and 7 | 81,058,821 | 85 | 82,809,012 | 87 |
| 114100 | Security lending deposits | | - | - | 169,187 | - |
| 114130 | Accounts receivable | | 4,057 | - | 199,609 | - |
| 114140 | Accounts receivable - related parties | 7 | 2,002 | - | 3,569 | - |
| 114150 | Prepayments | 7 | 8,741 | - | 5,234 | - |
| 114170 | Other receivables | | 12,552 | - | 18,975 | - |
| 114180 | Other receivables - related parties | 7 | 4,165 | - | 3,876 | - |
| 114300 | Leverage margin contract trading client margin deposits | 7 | 347,405 | - | 294,448 | - |
| 114600 | Current income tax assets | | - | - | 341 | - |
| 119000 | Other current assets | | - | - | 23 | - |
| 110000 | Subtotal current assets | | <u>90,816,473</u> | <u>95</u> | <u>91,215,855</u> | <u>95</u> |
| Non-current assets | | | | | | |
| 123200 | Financial assets at fair value through other comprehensive income - non-current | 6(5) | 1,932,733 | 2 | 1,618,523 | 2 |
| 124100 | Investments accounted for under the equity method | 6(6) | 1,141,781 | 1 | 1,207,101 | 1 |
| 125000 | Property and equipment | 6(9) | 624,845 | 1 | 607,595 | 1 |
| 125800 | Right-of-use assets | 6(10) and 7 | 147,548 | - | 190,744 | - |
| 127000 | Intangible assets | 6(11) | 86,979 | - | 42,137 | - |
| 128000 | Deferred income tax assets | 6(31) | 31,686 | - | 43,647 | - |
| 129010 | Operating guarantee deposits | 6(7) and 7 | 140,000 | - | 140,000 | - |
| 129020 | Clearing and settlement funds | 6(8) | 544,465 | 1 | 548,092 | 1 |
| 129030 | Refundable deposits | 7 | 35,978 | - | 40,456 | - |
| 129130 | Prepayment for equipment | | 139,051 | - | 73,982 | - |
| 129990 | Other non-current assets - other | | 11,416 | - | 8,417 | - |
| 120000 | Subtotal non-current assets | | <u>4,836,482</u> | <u>5</u> | <u>4,520,694</u> | <u>5</u> |
| 906001 | Total Assets | | <u>\$ 95,652,955</u> | <u>100</u> | <u>\$ 95,736,549</u> | <u>100</u> |

(Continued)

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

| LIABILITIES AND EQUITY | | Notes | December 31, 2021 | | December 31, 2020 | |
|-----------------------------------|---|-------------|----------------------|------------|----------------------|------------|
| | | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | |
| 212000 | Financial liabilities at fair value | 6(2) and 11 | | | | |
| | through profit or loss - current | | \$ 926 | - | \$ 220,672 | - |
| 214080 | Futures traders' equity | 6(3) and 7 | 80,868,836 | 85 | 82,588,649 | 87 |
| 214100 | Leverage margin contract transaction | | | | | |
| | traders' equity | | 282,808 | - | 243,573 | 1 |
| 214130 | Accounts payable | | 136,856 | - | 157,911 | - |
| 214140 | Accounts payable - related parties | 7 | 19,749 | - | 23,586 | - |
| 214160 | Collection for third parties | | 9,098 | - | 9,614 | - |
| 214170 | Other payables | | 184,185 | - | 241,049 | - |
| 214180 | Other payables - related parties | 7 | 1,842 | - | 225 | - |
| 214600 | Current income tax liabilities | | 18,479 | - | 93,913 | - |
| 216000 | Lease liabilities - current | 7 | 42,849 | - | 37,795 | - |
| 219000 | Other current liabilities | 6(12) | 31,143 | - | 19,584 | - |
| 210000 | Subtotal current liabilities | | <u>81,596,771</u> | <u>85</u> | <u>83,636,571</u> | <u>88</u> |
| Non-current liabilities | | | | | | |
| 221100 | Bonds Payable | 6(13) | 1,497,401 | 2 | - | - |
| 226000 | Lease liabilities - non-current | 7 | 118,224 | - | 159,509 | - |
| 228000 | Deferred income tax liabilities | 6(31) | 11,191 | - | - | - |
| 229000 | Other non-current liabilities | | 79,470 | - | 81,907 | - |
| | Subtotal non-current liabilities | | <u>1,706,286</u> | <u>2</u> | <u>241,416</u> | <u>-</u> |
| 906003 | Total Liabilities | | <u>83,303,057</u> | <u>87</u> | <u>83,877,987</u> | <u>88</u> |
| Capital | | | | | | |
| 301010 | Common stock | 6(16) | 2,899,763 | 3 | 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) | 1,132,477 | 1 | 1,021,010 | 1 |
| 304020 | Special reserve | 6(18)(19) | 2,508,054 | 3 | 2,294,034 | 3 |
| 304040 | Undistributed earnings | 6(19) | 1,123,207 | 1 | 1,295,828 | 1 |
| Other equity | | | | | | |
| 305000 | Other equity interest | 6(20) | 1,615,913 | 2 | 1,277,443 | 1 |
| 906004 | Total equity | | <u>12,349,898</u> | <u>13</u> | <u>11,858,562</u> | <u>12</u> |
| 906002 | Total liabilities and equity | | <u>\$ 95,652,955</u> | <u>100</u> | <u>\$ 95,736,549</u> | <u>100</u> |

The accompanying notes are an integral part of these parent company only financial statements.

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

| Items | Notes | Year ended December 31 | | | | |
|---------------------------|---|------------------------|---------------------|--------------|---------------------|--------------|
| | | 2021 | | 2020 | | |
| | | AMOUNT | % | AMOUNT | % | |
| Revenues | | | | | | |
| 401000 | Brokerage | 6(21) and 7 | \$ 3,551,708 | 94 | \$ 3,484,081 | 94 |
| 410000 | Gains on trading of securities | 6(2)(22) | 119,534 | 3 | 35,200 | 1 |
| 421300 | Dividend income | 6(2) and 7 | 7,518 | - | 2,087 | - |
| 421500 | (Losses) gains on valuation of trading securities | 6(2) | (2,576) | - | 1,897 | - |
| 421600 | Losses on covering of borrowed securities and bonds with resale agreements-short sales | 6(2) | (49,017) | (1) | (3,862) | - |
| 421610 | Valuation gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss | 6(2) | 35,719 | 1 | (19,447) | - |
| 424200 | Securities commission revenue | 7 | 19,880 | 1 | 7,972 | - |
| 424300 | Clearance fee from consignment | 6(23) and 7 | 65,185 | 2 | 73,190 | 2 |
| 424400 | Net gain on derivative financial instruments | 6(2)(24) | 13,862 | - | 126,068 | 3 |
| 424900 | Futures advisory revenues | 7 | 16,142 | - | 13,487 | - |
| 428000 | Other operating revenues | 7 | 4,354 | - | 853 | - |
| 400000 | Total revenues | | <u>3,782,309</u> | <u>100</u> | <u>3,721,526</u> | <u>100</u> |
| Costs and expenses | | | | | | |
| 501000 | Brokerage fee | 6(25) | (776,978) | (21) | (745,408) | (20) |
| 502000 | Dealer handling fee | 6(25) | (3,572) | - | (6,252) | - |
| 521200 | Interest expense | 7 | (8,229) | - | (18,615) | (1) |
| 425300 | Expected credit impairment losses and reversal gains | | 3,755 | - | (34,492) | (1) |
| 524100 | Futures commission | 6(26) and 7 | (650,567) | (17) | (641,943) | (17) |
| 524300 | Clearance fee | 6(27) | (573,923) | (15) | (561,880) | (15) |
| 528000 | Other operating fee | | (2,737) | - | (3,468) | - |
| 531000 | Employee benefit expense | 6(28)(29) | (676,198) | (18) | (662,662) | (18) |
| 532000 | Depreciation and amortization | 6(28) | (126,828) | (3) | (95,531) | (3) |
| 533000 | Other operating expenses | 6(28) and 7 | (450,617) | (12) | (425,980) | (11) |
| 500000 | Total costs and expenses | | <u>(3,265,894)</u> | <u>(86)</u> | <u>(3,196,231)</u> | <u>(86)</u> |
| Operating income | | | 516,415 | 14 | 525,295 | 14 |
| 601100 | Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method | 6(6) | (33,082) | (1) | (24,553) | - |
| 602000 | Other gains and losses | 6(2)(30) and 7 | 565,627 | 15 | 824,838 | 22 |
| 902001 | Income before income tax | | <u>1,048,960</u> | <u>28</u> | <u>1,325,580</u> | <u>36</u> |
| 701000 | Income tax expense | 6(31) | (188,678) | (5) | (255,481) | (7) |
| 902005 | Net income | | <u>\$ 860,282</u> | <u>23</u> | <u>\$ 1,070,099</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)

| Items | Notes | Year ended December 31 | | | |
|--|--|------------------------|---|--------------|---------------------|
| | | 2021 | | 2020 | |
| | | AMOUNT | % | AMOUNT | % |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| 805510 | Remeasurement of defined benefit obligations | 6(14) | | \$ 5,163 | - (\$ 13,558) (1) |
| 805540 | Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income | 6(5)(20) | | 471,095 | 12 80,198 2 |
| 805599 | Income tax related to components of items not to be reclassified | 6(31) | | (1,032) | - 2,712 - |
| Items that may be reclassified to profit or loss subsequently | | | | | |
| 805610 | Translation loss on the financial statements of foreign operating entities | 6(20) | | (32,238) | (1) (43,610) (1) |
| 805000 | Total other comprehensive income (loss) (net of tax) | | | \$ 442,988 | 11 \$ 25,742 - |
| | Total comprehensive income | | | \$ 1,303,270 | 34 \$ 1,095,841 29 |
| Earnings per share (in New Taiwan dollars) | | | | | |
| | Basic and diluted earnings per share | 6(32) | | \$ 2.97 | \$ 4.23 |

The accompanying notes are an integral part of these parent company only financial statements.

YUANTA FUTURES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

| | Notes | Capital surplus | | | Retained earnings | | | Other equity interest | | Total equity |
|--|----------|-----------------|--|--------------------------------------|-------------------|-----------------|------------------------|--|--|---------------|
| | | Common stock | Paid-in capital in excess of par value | Paid-in capital from business merger | Legal reserve | Special reserve | Undistributed earnings | Translation loss on the financial statements of foreign operating entities | Unrealized gain and loss on equity instrument investment measured at fair value through other comprehensive income | |
| <u>For the year ended December 31, 2020</u> | | | | | | | | | | |
| Balance, January 1, 2020 | | \$ 2,322,763 | \$ 894,643 | \$ 46,333 | \$ 907,430 | \$ 2,074,901 | \$ 1,313,798 | (\$ 21,375) | \$ 1,317,644 | \$ 8,856,137 |
| Net income for the year | | - | - | - | - | - | 1,070,099 | - | - | 1,070,099 |
| Other comprehensive income (loss) for the year | 6(5)(20) | - | - | - | - | - | (10,846) | (43,610) | 80,198 | 25,742 |
| Total comprehensive income (loss) | | - | - | - | - | - | 1,059,253 | (43,610) | 80,198 | 1,095,841 |
| Appropriations of 2019 earnings: | | | | | | | | | | |
| Legal reserve | | - | - | - | 113,580 | - | (113,580) | - | - | - |
| Special reserve | | - | - | - | - | 219,133 | (219,133) | - | - | - |
| Cash dividends | | - | - | - | - | - | (799,924) | - | - | (799,924) |
| Issuance of shares | 6(16) | 577,000 | 2,085,472 | - | - | - | - | - | - | 2,662,472 |
| Share-based payments | 6(15) | - | 44,036 | - | - | - | - | - | - | 44,036 |
| Disposal of equity instrument investment measured at fair value through other comprehensive income | 6(5)(20) | - | - | - | - | - | 55,414 | - | (55,414) | - |
| Balance, December 31, 2020 | | \$ 2,899,763 | \$ 3,024,151 | \$ 46,333 | \$ 1,021,010 | \$ 2,294,034 | \$ 1,295,828 | (\$ 64,985) | \$ 1,342,428 | \$ 11,858,562 |
| <u>For the year ended December 31, 2021</u> | | | | | | | | | | |
| Balance, January 1, 2021 | | \$ 2,899,763 | \$ 3,024,151 | \$ 46,333 | \$ 1,021,010 | \$ 2,294,034 | \$ 1,295,828 | (\$ 64,985) | \$ 1,342,428 | \$ 11,858,562 |
| Net income for the year | | - | - | - | - | - | 860,282 | - | - | 860,282 |
| Other comprehensive income (loss) for the year | 6(5)(20) | - | - | - | - | - | 4,131 | (32,238) | 471,095 | 442,988 |
| Total comprehensive income | | - | - | - | - | - | 864,413 | (32,238) | 471,095 | 1,303,270 |
| Appropriations of 2020 earnings: | | | | | | | | | | |
| Legal reserve | | - | - | - | 111,467 | - | (111,467) | - | - | - |
| Special reserve | | - | - | - | - | 214,020 | (214,020) | - | - | - |
| Cash dividends | | - | - | - | - | - | (811,934) | - | - | (811,934) |
| Disposal of equity instrument investment measured at fair value through other comprehensive income | 6(5)(20) | - | - | - | - | - | 100,387 | - | (100,387) | - |
| Balance, December 31, 2021 | | \$ 2,899,763 | \$ 3,024,151 | \$ 46,333 | \$ 1,132,477 | \$ 2,508,054 | \$ 1,123,207 | (\$ 97,223) | \$ 1,713,136 | \$ 12,349,898 |

The accompanying notes are an integral part of these parent company only financial statements.

