

Stock Code: 6023



# **Yuanta Futures Co., Ltd.**

## **2023 Annual General Meeting**

### **Agenda**

Meeting time: May 24 (Wednesday), 2023

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.  
2023 Annual General Meeting Procedures

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

# Yuanta Futures Co., Ltd.

## 2023 Annual General Meeting Agendas

1. Meeting method: Hybrid shareholders meetings (Shareholders' Meeting will convene in physical session and supported by videoconferencing)
2. Virtual meeting platform: "Shareholder e-voting" platform on the website of Taiwan Depository & Clearing Corporation  
(Website: <https://www.stockvote.com.tw/evote/index.html>)
3. Time: 9am (Wednesday), May 24, 2023
4. Venue: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City (The Chinese National Futures Association Business Center)
5. Commence Meeting
6. Chairman Takes the Chair
7. Chairman's Speech
8. Reporting matters
  - (1) Presenting the Company's 2022 Business Report.
  - (2) Audit Committee has the audit report for the Company's 2022 business report, financial statements, and statement of retained earnings presented for approval.
  - (3) Presenting the 2022 Employees' Remuneration Distribution.
9. Acknowledgments
  - (1) Acknowledging the Company's 2022 Business Report and Financial Statements.
  - (2) Acknowledging the Company's 2022 Earnings Distribution.
10. Discussions
  - (1) Partial amendments to the Articles of Incorporation.
11. Election-related Issues
  - (1) For the purpose of a by-election for one seat of independent directors of the Company, please vote.
12. Other items
  - (1) Proposal for lifting competition restrictions on the Company's newly elected independent directors.
13. Extempore Motion
14. Adjournment

## **I. Reporting matters**

1. Subject: Presenting the Company's 2022 Business Report.  
Details: (1) Please refer to Attachment One for The Company's 2022 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 2022 business report, financial statements, and statement of retained earnings presented for approval.  
Details: (1) The Company's 2022 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 2022 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) According to the provisions disclosed in the preceding paragraph, the company's net income before tax and before deducting remuneration to employees in 2022 that was audited by the independent auditor amounted to NT\$1,425,922,130. The company intends to appropriate 0.28% of the said amount as remuneration to employees for the year of 2022, an amount of NT\$4,055,000. The remuneration will be distributed in cash to employees who are on the payroll in the distribution year and date in accordance with the company's "Regulations Governing Remuneration to Employees," except for special circumstances that have been approved by the chairman of the board of directors. The said amount in the preceding paragraph had already booked in the 2022 operating expense that was no different from the expense recognized in 2022.  
(3) The report is ready for review.

## **II. Acknowledgments**

1. Subject: Acknowledging the Company's 2022 Business Report and Financial Statements. (The proposal was submitted by the Board of Directors)  
Details: (1) The Company's 2022 consolidated financial statements and the financial statements were audited by CPA Chiao-Sen Lo and CPA Hsiu-Ling Li of PwC Taiwan and were resolved for acceptance on the 25<sup>th</sup> Meeting of the 11<sup>th</sup> term Board of Directors (March 8, 2023). The audited financial statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.  
(2) For details on the Business report, Independent Auditor's Report, the consolidated financial statements and financial statements, please refer to Attachments 1, 3 (Pages 6 ~ 10 and Pages 12 ~ 31 of this manual).  
(3) The agenda has been proposed for acknowledgment.

Resolution:

2. Subject: Acknowledging the Company's 2022 Earnings Distribution. (The proposal was submitted by the Board of Directors)

- Details: (1) The 2022 annual earnings distribution proposal was in compliance with the “Company Act” and the Company’s “Articles of Incorporation”; also, it was resolved for acceptance on the 25<sup>th</sup> Meeting of the 11<sup>th</sup> Board of Directors (March 8, 2023). The annual earnings distribution proposal was reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
- (2) The unappropriated earnings of the company at the beginning of 2022 was NT\$166,821,781 (the same currency applied hereinafter).
- (3) Legal reserve and special reserve are appropriated on the basis of the “net income and profit and loss other than the net income adjusted to the current year’s unappropriated earnings” as stipulated in the Jing-Shang-Zi No. 10802432410 Letter dated January 9, 2020 by the Ministry of Economic Affairs and the Jin-Guan-Zheng-Qi-Zi No. 1110380212 Letter dated January 21, 2022 by the Financial Supervisory Commission. The appropriation basis is for an amount of NT\$1,112,595,696 in 2022, which includes the net income of NT\$1,145,347,963 audited by the independent auditors plus the actuarial net profit of NT\$6,800,470 for the after-tax defined benefit plan and deducting the net loss of equity instrument measured at fair value through other comprehensive profit or loss, NT\$39,552,737. A 10% legal reserve is appropriated lawfully for an amount of NT\$111,259,570, and a 20% special reserve is appropriated for an amount of NT\$222,519,139. The distributable earnings for the current period are NT\$945,638,768.
- (4) The company intends to distribute a cash dividend of NT\$724,940,720. The cash dividend per share is NT\$2.5 that is calculated according to the number of outstanding shares. The aforementioned earnings distribution proposal is funded with the distributable amount from the earnings of the current year. Please refer to Attachment Four 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 (2023) regular shareholders’ meeting is suggested to have the board of directors authorized to recalculate the cash dividend ratio based on the number of outstanding shares on the ex-dividend date.
- (7) Once the proposal is resolved by the shareholders’ meeting, the board of directors shall be authorized to schedule the ex-dividend date, the payment day, and other related matters. The dividend distribution is based on the shareholder’s shareholding ratio on the ex-dividend date.
- (8) The agenda has been proposed for acknowledgment.