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

| | Notes | For the year ended December 31 | |
|--|--------------|--------------------------------|----------------|
| | | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 1,048,960 | \$ 1,325,580 |
| Adjustments | | | |
| Income and expenses having no effect on cash flows | | | |
| Depreciation | 6(9)(10)(28) | 114,664 | 83,434 |
| Amortization | 6(11)(28) | 12,164 | 12,097 |
| Interest income | 6(30) | (339,968) | (694,306) |
| Interest expense | | 8,229 | 18,615 |
| Share of profit or loss of subsidiaries associates, and joint ventures accounted for using the equity method | 6(6) | 33,082 | 24,553 |
| Gains (losses) on disposal of property and equipment | 6(9) | (271) | 259 |
| Dividend income | 6(30) | (159,578) | (90,094) |
| Expected credit impairment losses and reversal gains | | (3,755) | (34,492) |
| Share-based payments | 6(15) | - | 44,036 |
| Gain on lease modification | 6(10)(30) | (490) | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss - current | | 574,306 | (607,497) |
| Customer margin deposits | | 1,750,191 | (19,205,736) |
| Futures trading margin receivable | | 3,755 | (34,492) |
| Security lending deposits | | 169,187 | (123,343) |
| Accounts receivable | | 195,552 | (143,614) |
| Accounts receivable - related parties | | 1,567 | (1,192) |
| Prepayments | | (3,507) | 487 |
| Other receivables | | (2,697) | 1,193 |
| Leverage margin contract trading client margin deposits | | (52,957) | (36,198) |
| Other current assets | | 23 | (5) |
| Other non-current assets - other | | (2,999) | (6,331) |
| Changes in operating liabilities | | | |
| Financial liabilities at fair value through profit or loss - current | | (219,746) | 149,395 |
| Futures traders' equity | | (1,719,813) | 19,148,360 |
| Leverage margin contract transaction traders' equity | | 39,235 | 18,388 |
| Accounts payable | | (21,055) | 53,297 |
| Accounts payable - related parties | | (3,837) | 9,081 |
| Collection for third parties | | (516) | 3,337 |
| Other payables | | (58,062) | 2,622 |
| Other payables-related parties | | 1,652 | (969) |
| Other current liabilities | | 11,559 | 5,983 |
| Other non-current liabilities | | 2,727 | (1,457) |
| Cash inflow (outflow) generated from operations | | 1,377,602 | (10,025) |
| Interest received | | 348,029 | 705,424 |
| Interest paid | | (7,015) | (22,856) |
| Dividends received | | 160,348 | 89,593 |
| Income tax paid | | (241,652) | (249,893) |
| Net cash flows from operating activities | | 1,637,312 | 512,243 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (1,141,643) | (1,120,976) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 6(5) | 1,147,130 | 1,027,205 |
| Acquisition of property and equipment | 6(9) | (52,308) | (35,036) |
| Proceeds from disposal of property and equipment | 6(9) and 7 | 405 | 210 |
| Increase in intangible assets | 6(11) | (52,565) | (2,447) |
| Decrease (increase) in clearing and settlement funds | | 3,627 | (12,406) |
| Decrease (increase) in refundable deposits | | 4,478 | (5,982) |
| Increase in prepayment for equipment | | (100,034) | (63,728) |
| Net cash flows used in investing activities | | (190,910) | (213,160) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of principal portion of lease liabilities | | (41,761) | (23,032) |
| Proceeds from issuance of bonds | 6(13) | 1,497,350 | - |
| Payment of cash dividends | 6(19) | (811,934) | (799,924) |
| Proceeds from issuance of shares | 6(16) | - | 2,662,472 |
| Net cash flows from financing activities | | 643,655 | 1,839,516 |

(Continued)

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

| Notes | For the year ended December 31 | |
|--|--------------------------------|--------------|
| | 2021 | 2020 |
| Net increase in cash and cash equivalents | \$ 2,090,057 | \$ 2,138,599 |
| Cash and cash equivalents at beginning of year | 6,195,959 | 4,057,360 |
| Cash and cash equivalents at end of year | \$ 8,286,016 | \$ 6,195,959 |

The accompanying notes are an integral part of these parent company only financial statements.

Attachment 4

Yuanta Futures Co., Ltd.
Earnings Appropriation Statement
2021

| Unit: NTD | |
|--|--------------------|
| Item | Amount |
| Opening undistributed earnings | 158,407,826 |
| Add: net actuarial benefit of defined benefit plan after tax in 2021 | 4,130,458 |
| Add: 2021 net gain of equipment instruments measured at FVTOCI | 100,387,162 |
| Add: The 2021 Net income | 860,281,547 |
| Less: Appropriation of 10% legal reserve (Note) | (96,479,917) |
| Less: Appropriation of 20% special reserve (Note) | (192,959,833) |
| Distributable earnings | 833,767,243 |
| Distribution | |
| Cash dividend (a cash dividend of NT\$2.3 per share) | (666,945,462) |
| Stock dividends | 0 |
| Closing undistributed earnings | 166,821,781 |

Details:

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.

The comparison table of the Articles of Incorporation amendment

| Amendments | Current existing clauses | Description of amendments |
|--|---|--|
| <p>Article 12</p> <p>The Company holds two types of shareholders meetings:</p> <ol style="list-style-type: none"> 1. The annual general meeting is held at least once a year, and within six months after the end of an accounting period unless otherwise permitted by The Company Act. 2. Extraordinary shareholders meetings may be held whenever necessary, subject to compliance with the relevant laws. <p><u>Convene a virtual shareholder meeting or have it held with the methods promulgated by the central competent authorities.</u></p> | <p>Article 12</p> <p>The Company holds two types of shareholders meetings:</p> <ol style="list-style-type: none"> 1. The annual general meeting is held at least once a year, and within six months after the end of an accounting period unless otherwise permitted by The Company Act. 2. Extraordinary shareholders meetings may be held whenever necessary, subject to compliance with the relevant laws. | <p>Amendments were made to Article 172-2 of the Company Act on December 29, 2021 that a public company may be entitled to have a virtual shareholder meeting held. According to Article 172-2, Paragraph 1 of the Company Act, companies may stipulate in the “Articles of Incorporation” to have a virtual shareholder meeting held or have it held with the methods promulgated by the central competent authorities. In response to the competent authorities’ policy of promoting virtual shareholder meetings, the needs in the digitalized era, and for the convenience of shareholders in attending a shareholder meeting, it is clearly stipulated in that the Company may convene a virtual shareholder meeting or have it held with the methods promulgated by the central competent authorities; therefore, Paragraph 2 is hereby added to meet the said purpose.</p> |
| <p>Article 32</p> <p>The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 23, 2019; the 28th amendment was completed on May 27, 2020, the 29th amendment was completed on July 5, 2021; <u>the 30th amendment was completed on , 2022</u> and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p> | <p>Article 32</p> <p>The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 20, 2019; the 28th amendment was completed on May 27, 2020; the 29th amendment was completed on July 5, 2021 and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p> | <p>Revision history.</p> |

Attachment 6

Yuanta Futures Co., Ltd.
The comparison table of the “Rules of Procedure for Shareholders Meetings” amendment

| Amendments | Current existing clauses | Description of amendments |
|--|--|---|
| <p>Article 3 The Company’s shareholders’ meetings, unless otherwise provided by the law and regulations, should be convened by the Board of Directors.</p> <p><u>The changes in the manner of the Company’s shareholder meeting convened must be resolved by the board of directors no later than the day sending out the shareholder meeting notice.</u></p> <p>The preparation and upload of the Company’s notice of shareholders’ meeting and Agenda Handbook is processed in accordance with the Company Act, Securities and Exchange Act, Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbook of Public Companies, and the regulations published by the competent authorities.</p> <p><u>The shareholder meeting agenda handbook and supplementary materials stated in the preceding paragraph should be made available for the reference of the shareholders at the meeting place as follows:</u></p> <p><u>1. If a physical shareholder meeting is held, the said materials should be made available for the shareholders to obtain and review at the physical shareholder meeting place.</u></p> <p><u>2. If a hybrid shareholder meeting is held, the said materials should be made available for the shareholders to obtain and review at the physical shareholder meeting place, and the electronic files should be uploaded to the virtual meeting platform.</u></p> <p><u>3. If a virtual shareholder meeting is held, the electronic files should be uploaded to the virtual meeting platform.</u></p> <p>(Omitted hereinafter)</p> | <p>Article 3 The Company’s shareholders’ meetings, unless otherwise provided by the law and regulations, should be convened by the Board of Directors.</p> <p>The preparation and upload of the Company’s notice of shareholders’ meeting and Agenda Handbook is processed in accordance with the Company Act, Securities and Exchange Act, Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbook of Public Companies, and the regulations published by the competent authorities.</p> <p>(Omitted hereinafter)</p> | <p>1. The changes in the manner of the shareholder meeting convened must be resolved by the board of directors no later than the day sending out the shareholder meeting notice for the information to the shareholders; paragraph 2 is hereby added to meet the said purpose.</p> <p>2. In response to the public company’s having a virtual shareholder meeting convened, the company has both physical and virtual shareholder meetings arranged. Paragraph 4 is hereby added for the convenience of the shareholders who attend the shareholder meeting in person or by means of visual communication network able to obtain and review the agenda handbooks and supplementary materials on the day of the shareholder meeting.</p> |
| <p>Article 4 Shareholders may issue a proxy printed by the Company with the scope of authorization defined to attend the shareholders’ meeting.</p> <p>It is one shareholder one proxy and</p> | <p>Article 4 Shareholders may issue a proxy printed by the Company with the scope of authorization defined to attend the shareholders’ meeting.</p> <p>It is one shareholder one proxy and</p> | <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by means of virtual communication network instead of by the proxy, a written notice</p> |

| Amendments | Current existing clauses | Description of amendments |
|--|--|---|
| <p>limited to one commission that should be delivered to the Company 5 days before the shareholders’ meeting date. The matter of proxy received in duplication is handled in accordance with the “first arrival” principle. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.</p> <p>If the shareholders wish to exercise the balloting right by attending the meeting in person or voting in writing or by electronic means after the proxy is received by the Company, the shareholders shall have the Company informed in writing two days prior to the shareholders’ meeting date to revoke the proxy. The balloting right exercised by the representative shall prevail if the proxy is not revoked before the deadline.</p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by means of virtual communication network, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p> | <p>limited to one commission that should be delivered to the Company 5 days before the shareholders’ meeting date. The matter of proxy received in duplication is handled in accordance with the “first arrival” principle. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.</p> <p>If the shareholders wish to exercise the balloting right by attending the meeting in person or voting in writing or by electronic means after the proxy is received by the Company, the shareholders shall have the Company informed in writing two days prior to the shareholders’ meeting date to revoke the proxy. The balloting right exercised by the representative shall prevail if the proxy is not revoked before the deadline.</p> | <p>of proxy cancellation shall be submitted to the Company two days before the meeting date; therefore, Paragraph 4 is hereby added.</p> |
| <p>Article 5 The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.</p> <p><u>The Company’s convening a virtual shareholder meeting is not subject to the restriction on the venue as stated in the preceding paragraph.</u></p> | <p>Article 5 The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.</p> | <p>Paragraph 2 is added to explicitly stipulate that a virtual shareholder meeting is not subject to the restriction on the venue.</p> |
| <p>Article 6 The Company shall specify in its shareholders, <u>solicitors’, and proxy agents’ (hereinafter referred to as “shareholders” collectively)</u> meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a</p> | <p>Article 6 The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are</p> | <ol style="list-style-type: none"> 1. Amendments are made to Paragraph 2 to explicitly specify the time and procedure to register for attending the virtual shareholder meeting. 2. Amendments are made to Paragraph 3 in corresponding to the abbreviations of shareholders stipulated in Paragraph 1. 3. Paragraph 7 is added to request the shareholders who intend to attend the shareholder meeting by means of virtual |

| Amendments | Current existing clauses | Description of amendments |
|--|---|--|
| <p>sufficient number of suitable personnel assigned to handle the registrations, <u>shall be at least 30 minutes prior to the time the virtual shareholder meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations at the virtual meeting platform. Shareholders who have completed the registration shall be deemed as attending the shareholder meeting in person.</u></p> <p><u>The shareholders shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents. The Company may not demand the attending shareholders to present any additional identification documents; the proxy solicitors should bring proof of identity with them for examination.</u></p> <p>(Paragraph 4 to 6 are omitted)</p> <p><u>The shareholders who intend to attend the virtual shareholder meeting by means of visual communication network shall complete the registration with the Company two days before the meeting date.</u></p> <p><u>For a virtual shareholder meeting, the Company shall upload the agenda handbooks, annual reports, and other relevant materials to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting.</u></p> | <p>accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p><u>The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents. The Company may not demand the attending shareholders to present any additional identification documents; the proxy solicitors should bring proof of identity with them for examination.</u></p> <p>(Paragraph 4 to 6 are omitted)</p> | <p>communication network to register with the Company two days before the meeting date.</p> <p>4. Paragraph 8 is added for the Company to have the agenda handbooks, annual report, and other relevant information uploaded to the virtual meeting platform for the reference of the shareholders who attend the meeting by means of visual communication network.</p> |
| <p><u>Article 6-1</u> <u>The Company shall have the following information detailed in the shareholder meeting notice while convening the virtual shareholder meeting:</u></p> <ol style="list-style-type: none"> <u>1. The way of shareholders attending a virtual shareholder meeting and exercising their rights.</u> <u>2. The malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by visual communication network due to calamities, incidents, or force majeure, should be handled as follows:</u> <ol style="list-style-type: none"> <u>(1) The duration of the malfunction causing the meeting to be postponed or reconvened and the date for the postponed or reconvened meeting.</u> | | <ol style="list-style-type: none"> 1. This article is added. 2. In order to help shareholders understand their rights and restrictions in attending the shareholder meeting in advance, the company has explicitly stipulated the information to be included in the shareholder meeting notice, such as how should the shareholder attend the virtual shareholder meeting and exercise their rights, how to handle the malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by visual communication network due to calamities, incidents, or |

| Amendments | Current existing clauses | Description of amendments |
|---|---|---|
| <p><u>(2) Shareholders who did not register to attend the initial shareholder meeting by means of visual communication network may not attend the postponed or reconvened meeting.</u></p> <p><u>(3) If the video transmission in the hybrid shareholder meeting cannot be reconvened, but the total shareholdings of the shareholders attending the meeting after deducting the shareholdings of the shareholders who attend the meeting by means of visual communication network still meets the quorum, the shareholder meeting should continue. The shareholdings of the shareholders who attend the meeting by means of visual communication network shall be included in the total shareholdings of the shareholders present, but the attending shareholders by means of virtual communication network shall be deemed to have waived their voting right in respective of all proposals at the said shareholder meeting.</u></p> <p><u>(4) When all the proposals have been resolved and announced, the way to handle the situation where extemporary motions has not been proceed.</u></p> <p><u>3. The alternatives available to the shareholders who have difficulties attending the virtual shareholder meeting by means of virtual communication network should be stated in detail.</u></p> | | <p><i>force majeure</i>, that should at least include the date for the meeting to be postponed or reconvened and how long of the meeting interruption shall result in a postponement or reconvention. According to Article 44-20, Paragraph 1, Paragraph 2, Paragraph 4, and Paragraph 5 of the “Regulations Governing the Administration of Shareholder Services of Public Companies,” when all the proposals have been resolved and announced, it is necessary to detail how the situation without extemporary motions should be handled, and the alternatives available to the shareholders who have difficulties attending the virtual shareholder meeting by means of virtual communication network.</p> |
| <p>Article 8 The Company shall have the admission of the shareholders, the meeting in session, and the voting and vote counting process recorded and filmed uninterruptedly.</p> <p>The audio and video data referred to above should be reserved for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.</p> <p><u>The Company while convening the virtual shareholder meeting has the shareholder registration, recordation, attendance, questioning, voting, vote counting results, etc., recorded and</u></p> | <p>Article 8 The Company shall have the admission of the shareholders, the meeting in session, and the voting and vote counting process recorded and filmed uninterruptedly.</p> <p>The audio and video data referred to above should be reserved for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.</p> | <p>According to Article 183 of the Company Act and Article 18 of the “Regulations Governing Procedure for Board of Directors Meeting of Public Companies,” it is explicitly stipulated to have the shareholder registration, recordation, attendance, questioning, voting, vote counting results, etc., recorded and preserved with an uninterrupted audio and video recording taped throughout the duration of the meeting, which should be properly preserved during the company’s existence; the audio/video recordings shall be preserved by those who are entrusted to handle the virtual</p> |

| Amendments | Current existing clauses | Description of amendments |
|---|---|--|
| <p><u>preserved with uninterrupted audio and video recording taped throughout the duration of the meeting.</u></p> <p><u>The Company shall have the aforementioned materials and audio/video recording properly preserved throughout the duration of the Company; also, the audio/video recordings shall be preserved by those who are entrusted to handle the virtual shareholder meeting affairs.</u></p> | | <p>shareholder meeting affairs. Paragraph 3 and Paragraph 4 are hereby added accordingly.</p> |
| <p>Article 9 The attendance of the shareholders' meeting is counted by the shareholding. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards <u>and the number of shares registered on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised in writing or electronically.</p> <p>The chair shall call the meeting to order at the scheduled meeting time and shall announce the shares without voting rights and the shares presented by the attending shareholders at the same time.</p> <p>However, if the attendees represented less than half of all outstanding shares, the meeting chairman may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. <u>The Company should also announce the information related to the virtual shareholder meeting adjourned on the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>The shareholders who intend to attend the virtual shareholder meeting by means of visual communication network shall re-register with the Company in accordance with Article 6.</u></p> <p>(Paragraph 5 is omitted)</p> | <p>Article 9 The attendance of the shareholders' meeting is counted by the shareholding. The attendees' shareholding is calculated in accordance with the attendance register submitted and the balloting rights exercised in writing or by electronic means.</p> <p>The chair shall call the meeting to order at the scheduled meeting time and shall announce the shares without voting rights and the shares presented by the attending shareholders at the same time.</p> <p>However, if the attendees represented less than half of all outstanding shares, the meeting chairman may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>(Paragraph 5 is omitted)</p> | <ol style="list-style-type: none"> 1. For the virtual shareholder meeting held, the shareholdings of the shareholders who attend the meeting by means of visual communication network should be included for the calculation of the total number of shares represented by the attending shareholders. Paragraph 1 is hereby amended accordingly. 2. For the virtual shareholder meeting held, the company shall also announce the adjourned meeting upon occurrence on the virtual meeting platform for the information about the adjourned meeting in a timely manner. Paragraph 3 is hereby amended accordingly. 3. The shareholders who intend to attend the shareholder meeting held due to a tentative resolution resolved by means of visual communication network shall complete the registration with the Company. Paragraph 4 is hereby amended accordingly. |
| <p>Article 11</p> | <p>Article 11</p> | <p>1. Paragraph 7 is added to</p> |

| Amendments | Current existing clauses | Description of amendments |
|--|---|---|
| <p>Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.</p> <p>Shareholders who submit Speak Request Forms without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.</p> <p>Each shareholder may not speak on the same proposal more than twice and not more than 5 minutes each time unless otherwise permitted by the Chairman. However, the Chairman may stop the shareholder from speaking if the speech is in violation of regulations or outside the scope of the proposal.</p> <p>While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way without the consent of the meeting chairman and the person speaking. The meeting chairman shall restrain any violators.</p> <p>For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda.</p> <p>The Chairman may have the speech of the shareholder responded in person or by the designated personnel.</p> <p><u>Shareholders who attend the virtual shareholder meeting by means of visual communication network may ask questions in writing on the virtual meeting platform after the chairman calls the meeting to order and before the meeting adjourned. Each shareholder shall not ask more than two times for one motion, and each question shall not exceed 200 words, which is not subject to the provision of paragraph 1–paragraph 5.</u></p> <p><u>The aforementioned questions that do not violate the regulations or do not exceed the scope of the motion should be disclosed on the virtual meeting platform for public knowledge.</u></p> | <p>Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.</p> <p>Shareholders who submit Speak Request Forms without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.</p> <p>Each shareholder may not speak on the same proposal more than twice and not more than 5 minutes each time unless otherwise permitted by the Chairman. However, the Chairman may stop the shareholder from speaking if the speech is in violation of regulations or outside the scope of the proposal.</p> <p>While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way without the consent of the meeting chairman and the person speaking. The meeting chairman shall restrain any violators.</p> <p>For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda.</p> <p>The Chairman may have the speech of the shareholder responded in person or by the designated personnel.</p> | <p>specify the questioning methods, procedures, and restrictions for the shareholders who attend the shareholder meeting by virtual communication network.</p> <p>2. For the purpose of helping shareholders understand the content of the questions raised by other shareholders, except for those unrelated questions to the proposals discussed and resolved in the shareholder meeting to be screened out, other relevant questions should be disclosed on the virtual meeting platform. Paragraph 8 is hereby added accordingly.</p> |
| <p>Article 13 Shareholders are entitled to one balloting right per share except for those restricted without any voting right granted or those without any voting according to Article 179 Paragraph 2 of the Company Act.</p> | <p>Article 13 Shareholders are entitled to one balloting right per share except for those restricted without any voting right granted or those without any voting according to Article 179 Paragraph 2 of the Company Act.</p> | <p>1. It is explicitly stipulated that shareholders who plan to attend the shareholder meeting by means of visual communication network after having their voting</p> |

| Amendments | Current existing clauses | Description of amendments |
|---|---|--|
| <p>When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.</p> <p>The uses of written and electronic votes mentioned above must be delivered to The Company at least 2 days before the shareholders meeting. If there are duplicate submissions, the earlier submission shall prevail. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.</p> <p>If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person <u>or video conference</u>, then a proper declaration of withdrawal must be issued using the same method as the original vote 2 day before the shareholders meeting. If the withdrawal is not received in time, then the written or electronic vote shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(Paragraph 5 to 8 are omitted)</p> <p><u>Shareholders who attend the Company's virtual shareholder meeting by means of visual communication network should vote on various resolution proposals and election proposals through the virtual meeting platform after the chairman calls the meeting to order; also, the vote must be cast before the chairman announces the close of voting, otherwise it will be deemed as a waiver.</u></p> <p><u>The vote count in the virtual shareholder meeting should be counted at once after the chairman announcing the close of voting, and the voting and election results</u></p> | <p>When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.</p> <p>The uses of written and electronic votes mentioned above must be delivered to The Company at least 2 days before the shareholders meeting. If there are duplicate submissions, the earlier submission shall prevail. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.</p> <p>If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote 2 day before the shareholders meeting. If the withdrawal is not received in time, then the written or electronic vote shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(Paragraph 5 to 8 are omitted)</p> | <p>rights exercised in writing or electronically should first withdraw their votes in the same manner as exercising their voting rights. Paragraph 4 is hereby amended accordingly.</p> <p>2. For the purpose of providing shareholders who have attended the virtual shareholder meeting by means of visual communication network with sufficient time to vote, such shareholders may vote on the initial proposal throughout the time from the chairman calling the meeting to order till the chairman announcing the close of voting. The votes cast should be counted at once in corresponding with the voting time of shareholders who have attended the virtual shareholder meeting by means of visual communication network. Paragraph 9 and Paragraph 10 are hereby added accordingly.</p> <p>3. The shareholders who have registered to attend the hybrid shareholder meeting by means of visual communication network when planning to attend the Company's hybrid shareholder meeting in person shall cancel the registration in the same manner as the registration was made 2 days before the meeting date. Those who fail to have the said registration cancelled within the time limit can only attend the shareholder meeting by means of visual communication network. Paragraph 11 is hereby added accordingly.</p> <p>4. Refer to the provisions of the Jin-Shan-Zi No. 1012404740 Letter dated February 24, 2012 and the Jing-Shang-Zi No. 10102414350 Letter dated May 3, 2012 by the Ministry of Economic Affairs,</p> |

| Amendments | Current existing clauses | Description of amendments |
|---|---|--|
| <p><u>shall be announced accordingly.</u></p> <p><u>The shareholders who have registered to attend the virtual shareholder meeting by means of visual communication network in accordance with Article 6 when planning to attend the Company’s hybrid shareholder meeting in person shall cancel the registration in the same manner as the registration was made 2 days before the meeting date. Those who fail to have the said registration cancelled within the time limit can only attend the shareholder meeting by means of visual communication network.</u></p> <p><u>Shareholders who exercise their voting rights in writing or electronically without withdrawing their declaration of intentions and attending the shareholder meeting by means of visual communication network, except for the extemporary motions, shall not exercise voting rights on the initial proposal, propose amendments to the initial proposal, or exercise their voting rights for amendments to the initial proposal.</u></p> | | <p>shareholders who exercise voting rights electronically and have not withdrawn their declaration of intention may not propose any amendment to be made to the initial proposal, nor can they exercise their voting rights. However, the said shareholders can still attend the shareholder meeting on the meeting date and propose motions contingently at the meeting and exercise voting rights. In addition, since shareholders are entitled to exercise their rights in writing or electronically, based on the principle of fair treatment, correspondence voting should also be regulated as the aforementioned electronic voting in order to protect the rights and interests of shareholders. It is explicitly stipulated in Paragraph 12 that shareholders who exercise their voting rights in writing or electronically and have not withdrawn their declaration of intention may still register to attend the shareholder meeting by means of virtual communication network. However, they can only propose and vote on the extemporary motions, but may not vote on the initial proposal or the amendment made to the initial proposal or propose amendments to be made to the initial proposal.</p> |
| <p>Article 15</p> <p>The resolutions reached in the shareholders’ meeting must be documented in the minutes of meeting for the signature or seal of the Chairman.</p> <p>The minutes of meeting must be distributed to the shareholders in 20 days.</p> <p>The preparation and distribution of the minutes of shareholders’ meeting can be processed electronically.</p> <p>The Company's minutes of shareholders’ meeting referred to above can be distributed by posting it on the MOPS.</p> <p>The minutes of the meeting shall record</p> | <p>Article 15</p> <p>The resolutions reached in the shareholders’ meeting must be documented in the minutes of meeting for the signature or seal of the Chairman.</p> <p>The minutes of meeting must be distributed to the shareholders in 20 days.</p> <p>The preparation and distribution of the minutes of shareholders’ meeting can be processed electronically.</p> <p>The Company's minutes of shareholders’ meeting referred to above can be distributed by posting it on the MOPS.</p> <p>The minutes of the meeting shall record</p> | <p>1. For the purpose of helping shareholders understand the results of the virtual shareholder meeting held, alternatives for shareholders with digital divide the handling methods and circumstances of the disconnection, at the request of the competent authorities, the Company when preparing the shareholder meeting minutes, in addition to the mandatory records stated in Paragraph 3, will</p> |

| Amendments | Current existing clauses | Description of amendments |
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| <p>the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each elected director shall be disclosed and shall be kept permanently during the company's existence.</p> <p><u>For the virtual shareholder meeting, in addition to the aforementioned information to be included in the shareholder meeting minutes, the duration of the meeting, the way the meeting is convened, the name of the chairman and clerk, how to handle the malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by visual communication network due to calamities, incidents, or force majeure should also be stated.</u></p> <p><u>The Company should have the virtual shareholder meeting convened in accordance with the regulations stated in the preceding paragraph; also, shall specify in the meeting minutes the alternatives provided to shareholders who have difficulties attending the virtual shareholder meeting by means of virtual communication network.</u></p> | <p>the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each elected director shall be disclosed and shall be kept permanently during the company's existence.</p> | <p>have the duration of the meeting, the way the meeting is convened, the name of the chairman and the clerk, the alternatives provided to shareholders who have difficulties attending the shareholder meeting by means of virtual communication network, and how to handle the malfunctions occurred to the virtual meeting platform or the difficulties of attending a meeting by visual communication network due to <i>force majeure</i> also be stated. Paragraph 4 is hereby added accordingly.</p> <p>2. It is necessary to state in the meeting notice the alternatives made available to the shareholders who attend the virtual shareholder meeting experiencing difficulties. Paragraph 5 is hereby added accordingly to require detailing in the meeting minutes the alternatives made available to the shareholders who attend the meeting experiencing digital divide.</p> |
| <p>Article 16 The Company shall prepare the statistics of the number of shares acquired by the solicitors, the number of shares represented by the entrusted agents, <u>and the number of shares held by the shareholders attending the meeting in writing or electronically</u> in an appropriate format as prescribed on the shareholder meeting date and should be disclosed on the shareholder meeting date. <u>For a virtual shareholder meeting, the Company shall have the aforementioned data uploaded to the virtual meeting platform at least 30 minutes prior to the time the meeting commences till the end of the meeting.</u></p> <p><u>The Company while holding a virtual shareholder meeting should have the number of shares represented by the attending shareholders announced on the virtual meeting platform at the time of calling the meeting to order. It is the same as the statistics of the shares and voting rights represented by the shareholders present in the meeting.</u></p> | <p>Article 16 The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date.</p> <p>If the resolutions reached in the</p> | <p>1. The number of shares acquired by the solicitors, the number of shares represented by the entrusted agents, and the number of shares of the shareholders attending the meeting in writing or electronically should be disclosed at the shareholder meeting place for the information of the shareholders. The said information should be uploaded to the virtual meeting platform for the virtual shareholder meeting convened by the company. Paragraph 1 is hereby amended accordingly.</p> <p>2. The company while holding a virtual shareholder meeting should have the number of shares represented by the attending shareholders announced on the virtual meeting platform</p> |

| Amendments | Current existing clauses | Description of amendments |
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| <p>If the resolutions reached in the shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall within the prescribed time have the material information uploaded to the MOPS.</p> | <p>shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall within the prescribed time have the material information uploaded to the MOPS.</p> | <p>at the time of calling the meeting to order so as to help the attending shareholders know whether the number of shares in attendance has reached the threshold for holding the shareholder meeting. The statistics of the number of shares in attendance of the shareholders, if available subsequently, should also be disclosed on the virtual meeting platform. Paragraph 2 is hereby added accordingly.</p> |
| <p><u>Article 19</u> <u>The Company shall immediately disclose the voting results and election results of each proposal on the virtual meeting platform in accordance with the regulations continuously for at least 15 minutes after the chairman announcing the meeting adjourned.</u></p> | | <ol style="list-style-type: none"> 1. This article is added. 2. For the purpose of helping the shareholders who attend the virtual shareholder meeting immediately know the voting results and election results of each proposal, it is stipulated to have sufficient time reserved for information disclosure. This Article is hereby added accordingly. |
| <p><u>Article 20</u> <u>The chairman and clerk who attend the Company's virtual shareholder meeting shall be at the same place in Taiwan, and the chairman shall announce the address of the meeting place at the time of calling the meeting to order.</u></p> | | <ol style="list-style-type: none"> 1. This article is added. 2. The chairman and clerk who attend the virtual shareholder meeting that is without an actual meeting place available shall be at the same place in Taiwan. In addition, the chairman shall announce the address where the chairman is stationed at the time of calling the meeting to order for the information of the shareholders. This article is hereby added accordingly. |
| <p><u>Article 21</u> <u>The Company may provide a simple connection test to shareholders who attend the virtual shareholder meeting prior to the time the meeting commences, and provide relevant services immediately before and during the meeting to help handle technical communication problems.</u> <u>The chairman of the virtual shareholder meeting at the time of calling the meeting to order shall additionally announce that, except for those matters exempted from meeting postponement or reconvention as defined in Article 44-20, Paragraph 4 of the "Regulations Governing the Administration of Shareholder Services</u></p> | | <ol style="list-style-type: none"> 1. This article is added. 2. A video connection test can be provided prior to the time the meeting commences to reduce the telecommunication problems during the virtual shareholder meeting by referring to the actual practice overseas, and provide relevant services immediately before and during the meeting to help handle technical communication problems. Paragraph 1 is hereby added accordingly. 3. The chairman of the virtual |

| Amendments | Current existing clauses | Description of amendments |
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| <p><u>of Public Companies,” when there is an obstacle to the virtual meeting platform or to those attending the meeting by means of virtual communication network for more than 30 minutes due to calamities, incidents, or <i>force majeure</i> before the chairman announces the adjournment of the meeting, the meeting shall be postponed for not more than 5 days or shall be reconvened within five days. Article 182 of the Company Act is not applicable under this circumstance.</u></p> <p><u>For the aforementioned postponed or reconvened meeting, shareholders who did not register to attend the initial shareholder meeting by means of visual communication network may not attend the postponed or reconvened meeting.</u></p> <p><u>From the meetings that are to be postponed or reconvened in accordance with the provision stated in Paragraph 2, for shareholders who have registered to attend the initial shareholder meeting by means of virtual communication network, but do not attend the postponed or reconvened meeting, the number of shares they held to attend the initial shareholder meeting and the already exercised voting rights and election rights shall be included in the total number of shares, voting rights, and election rights of shareholders present at the postponed or reconvened meeting.</u></p> <p><u>When the shareholder meeting is postponed or reconvened in accordance with the provisions of Paragraph 2, the voting and vote count completed and announced or the proposal regarding the list of elected directors need not be re-discussed or resolved.</u></p> <p><u>If the video transmission cannot be recovered as stated in Paragraph 2 during the Company’s hybrid shareholder meeting, and the total shareholding of the attending shareholders after deducting the shareholdings of the shareholders who attend the hybrid meeting by means of visual communication network meets the quorum of the shareholdings meeting, the shareholder meeting should continue and it is not subject to the requirement of having the hybrid meeting postponed or reconvened as stated in Paragraph 2.</u></p> <p><u>The shareholdings of the shareholders who attend the continuing shareholder meeting by means of visual communication network as said in the preceding paragraph should be included for the calculation of total shareholdings</u></p> | | <p>shareholder meeting at the time of calling the meeting to order shall announce that when there is an obstacle to the virtual meeting platform or to those attending the meeting by means of virtual communication network for more than 30 minutes due to calamities, incidents, or <i>force majeure</i>, the meeting shall not be postponed for more than five days or the meeting should be reconvened within five days, which is not subject to Article 182 of the Company Act that requires having such decision resolved in the shareholder meeting in advance. Paragraph 2 is hereby added accordingly. If the virtual shareholder meeting cannot be convened or attended due to intentional misconduct or negligence of the company, virtual meeting platform, shareholder, solicitor, or proxy, it does not fall within the scope of this article.</p> <p>4. Upon the occurrence of meeting postponement or reconvention as stated in Paragraph 2, according to the provision of Article 44-20, Paragraph 2 of the “Regulations Governing the Administration of Shareholder Services of Public Companies,” those who (including solicitor and proxy agents) did not register to attend the initial shareholder meeting by means of virtual communication network may not attend the postponed or reconvened meeting. Paragraph 3 is hereby added accordingly. As for the convening of a hybrid shareholder meeting, the shareholders who initially attended the shareholder meeting in person may continue to physically attend the postponed or reconvened meeting as explained.</p> <p>5. When the Company has to</p> |

| Amendments | Current existing clauses | Description of amendments |
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| <p><u>of the attending shareholders; however, the attending shareholders by means of virtual communication network shall be deemed to have waived their voting power in respective of all proposals at the said shareholder meeting.</u></p> <p><u>The Company while arranging the postponed or reconvened meeting in accordance with Paragraph 2 shall handle the relevant preparatory work according to the date of the initial shareholder meeting and the respective provisions stated in Article 44-20, Paragraph 7 of the “Regulations Governing the Administration of Shareholder Services of Public Companies.”</u></p> <p><u>For the period specified in the last paragraph of Article 12 and Article 13, Paragraph 3 of the “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies,” and Article 44-5 Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the “Regulations Governing the Administration of Shareholder Service of Public Companies,” the Company shall have it processed in accordance with the postponed or reconvened shareholder meeting date stipulated in Paragraph 2.</u></p> | | <p>arrange a postponed or reconvened meeting in accordance with the provisions of Paragraph 2, according to the provision of Article 44-20, Paragraph 3 of the “Regulations Governing the Administration of Shareholder Services of Public Companies,” for shareholders (including solicitors and proxy agents) who have registered to attend the initial shareholder meeting by means of virtual communication network, but do not attend the postponed or reconvened meeting, the number of shares they held to attend the initial shareholder meeting and the already exercised voting rights and election rights shall be included in the total number of shares, voting rights, and election rights of shareholders present at the postponed or reconvened meeting. Paragraph 4 is hereby added accordingly.</p> <p>6. When the meeting cannot be continued due to communication obstacles, and it needs to be postponed or reconvened, the voting and vote count completed and announced or the proposal regarding the list of elected directors are deemed as resolved and need not be re-discussed or resolved again in order to reduce the time and cost of reconvening a meeting. Paragraph 5 is hereby formulated accordingly.</p> <p>7. Since the hybrid shareholder meeting is attended by shareholders in person and by virtual communication network simultaneously, for the obstacles occurring to the virtual meeting platform or difficulties of attending a meeting by visual communication network due to <i>force majeure</i>, because the meeting is in session with the shareholders</p> |

| Amendments | Current existing clauses | Description of amendments |
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| | | <p>present in person; also, if the total shareholding of the shareholders attending the meeting after deducting the shareholdings of the shareholders who attend the meeting by means of visual communication network still meets the quorum, the shareholder meeting should continue and it is not subject to the requirement of having a postponed or reconvened meeting held as stated in Paragraph 2. Paragraph 6 is hereby stipulated accordingly.</p> <p>8. When the Company should continue the meeting upon the occurrence of the events as stated in Paragraph 2 without the need to postpone or reconvene the meeting, according to the provisions of Article 44-20, Paragraph 5 of the “Regulations Governing the Administration of Shareholder Services of Public Companies,” for those who (including solicitor and proxy agents) attend the shareholder meeting by means of virtual communication network, their shareholding in attendance shall be included in the total number of shares; however, they shall be deemed to have waived their voting power in respective of all proposals at the said shareholder meeting. Paragraph 7 is hereby added accordingly.</p> <p>9. Since the postponed or reconvened meeting due to the occurrence of disconnection is the same as the initial shareholder meeting in its nature, there is no need to postpone or reconvene the meeting with all the relevant preparatory work arranged again due to the postponement or reconvening date in accordance with Article 44-20, Paragraph 7 of the “Regulations Governing the Administration of</p> |

| Amendments | Current existing clauses | Description of amendments |
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| | | <p>Shareholder Services of Public Companies.” Paragraph 8 is hereby stipulated accordingly.</p> <p>10. In addition, when the virtual shareholder meeting has been postponed, for the matters that must be announced and disclosed on the day of the shareholder meeting according to the provisions in the last paragraph of Article 12 and Article 13, Paragraph 3 of the “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies,” and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the “Regulations Governing the Administration of Shareholder Services of Public Companies,” it is necessary to have them disclosed for the information of the shareholders on the postponed or reconvened meeting date. Paragraph 9 is hereby stipulated accordingly.</p> |
| <p>Article <u>22</u> <u>When it convenes the virtual shareholder meeting, the Company should provide adequate alternatives to the shareholders who have difficulties attending the virtual shareholder meeting by means of virtual communication network.</u></p> | | <ol style="list-style-type: none"> 1. This article is added. 2. When the company convenes a virtual shareholder meeting, considering the digital divide suffered by those shareholders who have difficulties attending the meeting by means of virtual communication network, it is necessary to provide alternatives to the said shareholders, such as exercising voting rights in writing or providing shareholders with the necessary equipment to attend the meeting. |
| <p>Article <u>23</u> These rules will be implemented after being approved in the shareholders’ meeting, same as the amendment.</p> | <p>Article <u>19</u> These rules will be implemented after being approved in the shareholders’ meeting, same as the amendment.</p> | <p>The article orders are adjusted in corresponding with the addition of clauses.</p> |

Yuanta Futures Co., Ltd.
The comparison table of the “Regulations Governing the Acquisition or Disposal of Assets” amendment

| Amendments | Current existing clauses | Description |
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| <p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective associations and</u> the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and | <p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item | <ol style="list-style-type: none"> 1. The amendments to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were made in accordance with the Jin-Guan-Zheng-Fa-Zi No. 1110380465 Order dated January 28, 2022 (hereinafter referred to as amendments to Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”). 2. The respective associations of the external experts have relevant regulations formulated for the undertaken businesses. For example, professional appraisers issue appraisal reports in accordance with the self-regulatory rules related to real estate appraisal. The associations of other external experts should also comply with the “Practice Guide for Experts Issuing Opinions” promulgated by the Taiwan Stock Exchange Corporation to revise and incorporate the relevant self-regulatory rules for their operators or personnel to issue opinions. For the purpose of clarifying the procedures to be followed by and responsibilities of the external experts, the preamble Paragraph 2 is amended to regulate professional appraisers and their officers, certified public |

| Amendments | Current existing clauses | Description |
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| <p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable that they have complied with applicable laws and regulations.</p> | <p>evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> | <p>accountants, attorneys, or securities underwriters in issuing valuation reports or opinions in accordance with the provisions of Paragraph 2 and the self-regulatory rules of their respective associations.</p> <p>3. Since the issuance of appraisal reports or opinions on the reasonableness of price by experts in accordance with the “Regulations” is not a task of auditing financial reports in its nature, the wording of “auditing” is amended as “implementation” in Paragraph 2, Subparagraph 2 accordingly.</p> <p>4. Considering the actual evaluation on the data sources, parameters, and information by external experts, and referring to Article 9, Paragraph 4, Subparagraph 4, Item 3-5 of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” (2014) Ji-Mi-Zi No. 000000298 Letter dated December 25, 2014, and Article 27 of Evaluation Standard No.8 regarding the appropriateness and reasonableness of data sources and parameters, the wordings in Paragraph 2, Subparagraph 3 and Subparagraph 4 are hereby amended to conform to the actual operation accordingly.</p> |
| <p>Article 9 In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report to the date</p> | <p>Article 9 In the event that the transaction amount for acquiring or disposing of real property, equipment, or its right-of-use assets reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the</p> | <p>1. It is amended in accordance with Article 9 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> |

| Amendments | Current existing clauses | Description |
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| <p>of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall apply to any subsequent changes to the terms and conditions of transaction. 2. The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. <ul style="list-style-type: none"> (1) The spread between the appraisal result and the transaction amount exceeds 20% (2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; However, if it is applicable to the same present value announced and is not over six months, the original professional appraiser may have an opinion issued. | <p>date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use.</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall apply to any subsequent changes to the terms and conditions of transaction. 2. The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be <u>engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ul style="list-style-type: none"> (1) The spread between the appraisal result and the transaction amount exceeds 20% (2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount 4. The date of the appraisal report issued for the appraisal performed <u>before the professional appraisal contract date</u> may not be more than three months from the contract date. However, if it is applicable to the same present value announced and is not over six months, the original professional appraiser may have an opinion issued. | <ol style="list-style-type: none"> 2. Since the requirement for external experts to have opinions issued in compliance with the self-regulatory rules of their respective associations is included in Article 6 as an amendment made to the article, which also includes the procedures for certified public accountants to issue opinions, the requirement stated in Paragraph 1, Subparagraph 3 for certified public accountants to comply with Article 20 of the Statement of Auditing Standards (SASs No. 20) announced by Accounting Research and Development Foundation is hereby deleted accordingly. |
| <p>Article 10 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by</p> | <p>Article 10 For the acquisition or disposal of securities, the Company should collect the latest financial statements audited or reviewed by the CPAs of the underlying company before the date of occurrence as a reference for</p> | <ol style="list-style-type: none"> 1. It is amended in accordance with Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets |

| Amendments | Current existing clauses | Description |
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| <p>a certified public accountant, for reference in appraising the transaction price. In addition, when the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. However, the securities are offered publicly with a quote available in market or otherwise authorized by the Financial Supervisory Commission; it is not subject to this restriction.</p> | <p>evaluating the transaction prices. In addition, when the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> However, the securities are offered publicly with a quote available in market or otherwise authorized by the Financial Supervisory Commission; it is not subject to this restriction.</p> | <p>by Public Companies.”</p> <p>2. The reasons for the amendment are the same as Note of Article 9.</p> |
| <p>Article 11 When the Company’s acquisition and disposal of intangible assets the right-of-use assets or memberships reaches 20% or more of paid-in capital or NT\$300 million or more, unless it is a transaction conducted with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> | <p>Article 11 In the event that the transaction amount for acquiring or disposing of intangible assets or its right-of-use assets or memberships reaches twenty percent (20%) of paid-in capital or NT\$300 million or more, except for transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of event occurrence to render an opinion on the fairness of the transaction price. <u>The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> | <p>1. It is amended in accordance with Article 11 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>2. The reasons for the amendment are the same as Note of Article 9.</p> |
| <p>Article 12 The transactions amount in the first three clauses should be calculated in accordance with Article 31 Paragraph 2. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the guidelines.</p> | <p>Article 12 The transactions amount in the first three clauses should be calculated in accordance with Article 36 Paragraph 2. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the guidelines.</p> | <p>Article is numbered in error and must be corrected.</p> |
| <p>Article 14 The assets acquired by the Company are listed in the property catalog by the Accounting Department, <u>and the relevant vouchers are safekept by the Administration Office</u> for inventory count at the end of the year and together with the Auditing <u>Department</u> when necessary.</p> | <p>Article 14 The <u>Finance</u> Accounting Department is to prepare the property catalog for the Company’s fixed assets in accordance with the <u>relevant evidences</u>. The Administration Office is to have the inventory count list prepared at the end of each year with the participation of the Audit Office, if necessary. <u>The assets other than the ones referred to above and the supporting documents should be inventory counted by the Accounting Department from time to time; also, should be cross examined against the bookkeeping.</u></p> | <p>The Finance & Accounting Department is now divided into the Finance Department and Accounting Department in response to the Company’s organizational restructure. This article is hereby amended according to the respective powers and responsibilities and practical operating procedures.</p> |

| Amendments | Current existing clauses | Description |
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| <p>Article 15 The Company’s obsolete assets or assets lost in inventory count should be handled in accordance with the Company’s internal rules and the provisions of the “Regulation Governing Assessment of Profit-Seeking Enterprise Income Tax Act” by the Administration Office.</p> | <p>Article 15 The Administration Office should have the Company’s obsolete or missing assets identified during the inventory count reported and processed in accordance with the provision referred to above and the Guidelines Governing Profit-seeking Enterprise Income Tax Audit.</p> | <p>The Company’s obsolete assets or assets lost in inventory count, if any, should be handled in accordance with the Company’s Guidelines for Fixed Asset Management, the division of rights and responsibilities, and other relevant regulations. This article is hereby amended accordingly.</p> |
| <p>Article 17 When acquiring or disposing of real property or its right-of-use assets or other assets with a related party through purchase or swap at an amount reaching twenty percent (20%) of paid-in capital or the percent (10%) of the total assets or exceeding NT\$300 million, the Company shall prepare the following documentation and submit it to the Audit Committee and the Board of Directors for approval prior to signing the transaction contract and disbursing the payment, except for trading domestic bonds or bonds under repurchase and resale agreements, or subscription or buy back of domestic money market funds issued by security investment trust funds.</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of the acquisition or disposal of real estate and assets 2. The reasons for selecting the related party as the counterparty 3. When acquiring real property or its right-of-use assets from a related party, assess the fairness of transaction terms according articles 18 and 19. 4. The matters of the related party’s original acquisition date and price, counterparty, and the relationship with the Company and the related party 5. The monthly cash income and expense forecast within the year from the month of the contract signed; also, assess the necessity of the trade and the reasonableness of the use of funds. 6. Acquire the appraisal report from the professional appraisers or the opinions of the CPAs in accordance with the provisions referred to above. 7. The restrictions and other important stipulations of the transaction <p><u>When the Company or the Company’s subsidiary that is not itself a public company in Taiwan has conducted any transactions as specified in Paragraph 1 for a transaction amount exceeding 10% of the Company’s total assets, the Company shall have the information as</u></p> | <p>Article 17 When acquiring or disposing of real property or its right-of-use assets or other assets with a related party through purchase or swap at an amount reaching twenty percent (20%) of paid-in capital or the percent (10%) of the total assets or exceeding NT\$300 million, the Company shall prepare the following documentation and submit it to the Audit Committee and the Board of Directors for approval prior to signing the transaction contract and disbursing the payment, except for trading domestic bonds or bonds under repurchase and resale agreements, or subscription or buy back of domestic money market funds issued by security investment trust funds.</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of the acquisition or disposal of real estate and assets 2. The reasons for selecting the related party as the counterparty 3. When acquiring real property or its right-of-use assets from a related party, assess the fairness of transaction terms according articles 18 and 19. 4. The matters of the related party’s original acquisition date and price, counterparty, and the relationship with the Company and the related party 5. The monthly cash income and expense forecast within the year from the month of the contract signed; also, assess the necessity of the trade and the reasonableness of the use of funds. 6. Acquire the appraisal report from the professional appraisers or the opinions of the CPAs in accordance with the provisions referred to above. 7. The restrictions and other important stipulations of the transaction | <ol style="list-style-type: none"> 1. It is amended in accordance with Article 17 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.” 2. Paragraph 2 is added: <ol style="list-style-type: none"> (1) For the purpose of enhancing the management of related party transactions and protecting the rights of minority shareholders of public companies in expressing their opinions on the related party transactions, by referring to the requirements of having significant related party transactions proposed to the shareholder meeting for approval in advance in the international capital markets, such as Singapore and Hong Kong; in addition, to prevent the public companies from conducting significant related party transactions through the subsidiary that is not itself a public company in Taiwan so as to avoid having the relevant data submitted to the shareholder meeting for approval, it is |

| Amendments | Current existing clauses | Description |
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| <p><u>stated in Paragraph 1 submitted to the shareholder meeting for approval before having the transaction contract signed and payment made. However, the transactions conducted between the Company and the parent company or subsidiaries, or between the subsidiaries, or between the parent company and subsidiaries are not subject to this restriction.</u></p> <p>The calculation of the transaction amount referred to in the <u>paragraph 1 and</u> preceding paragraph shall be made with respect to paragraph 2 of Article 31. “Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part approved by the Board of Directors, <u>the shareholders’ meeting</u> and recognized by the Audit Committee according to these Procedures shall be exempted.</p> <p>When reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting. Matters recognized by the Audit Committee with respect to paragraph 1 shall first be approved by over half of all members of the Audit Committee and submitted to the Board of Directors for resolutions prior to implementing according to the regulations specified by the competent authority.</p> | <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made with respect to paragraph 2 of Article 31. “Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part approved by the Board of Directors and recognized by the Audit Committee according to these Procedures shall be exempted.</p> <p>When reported to the Board for discussion in accordance with Paragraph 1, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting. Matters recognized by the Audit Committee with respect to paragraph 1 shall first be approved by over half of all members of the Audit Committee and submitted to the Board of Directors for resolutions prior to implementing according to the regulations specified by the competent authority.</p> | <p>hereby stipulated explicitly that when a public company or its subsidiary that is not itself a public company in Taiwan acquires or disposes assets as listed in Paragraph 1 for an amount equivalent to 10% or more of the public company’s assets, the public company shall have the relevant information submitted to the shareholder meeting for approval in advance. The information that must be submitted to the shareholder meeting for approval by the subsidiary that is not itself a public company in Taiwan is to be submitted by the direct parent company.</p> <p>(2) Considering the overall business planning needs of the public company and its parent company and subsidiaries, or between the subsidiaries, and referring to the exemption rules of the aforementioned major international capital markets, the exemption of submitting information to the shareholder meeting for approval in advance is hereby included with the proviso accordingly.</p> <p>(3) In addition, if the material related party transactions stated in the preceding paragraph are subject to the provisions of Article 185, Paragraph 1,</p> |

| Amendments | Current existing clauses | Description |
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| | | <p>Subparagraphs 1–3 of the Company Act, the resolution reached in the shareholder meeting shall be handled in accordance with the special resolution stated in Article 185 of the Company Act, the matters stated in the preceding paragraph, and the relevant provisions of the Company Act.</p> <p>3. Incumbent Paragraph 2 is amended as Paragraph 3. The calculation of the amended amount of transaction is included in the transaction passed by the shareholder meeting in corresponding to the newly added Paragraph 2.</p> |
| <p>Article 31 The Company should have the acquisition or disposal of assets that fell in one of the following circumstances reported in the designated format on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party with a transaction amount that reaches twenty percent (20%) or more of the paid-in capital, ten percent (10%) or more of the Company’s total assets, or NT\$300 million or more, However, domestic bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements. 2. Process merger, spins-off, acquisition, or assignment of shares. 3. Losses from derivatives trading reaching the limit on aggregate losses specified in these Procedures or losses on individual contracts. 4. Acquisition or disposal of equipment or its right-of-use assets for business operations from an unrelated party at a | <p>Article 31 The Company should have the acquisition or disposal of assets that fell in one of the following circumstances reported in the designated format on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party with a transaction amount that reaches twenty percent (20%) or more of the paid-in capital, ten percent (10%) or more of the Company’s total assets, or NT\$300 million or more, However, domestic bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements. 2. Process merger, spins-off, acquisition, or assignment of shares. 3. Losses from derivatives trading reaching the limit on aggregate losses specified in these Procedures or losses on individual contracts. 4. Acquisition or disposal of equipment or its right-of-use assets for business operations from an unrelated party at a | <ol style="list-style-type: none"> 1. It is amended in accordance with Article 31 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.” 2. Since the incumbent public companies are exempted from announcing and reporting the trade of domestic government bonds, Paragraph 1, Subparagraph 6, Item 1 is hereby amended accordingly to ease the requirement of announcing and reporting the trade of foreign government bonds issued that is with a sovereign rating not lower than the sovereign rating of the R.O.C.. 3. Considering the simplicity of foreign government bonds with better credit than foreign ordinary corporate bonds in general; in addition, exchange traded notes |

| Amendments | Current existing clauses | Description |
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| <p>transaction amount of or above NT\$500 million.</p> <p>5. Acquisition of real property under an arrangement on engaging others to build on the Company’s own land, engaging others to build on rented land, joint construction and redistribution of housing units, joint construction and redistribution of ownership percentages, or joint construction and separate sales from an unrelated party in which the Company expects to invest up to NT\$500 million.</p> <p>6. The amount of the assets trade other than the ones in the five paragraphs referred to above, the disposal of credit by the financial institutions, or the investment in Mainland China for an amount exceeds 20% of the paid-in capital or NT\$300 million. Except for in the following circumstances:</p> <p>(1) Domestic bond trade <u>or foreign government bonds that are with a sovereign rating not lower than the sovereign rating of the R.O.C..</u></p> <p>(2) Where done by professional investors, securities trading at TWSE/TPEX, or subscription of <u>foreign corporate bonds</u>, ordinary corporate bonds, or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes.</u></p> <p>(3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises</p> <p>The transaction amount referred to above is calculated in accordance with the following:</p> <ol style="list-style-type: none"> 1. Amount per transaction 2. The accumulated amount of the acquisition or disposal of the same underlying subject with the same counterparty within one year 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets in the same development project within the same year. 4. The accumulated amount of the acquisition or disposal (itemized | <p>transaction amount of or above NT\$500 million.</p> <p>5. Acquisition of real property under an arrangement on engaging others to build on the Company’s own land, engaging others to build on rented land, joint construction and redistribution of housing units, joint construction and redistribution of ownership percentages, or joint construction and separate sales from an unrelated party in which the Company expects to invest up to NT\$500 million.</p> <p>6. The amount of the assets trade other than the ones in the five paragraphs referred to above, the disposal of credit by the financial institutions, or the investment in Mainland China for an amount exceeds 20% of the paid-in capital or NT\$300 million. Except for in the following circumstances:</p> <p>(1) Domestic bond trade.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.</p> <p>(3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises</p> <p>The transaction amount referred to above is calculated in accordance with the following:</p> <ol style="list-style-type: none"> 1. Amount per transaction 2. The accumulated amount of the acquisition or disposal of the same underlying subject with the same counterparty within one year 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets in the same development project within the same year. 4. The accumulated amount of the | <p>and exchange stock funds being similar in nature, Paragraph 1, Subparagraph 6, Item 2 is hereby amended accordingly to exempt the subscription of foreign government bonds in the primary market and subscription or sell-back of exchange traded notes by professional investors from the requirement of announcement and reporting.</p> |

| Amendments | Current existing clauses | Description |
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| <p>accumulation of acquisition and disposal) of the same security within one year</p> <p>The alleged “within one year” referred to above meant for the one year prior to the date of occurrence excluding the part that had already been announced in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>The Company shall have the derivative transaction of the Company and its non-public subsidiary up to the last month published in the designated format on-line at the information network designated by the competent authorities before the 10th day of each month.</p> <p>When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.</p> <p>The Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company’s premise for at least 5 years unless otherwise provided by law.</p> <p>If the competent authorities has the Company’s investment in Mainland China authorized after it is announced and reported by the Company in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the information of the original announcement date, the invested company in China, the expected investment amount, counterparty, and the approval date of the competent authorities should be disclosed on the Market Observation Post System (MOPS).</p> <p>The Company should have the announcement and reporting made on behalf of the non-public subsidiary.</p> | <p>acquisition or disposal (itemized accumulation of acquisition and disposal) of the same security within one year</p> <p>The alleged “within one year” referred to above meant for the one year prior to the date of occurrence excluding the part that had already been announced in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>The Company shall have the derivative transaction of the Company and its non-public subsidiary up to the last month published in the designated format on-line at the information network designated by the competent authorities before the 10th day of each month.</p> <p>When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.</p> <p>The Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company’s premise for at least 5 years unless otherwise provided by law.</p> <p>If the competent authorities has the Company’s investment in Mainland China authorized after it is announced and reported by the Company in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the information of the original announcement date, the invested company in China, the expected investment amount, counterparty, and the approval date of the competent authorities should be disclosed on the Market Observation Post System (MOPS).</p> <p>The Company should have the announcement and reporting made on behalf of the non-public subsidiary.</p> | |

Appendix 1

Current and minimum number of shares held by Directors

1. The Company has a paid-up capital of \$2,899,762,880, issued in 289,976,288 ordinary shares.
2. According to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shareholding of the Company’s board directors is 12,000,000 shares. The Company has an Audit Committee established; therefore, there is no requirement on the minimum shareholding of the supervisors.
3. As at the book closure date of this annual general meeting (March 26, 2022), the shareholders registry showed total shares held by Directors at 192,167,005, of which have complied with Article 26 of The Securities and Exchange Act. The details are as follows:

Ex-transfer date on March 26, 2022

| Title | Name | Number of shares held (shares) | Shareholding percentage (%) |
|-------------------------------|---|--------------------------------|-----------------------------|
| Chairman | Yuanta Financial Holding Co., Ltd. Representative: Tien-Fu Lin | 192,167,005 | 66.26% |
| Vice Chairman | Yuanta Financial Holding Co., Ltd. Representative: Hsiao-Ling Chou | | |
| Director | Yuanta Financial Holding Co., Ltd. Representative: Hsien-Tao Chiu | | |
| Director | Yuanta Financial Holding Co., Ltd. Representative: Yueh-Tsang Li | | |
| Director | Yuanta Financial Holding Co., Ltd. Representative: Kuo-Tsun Hsu | | |
| Director | Yuanta Financial Holding Co., Ltd. Representative: Mei-Ling Kuo | | |
| Independent Director | Yu-Chun Wu | 0 | 0% |
| Independent Director | Nai-Kuan Huang | 0 | 0% |
| Independent Director | Hui-Erh Yuan | 0 | 0% |
| Total Directors' shareholding | | 192,167,005 | 66.26% |

Appendix 2

Information relating to shareholders meeting agendas

I. Shareholders meeting agendas

1. According to Article 172-1 of The Company Act, shareholders who own more than 1% of The Company's outstanding shares are entitled to submit one agenda for discussion during the annual general meeting. The submission must be made in writing and is limited to 300 words.
2. The Company has accepted shareholders' proposed agendas for this year's annual general meeting between March 18 to 28, 2022. This information has been published on the Market Observation Post System.
3. The Company received no proposals from existing shareholders during that period.

Appendix 3

Yuanta Futures Co., Ltd.

The Company's Articles of Incorporation (Before amendments)

Chapter 1 General Principles

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

Article 2 The Company's industry classifications are:

- H401011 Futures Merchant.
- H405011 Futures Consultation Services.
- H304011 Security-investing Advices.
- H407011 Futures Management.
- H301011 Securities Brokerage.
- H310011 Futures Introducing Broker.
- H404011 Leverage Transaction Merchants.

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

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

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

Article 4 Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act and relevant laws of the authority.

Chapter 2 Share capital

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

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

Article 7 Shareholders must provide their names and residential or registered addresses, along

with their signature specimen cards, to The Company. This information shall be registered into the shareholders registry.

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

Article 9 The company's share administration practices shall comply with "Printing Specifications for the Certificates of Publicly Traded Shares".

Article 10 The company's shareholders' registry will be closed within 60 days before the annual general meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the base date for distributing dividends or other entitlements.

Article 11 All other matters relating to share administration shall comply with The Company Act and other relevant regulations.

Chapter 3 Shareholders Meetings

Article 12 The Company holds two types of shareholders meetings:

1. The annual general meeting is held at least once a year, and within six months after the end of an accounting period unless otherwise permitted by The Company Act.
2. Extraordinary shareholders meetings may be held whenever necessary, subject to compliance with the relevant laws.

Article 13 The convention of an annual general meeting must be communicated to shareholders with detailed date, venue, and agendas at least 30 days, and 15 days for extraordinary shareholders meetings, in advance. The Company may distribute the above mentioned notices to shareholders holding less than one thousand shares by way of public announcements instead.

Article 14 The shareholders of the Company have one voting right per share, except for the non-voting rights of the shares provided for in Article 179 of the Company Act and other laws and regulations.

Article 15 If a shareholder is unable to attend the shareholders meeting in person, a proxy can be appointed by completing The Company's proxy form and by specifying the scope of delegated authority. Unless otherwise regulated by The Company Act, shareholders must delegate their proxies in compliance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

Article 16 Unless otherwise specified in The Company Act, shareholders meetings are convened by the Board of Directors. Shareholders meetings shall be chaired by the Chairmen. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Vice Chairman will take the Chairman's place in the meeting. If the Vice Chairman is also absent, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.

Article 17 Except otherwise regulated by The Company Act, a shareholders meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting. In addition, when the Company has adopted an electronic voting form in accordance with the provisions of the competent authorities, the shareholders of the Company may

exercise their voting rights in an electronic form. The shareholders who exercise their voting rights in an electronic form shall be deemed as voting in person; also, the relevant matters shall be handled in accordance with the laws and regulations.

If the Company intends to apply for the suspension of public offering, it shall submit a special resolution to the shareholders' meeting.

Article 18 Shareholders meeting resolutions must be compiled into detailed minutes, signed by the meeting chairman, and distributed to every shareholder within 20 days after the meeting. The distribution can be made by way of public announcement. The minutes must detail the date and venue of the meeting, the meeting chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained indefinitely. Shareholders' attendance sheets and proxy forms shall be retained as required by the relevant regulations. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.

Chapter 4 The Board of Directors, Directors and Managers

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

The Company shall appoint the above mentioned Independent Directors by way of candidate nomination according to Article 14-2 and 183 of The Securities and Exchange Act.

The Directors (including independent directors) elections were held in accordance with a nomination system. Shareholders who are with over 1% shareholding and the board of directors may propose the list of nominees for directors for the review of the board of directors and with the qualified candidates presented in the shareholders' meeting to be elected by the shareholders.

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

Article 20 The Board of Directors exercises the following authorities:

1. Approval of The Company's business strategies and plans.
2. Approves The Company's budgets and reviews period-end closing.
3. Approval of The Company's foundation rules.
4. Approval of major policies within The Company.
5. Decides the increase/decrease of raised capital, and certifies the issuance of share certificates.
6. Drafts The Company's earnings appropriation proposals.
7. Resolves The Company's corporate bond issuance.
8. Decisions regarding buybacks of The Company's shares.
9. Appoints The Company's managers and finance, accounting, risk management, legal & compliance, and internal audit executives.
10. Approves the acquisition or disposal of major assets.

11. Sets the dates for The Company's annual general meetings or extraordinary shareholders meetings.
12. Approves managers' performance and remuneration standards, and the remuneration to individual directors.
13. Other matters prescribed by law or authorized by the shareholders' meeting.

Article 20-1 The Company shall assemble a Remuneration Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.

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

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

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

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

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

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

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

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

Article 24 (Deleted)

Article 25 The Company has the "Audit Committee" composed by all the independent directors

in accordance with Article 14-4 of the Securities and Exchange Act.

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

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

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

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

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

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

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

Chapter 5 Accounting

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

1. Business Report
2. Financial statements.
3. Earnings distribution or loss reimbursement proposal.

Article 29 After paying tax and making up for the accumulated losses with the annual earnings, the Company shall appropriate 10% of the remaining earnings as legal reserve, 20% of the remaining earnings as special reserve and with the special reserve appropriated or reversed according to the law and regulations before distributing earnings. The remaining balance amount plus the unappropriated earnings of previous years should be distributed to shareholders according to the proposal of the Board of Directors and the resolution reached in the Shareholders' meeting. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital.

To incentivize employees and the management team, this Company shall appropriate one per-mille (0.1%) to five per-cent (5%) of the balance from deducting the accumulated deficits from the profit of the year (e.g. income before tax deducting the income before deducting the compensation for employees). In addition, when

distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements.

The said “certain requirements” shall be determined by the Board of Directors.

The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:

1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for distribution.
2. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.

Chapter 6 Additional Rules

Article 30 The Board of Directors is authorized to determine The Company's foundation rules and levels of authority.

Article 31 Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and the relevant regulations.

Article 32 The Company's Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 23, 2018; the 28th amendment was completed on May 27, 2020; the 29th amendment was completed on July 5, 2021 and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.

Yuanta Futures Co., Ltd.

Shareholders Meeting Rules (Before amendments)

The amendment was resolved in the shareholder's meeting on June 7, 2005
The amendment was resolved in the shareholder's meeting on March 22, 2007
The amendment was resolved in the shareholder's meeting on June 2, 2009
The amendment was resolved in the shareholder's meeting on October 6, 2011
The amendment was resolved in the shareholder's meeting on October 6, 2011
The amendment was resolved in the shareholder's meeting on May 23, 2012
It was resolved for re-set in the shareholder's meeting on May 17, 2013
The amendment was resolved in the shareholder's meeting on May 21, 2015
The amendment was resolved in the shareholder's meeting on May 27, 2021
The amendment was resolved in the shareholder's meeting on July 5, 2021

- Article 1 For the purpose of establishing the Company's shareholder's meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 5 of the Company's "Corporate Governance Best-Practice Principles" for compliance.
- Article 2 The Company's "Shareholders Meeting Rules' Meetings," unless otherwise provided by the law and regulations or Articles of Incorporation, should be processed in accordance with the Rules.
- Article 3 The Company's shareholders' meetings, unless otherwise provided by the law and regulations, should be convened by the Board of Directors.

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

The notice and announcement of convening the board meeting can be made electronically with the consent of the counterparty.

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

The reason for the convening of the shareholders' meeting is indicated as a full re-election of directors, and the date of assuming office is specified. After the re-election in the shareholders' meeting is completed, the date of assuming office shall not be changed via an extraordinary motion or other means at the same meeting.

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

The company shall, prior to the book-close date for the general shareholders' meeting, publicly

announce the acceptance of shareholder's proposals, written or electronic acceptance method, acceptance venue and acceptance period; the acceptance period shall be no less than 10 days.

The shareholder's proposal is limited to 300 words' otherwise it will not be included for discussion. The proposing shareholders must attend the shareholders' meeting in person or by proxy to participate in the proposal discussion.

The Company shall have the processing result presented in the shareholders' meeting before the meeting convening date and have the proposals in compliance with this clause included in the notice of meeting. The board of directors is to give the reason why the shareholder's proposal is not included for discussion in shareholders' meeting.

Article 4 Shareholders may issue a proxy printed by the Company with the scope of authorization defined to attend the shareholders' meeting.

It is one shareholder one proxy and limited to one commission that should be delivered to the Company 5 days before the shareholders' meeting date. The matter of proxy received in duplication is handled in accordance with the "first arrival" principle. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.

If the shareholders wish to exercise the balloting right by attending the meeting in person or voting in writing or by electronic means after the proxy is received by the Company, the shareholders shall have the Company informed in writing two days prior to the shareholders' meeting date to revoke the proxy. The balloting right exercised by the representative shall prevail if the proxy is not revoked before the deadline.

Article 5 The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence anytime earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents. The Company may not demand the attending shareholders to present any additional identification documents; the proxy solicitors should bring proof of identity with them for examination.

The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.

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

The number of representative attending the shareholders' meeting on behalf of the institutional shareholders, both the government and legal person, is not limited to one person. The number of legal person entrusted to attend the shareholders' meeting is limited to one person.

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

The director who is the representative of the chairman to preside the meeting referred to above must have already served the term for more than six months and understand the Company's finance and business conditions. The rule referred to above does apply if the chairman is a representative of the legal director.

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

If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to the shareholders meeting.

Article 8 The Company shall have the admission of the shareholders, the meeting in session, and the voting and vote counting process recorded and filmed uninterruptedly.

The audio and video data referred to above should be reserved for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.

Article 9 The attendance of the shareholders' meeting is counted by the shareholding. The attendees' shareholding is calculated in accordance with the attendance register submitted and the balloting rights exercised in writing or by electronic means.

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

However, if the attendees represented less than half of all outstanding shares, the meeting chairman may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

If the number of shares represented during the meeting accumulates to more than half of all outstanding shares, the chairman may re-propose the temporary resolutions for final voting according to Article 174 of The Company Act.

Article 10 If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and all relevant proposals shall be voted. The meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without the resolution of the shareholders' meeting.

The provision referred to above is applicable even when the shareholders' meeting is convened other than by the board of directors.

The Chairman may not announce the meeting is adjourned until a resolution is reached for the two procedures (including motions) referred to above. If the Chairman has announced the meeting adjourned in violation of the procedures, the other board directors shall promptly assist the shareholders presented with a majority of balloting rights to elect a chairman to continue the meeting in accordance with the legal procedures.

The chairman shall give an opportunity for a full explanation and discussion of the motions and the amendments or extraordinary motions proposed by the shareholders. When the chairman thinks that the voting can be carried out, he may declare a stop to the discussion and start the voting, and arrange sufficient time for voting.

Article 11 Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.

Shareholders who submit Speak Request Forms without actually speaking are considered to have

remained silent. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.

Each shareholder may not speak on the same proposal more than twice and not more than 5 minutes each time unless otherwise permitted by the Chairman. However, the Chairman may stop the shareholder from speaking if the speech is in violation of regulations or outside the scope of the proposal.

While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way without the consent of the meeting chairman and the person speaking. The meeting chairman shall restrain any violators.

For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda.

The Chairman may have the speech of the shareholder responded in person or by the designated personnel.

Article 12 The balloting of the shareholders' meeting is counted by the shareholding.

For the resolutions of the shareholders' meeting reached, the shareholding of the shareholders without balloting right is excluded from the count of the outstanding shares.

Shareholders cannot vote, or appoint proxies to vote, on any agendas that present conflicting interests, if doing so may compromise The Company's interests.

The shareholding of the shareholders without balloting right referred to above is not included in the balloting rights of the shareholders presented.

Except for the trust enterprise or the securities brokerages approved by the securities competent authorities, the balloting rights of the representative who is commissioned by two or more shareholders shall not exceed 3% of the balloting rights representing the total outstanding shares and the portion in excess does not count.

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

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.

The uses of written and electronic votes mentioned above must be delivered to The Company at least 2 days before the shareholders meeting. If there are duplicate submissions, the earlier submission shall prevail. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.

If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote 2 day before the shareholders meeting. If the withdrawal is not received in time, then the written or electronic vote shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, the proposal is passed in the meeting by the shareholders represented a majority of the balloting rights. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting. The result of the votes of approval, objection, or waiver casted by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the shareholders' meeting.

For the proposal with an amendment or alternative put to vote, the Chairman is to have it prioritized for balloting with the original bill enclosed. If any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The meeting chairman will appoint a ballot examiner and a ballot counter for each agenda. However, the ballot examiner must be a Director.

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots of the election referred to above should be sealed, signed, and reserved by the controller of ballot for safekeeping for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.

Article 15 The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.

The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.

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

Article 16 The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date.

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

Article 17 The service personnel for the shareholders' meeting shall wear identification badges or armbands. The meeting chairman may instruct picketers or security staffs to help maintain order in the meeting. While maintaining order in the meeting, all picketers or security staffs must wear arm badges which identify their roles as "Staff".

If the meeting venue is equipped with speakerphones, the Chairman may stop the shareholders who do not use the device provided by the Company from speaking.

The Chairman may command the marshals or security guards to escort the shareholders to leave the meeting venue if they are in violation of the rules of procedure, disobey the Chairman, and interfere with the meeting proceeding.

Article 18 The Chairman at his/her discretion may announce the meeting in recess; also, may announce to have the meeting suspended due to force majeure and announce the time for the meeting to resume.

If the venue of shareholders' meeting is not available before the end of the procedures (including motions), the shareholders' meeting may resolved to find another venue to continue the meeting.

A resolution of having the meeting postponed or continued can be reached within 5 days in the shareholders' meeting in accordance with Article 182 of the Company Act.

Article 19 These rules will be implemented after being approved in the shareholders' meeting, same as the amendment.

Appendix 5

Yuanta Futures Co., Ltd.

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

Resolved in the shareholders' meeting on May 23, 2012
The amendment was resolved in the shareholder's meeting on May 17, 2013
The amendment was resolved in the shareholder's meeting on May 22, 2014
The amendment was resolved in the shareholder's meeting on May 18, 2016
The amendment was resolved in the shareholder's meeting on May 17, 2017
The amendment was resolved in the shareholder's meeting on May 23, 2019

Chapter 1 General Principles

- Article 1 The Company has the Guidelines stipulated to strengthen asset management and substantiate information disclosure.
- Article 2 The Company's acquisition or disposal of assets is processed in accordance with the “Regulations Governing the Acquisition or Disposal of Assets.” The requirements, if any, specified in laws and regulations in relation to finance or by the Financial Supervisory Commission (FSC) shall apply.
- Article 3 If the Company's acquisition or disposal of assets in accordance with the Guidelines or other law must be approved by the board of directors; also, there is director's recorded or documented objections filed, the director's objections should be delivered to Audit Committee.
For the discussion of the Guidelines and the proposal for the acquisition or disposal of assets, the Company must invite the independent directors to attend the meeting, have the opinions of each independent director considered sufficiently, and have their supporting or opposing opinions and reasons documented in the minutes of meeting.
- Article 4 The scope of assets defined in the Guidelines is as follows:
1. Investment in stocks, government bonds, corporate bonds, financial bonds, fund-based securities, depositary receipts, call (put) warrants, beneficial securities, and asset-backed securities.
 2. Real estate (including land, housing and construction, investment real estate) and equipment
 3. Membership card
 4. Intangible assets including patents, copyrights, trademarks, and charter
 5. Right-of-use assets
 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 7. Derivatives
 8. The acquisition or disposal of assets by merger, spins-off, acquisition, or assignment of shares lawfully
 9. Other important assets
- Article 5 The terminologies used in the operating procedures are as follows:
1. Financial derivatives: referred herein are broadly defined as instruments that derive their value from the performance of underlying particular interest rate, financial instrument prices, commodity prices, currency exchange rates, prices or premium rate indexes, credit ratings or credit indexes or other variables. Such instruments include forward contracts, option contracts, futures contracts, leverage contracts, various combination thereof, or combined contracts embedded in financial derivatives or structured goods. The term forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 2. The acquisition or disposal of assets by merger, spins-off, acquisition, or assignment of

shares lawfully: Refers to the acquisition or disposal of assets by merger, spins-off, or purchase in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or, assignment of other company's shares by issuing stock shares in accordance with Article 156-3 of the Company Act (hereinafter referred to as "assignment of shares")

3. Related party and subsidiaries: It is recognized in accordance with the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants."
4. Professional appraisers: refers to the real estate appraiser or other appraisers conducting real estate and equipment appraisal by law.
5. Date of occurrence: refers to the contract date, payment date, commission closing date, the date of settlement, the board resolution date, or other date with the counterparty and transaction amount confirmed whichever is earlier. The investment that must be with the approval of the competent authorities is based on the date referred to above or the date received the approval of the competent authorities whichever is earlier.
6. Investment in Mainland China: refers to the investment in Mainland China in accordance with the "Regulations Governing Investment or Technical Cooperation in Mainland China" of the Investment Commission, MOEA.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

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

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

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing

the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Chapter 2 Operating procedures

Section 1 Acquisition or disposal of assets

Article 7 The total amount of the non-operating real estate or its right-of-use assets or securities acquired by the Company and its subsidiaries; also, the quota of individual security acquired are processed in accordance with the governing laws and the related business regulations and fund management provisions of the Company.

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

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

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

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

Article 10 For the acquisition or disposal of securities, the Company should collect the latest financial

statements audited or reviewed by the CPAs of the underlying company before the date of occurrence as a reference for evaluating the transaction prices. In addition, for the transactions amount over 20% of the paid-in capital or NT\$300 million, the commissioned CPA shall comment on the reasonableness of the transaction prices before the date of occurrence. If a professional report is needed by the CPAs, should be handled in accordance with the Generally Accepted Auditing Standards (GAAS) No. 20 of the Accounting Research and Development Foundation. However, the securities are offered publicly with a quote available in market or otherwise authorized by the competent authorities; it is not subject to this restriction.

- Article 11 In the event that the transaction amount for acquiring or disposing of intangible assets or its right-of-use assets or memberships reaches twenty percent (20%) of paid-in capital or NT\$300 million or more, except for transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of event occurrence to render an opinion on the fairness of the transaction price. The certified public accountant shall render such an opinion in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
- Article 12 The transactions amount in the first three clauses should be calculated in accordance with Article 36 Paragraph 2. Also, the alleged “within one year” meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA’s opinions acquired in accordance with the guidelines.
- Article 13 For the Company’s acquisition or disposal of assets by the court auction process, the supporting documents issued by the court can be used instead of the appraisal report or CPA’s opinions.
- Article 14 The Finance and Accounting Department is to prepare the property catalog for the Company’s fixed assets in accordance with the relevant evidences. The Administration Office is to have the inventory count list prepared at the end of each year with the participation of the Audit Office, if necessary. The assets other than the ones referred to above and the supporting documents should be inventory counted by the Accounting Department from time to time; also, should be cross examined against the bookkeeping.
- Article 15 The Administration Office should have the Company’s obsolete or missing assets identified during the inventory count reported and processed in accordance with the provision referred to above and the Guidelines Governing Profit-seeking Enterprise Income Tax Audit.

Section 2 Related party transactions

- Article 16 In addition to processing the related decision procedures and assessing the reasonableness of trade conditions in accordance with the provision referred to above and in this section, the appraisal report issued by the professional appraiser or the CPA’s opinions must be acquired in accordance with the guidelines referred to above for the acquisition or disposal of assets by the Company from the related party with a transaction amount over 10% of the Company’s total assets.
- The calculation of the transaction amount referred to above should be processed in accordance with Article 12.
- The legal form and the real relationship should be considered in determining whether the counterparty is a related party.
- Article 17 When acquiring or disposing of real property or its right-of-use assets or other assets with a related party through purchase or swap at an amount reaching twenty percent (20%) of paid-in capital or the percent (10%) of the total assets or exceeding NT\$300 million, the Company shall prepare the following documentation and submit it to the Audit Committee and the Board of Directors for approval prior to signing the transaction contract and disbursing the payment, except for trading domestic bonds or bonds under repurchase and resale agreements, or subscription or buy back of domestic money market funds issued by security investment trust funds.
1. The purpose, necessity, and expected benefits of the acquisition or disposal of real estate and assets
 2. The reasons for selecting the related party as the counterparty
 3. When acquiring real property or its right-of-use assets from a related party, assess the fairness of transaction terms according articles 18 and 19.

4. The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party
5. The monthly cash income and expense forecast within the year from the month of the contract signed; also, assess the necessity of the trade and the reasonableness of the use of funds.
6. Acquire the appraisal report from the professional appraisers or the opinions of the CPAs in accordance with the provisions referred to above.
7. The restrictions and other important stipulations of the transaction

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

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

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

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

1. Based on the transactions price of the related party plus the necessary funds interest cost and buyer's cost by law The alleged necessary funds interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets purchased provided that it should not be higher than the non-financial industry's highest loan interest rate announced by the Ministry of Finance.
2. If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institutions and the counterparty are related.

For the combined purchase or lease of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.

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

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

1. The related party acquired the real property or its right-of-use assets through inheritance or as a gift.
2. More than five years will have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.
3. Acquire property by signing with the related party a construction contract, including joint construction contract, proprietary-land construction, or leased-land construction.
4. The right-of-use of the real property for business use are acquired between this Company and the parent company, between subsidiaries, or between this Company with a subsidiary wholly owned, either directly or indirectly, by this Company.

Article 19 If the assessment result is lower than the transaction price in accordance with Paragraph 1

and Paragraph 2 referred to above, the Company is to have it processed in accordance with Article 20. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:

1. Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:
 - (1) The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term “reasonable construction profit” is based on the average gross profit rate in the last three years of the related party’s construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance whichever is lower.
 - (2) The transaction terms and the area of premises on other floors in the same property or in the neighborhood in transactions completed by other unrelated parties within the previous year are similar as assessed based on the reasonable price difference by floor or by location in accordance with property transaction or lease practices.
2. This Company evidences that the transaction terms and area of the real property acquired or its right-of-use assets leased from a related party are similar to that of transactions completed by unrelated parties in the neighborhood within the previous year.

Transactions in the neighborhood as claimed in the preceding paragraph, refer, in principle, to transactions of real property in the same or neighboring block and within less than 500 meters radius from the premises or with a close assessed value. “Similar area” as claimed in the preceding paragraph refers, in principle, to the area of property in transactions completed by unrelated parties not less than fifty percent (50%) of the property for transaction. “Within the previous year” as claimed in the preceding paragraph refers to the one year before the date of acquisition of the real property or its right-of-use assets.

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

1. A special reserve shall be set aside with respect to paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real property or its right-of-use assets, without being distributed or used for capital increase or issuance of bonus shares. If the Company has the investment in other company valued under the equity method, the Company is to have special reserve appropriated proportionally to the shareholding ratio in respect of the invested company’s appropriated amount in accordance with Article 41 Section 1 of the Securities and Exchange Act.
2. Article 218 of the Company Act shall apply mutatis mutandis to the independent directors forming the Audit Committee.
3. The results of handling according to the preceding two subparagraphs shall be reported to the meeting of shareholders, and the details of transaction shall be disclosed in the annual report and the prospectus.

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

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

Section 3 Engaged in derivative transactions

Article 21 When engaging in derivatives trading and trading derivatives, this Company shall comply with

the Regulations Governing Futures Commission Merchants, Regulations Governing Leverage Transaction Merchants, related FSC letters and orders, and the division of responsibility, division of authorization, and other related regulations of this Company.

Article 22 This Company shall also supervise re-invested subsidiaries to follow related laws and regulations at home and abroad and the regulations of this Company when engaging in derivatives trading.

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

Article 23 For the process of corporate merger, spins-off, acquisition, or assignment of shares, the Company should have a CPA, lawyer, or securities underwriter invited to comment on the reasonableness of the exchange ratio, acquisition price, cash distributed to the shareholders, and the other assets and then presented in the board meeting for resolutions. For mergers between the Company and wholly-owned subsidiaries directly or indirectly, or for mergers between wholly-owned subsidiaries directly or indirectly, it is not necessary to obtain a reasonable opinion from the aforementioned experts.

Article 24 When engaging in a merger, demerger, or acquisition of another company, this Company shall prepare a public report before a meeting of shareholders to detail the important contents and related matters of the merger, demerger, or acquisition. The expert opinion referred to in the preceding article and the notice of meeting of shareholders shall be delivered to shareholders for the reference of approving the merger, demerger, or acquisition. However, the corporate merger, spins-off, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement.

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

Article 25 For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the competent authorities in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.

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

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

1. Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, spins-off, acquisition, or assignment of shares, or, the plan executor.
2. Date of significant events: including the date of signing a letter of intent or memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.
3. Important documents and minutes of meeting: including the documents of the merger, spins-off, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.

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

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

Article 26 The personnel participate in or are aware of the merger, spins-off, acquisition, or assignment of

shares plan shall issue a written commitment of confidentiality not to disclose the plan to any third party before it is made known to the public and not to purchase the stock or equity-type securities of the companies related to the merger, spins-off, acquisition, or assignment of shares in their own names or others'.

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

1. Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities.
2. Disposal of major assets that affects the Company's financial operations
3. The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price.
4. The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, spins-off, acquisition, or assignment of shares.
5. Changes in the entity or number of companies involved in the merger, spins-off, acquisition, or assignment of shares.
6. The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.

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

1. Event of default
2. The principle for the process of the equity-type securities issued or treasury stock repurchased by the discontinued or spins-off company due to a merger
3. The treasury stock to be repurchased lawfully by the involving company and the principle for its process after the base date for the calculation of stock swap ratio
4. The process for the changes in the entity and the number of companies involved
5. The expected progress of the project and the schedule of completion
6. The process of convening a shareholders' meeting when the project is not completed on time

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

Article 30 For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with Article 25, Article 36, and referred to above.

Chapter 3 Information disclosure

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

1. Acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party with a transaction amount that reaches twenty percent (20%) or more of the paid-in capital, ten percent (10%) or more of the Company's total assets, or NT\$300

million or more, However, domestic bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements.

2. Process merger, spins-off, acquisition, or assignment of shares.
3. Losses from derivatives trading reaching the limit on aggregate losses specified in these Procedures or losses on individual contracts.
4. Acquisition or disposal of equipment or its right-of-use assets for business operations from an unrelated party at a transaction amount of or above NT\$500 million.
5. Acquisition of real property under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and redistribution of housing units, joint construction and redistribution of ownership percentages, or joint construction and separate sales from an unrelated party in which the Company expects to invest less than NT\$500 million.
6. The amount of the assets trade other than the ones in the five paragraphs referred to above, the disposal of credit by the financial institutions, or the investment in Mainland China for an amount exceeds 20% of the paid-in capital or NT\$300 million. Except for in the following circumstances:
 - (1) Domestic bond trade.
 - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.
 - (3) The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises

The transaction amount referred to above is calculated in accordance with the following:

1. Amount per transaction
2. The accumulated amount of the acquisition or disposal of the same underlying subject with the same counterparty within one year
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets in the same development project within the same year.
4. The accumulated amount of the acquisition or disposal (itemized accumulation of acquisition and disposal) of the same security within one year

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

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

When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.

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

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

Observation Post System (MOPS).

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

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

1. The originally signed trade contract is modified, terminated, or revoked.
2. Merger, spins-off, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed.
3. Changes are made to the original announcement and report.

Chapter 4 Additional Rules

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

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

Article 35 The Company is to have the acquisition or disposal of assets of the non-public subsidiary announced and reported in accordance with preceding Chapter on behalf of the non-public subsidiary.

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

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

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