Resolution:

### **III. Discussions**

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

Details: (1) It is advisable to amend some clauses of the Company’s Articles of Incorporation in compliance with the laws and regulations and the practical operation of the Company. The key points of the current amendments are as

follows:

1. Article 2 and Article 2-1 are amended since the Company does not operate a securities investment consulting business.
  2. Article 19 is amended to comply with the laws and regulations.
  3. Article 20-1 is amended due to the name change of the Remuneration Committee.
- (2) Please refer to Attachment 5 for the comparison table of the Articles of Incorporation amendment. (page 33 ~ 36 this manual).
- (3) Proposed for referendum.

Resolution:

#### IV. Elections

1. Subject: For the purpose of the by-elections of one seat of independent directors of the Company, please vote. (The proposal was submitted by the board of directors.)

- Details: (1) In accordance with Article 19 of the Company's Articles of Incorporation, the Company has 7 to 11 directors (including 3 independent directors) with a term of office of 3 years and the directors may be re-elected. The term of office of the Company's 9 directors (including 3 independent directors) of the 11th term is from July 5, 2021 to July 4, 2024. Mr. Nai-Kuang Huang, an independent director, deceased on January 28, 2023, was dismissed and released from all job responsibilities from the said date.
- (2) For the independent director vacancy, a by-election is proposed to be held at the general shareholders' meeting on May 24, 2023, and the term of office of the by-elected independent director shall be from May 24, 2023 to July 4, 2024.
- (3) Please refer to Appendix 4 (Page 46~48 of this manual) for the Procedures for Election of Directors.
- (4) The list of the candidates for current board directors approved by the board of directors on April 6, 2023 is as follows:

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

|  |  |  |  |
|--|--|--|--|
|  |  |  | Chiao Tung University<br>7. Dean and full-time professor of the Department of Information Management and Finance, National Chiao Tung University<br>8. Adjunct Associate Professor, Institute of Finance, National Taiwan University<br>9. Advisor to Polaris Securities Group |
|--|--|--|--|

Results of the Election:

## V. Other items

I. Subject: Proposal for lifting competition restrictions on the Company's newly elected independent directors. (The proposal was submitted by the Board of Directors)

Details: (1) Pursuant to Article 209, Paragraph 1 of the Company Act "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."」

(2) For the newly elected directors (independent directors) who are subject to the non-compete clause of the Company Act Article 209, under the precondition of not-jeopardizing the interests of the Company, a proposal may be made in the shareholders' meeting to have the said non-compete clause against the newly elected directors (independent directors) lifted.

(3) The list of the non-compete clause lifted are as follows:

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

(4) Proposed for referendum.

Resolution:

## V. Extempore Motion

## VI. Adjournment

## Attachment 1

### Yuanta Futures Co., Ltd.

#### 2022 Business Report

##### I. Market Overview

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

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

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

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

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

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

## II. Operating results

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

- (I) In terms of financial performance: The Company's net income amounted to NT\$1,145 million, ranking the first among 14 futures commission merchants; moreover, the EPS (after tax) was NT\$3.95 and the ROE (after tax) was 9.08%.
- (II) In terms of business performance, the market share of futures brokerage was 21.95% with 80.48 million lots traded, the market share of option brokerage was 19.22% with 77.34 million lots traded, and the market share of foreign futures was 25.14% with 12.26 million lots traded.
- (III) In terms of corporate governance implementation: The company adheres to the principle of the highest ethical corporate management to establish a rigorous corporate governance system and to substantiate internal control, compliance with laws and regulations, and risk control. Also, for the protection of the customers' rights and interests, the company convenes the Fair Dealing Principle meeting every quarter, and reports the implementation result to the board of directors. The board of directors supervises the indicators and actions related to customer rights and interests. The related governance performance has been repeatedly recognized and won domestic and foreign corporate governance awards.
  1. The company was ranked on the top 5% of the TPEX companies in the 8th "Corporate Governance Evaluation" of Taiwan Stock Exchange and has been awarded for 8 consecutive years since 2015, demonstrating the high affirmation of the company's substantiating corporate governance by the competent authority.
  2. The company was ranked for the first time in the top 25% of the futures category in the "Evaluation of Fair Dealing Principle in the Financial Services Industry" announced by the Financial Supervisory Commission.
  3. Yuanta Futures is the first futures merchant to receive an excellent domestic long-term credit rating of "AA-(tw)" and a domestic short-term credit rating of "F1+(tw)" from Fitch Ratings and a prospect of "stable."
  4. Received Taiwan Intellectual Property Management System (TIPS) Level A certification for two consecutive years.

(IV) In terms of award-winning records and international certification: The company as a leading “Futures Brand” in Taiwan values the importance of promoting the sustainable development of the industry while securing financial business development and generating profits; also, taking into account the research and development capabilities and innovation, striving to provide investors with the best futures trading platform services, and adhering to the core value of the brand in order to become the brand benchmark in the Asian financial market.

Credits and honors in 2022:

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

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

(Unit NTD thousand)

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

### III. Research and development

(I) Construct and develop various front-end trading systems and back-end accounting systems

in response to the launch of new products and new systems by Taiwan Futures Exchange; also, enhance system functions and comply with various regulatory projects of the competent authority. In addition, Yuanta Futures has constructed a security information and event management system (SIEM) along with the increasing awareness of information security protection in recent years; also, introduced an endpoint security protection system with ISO 27001 certification performed continuously in order to ensure the security of customers' trading environments.

- (II) Continue to refine the readability and diversity of research reports, and provide traders with more real-time research information in the form of community posts, audio-visual, and audio. Prepare customized industry and corporate project briefings for corporate customers; provide strategic hedging and forward-looking analysis to have futures services extended to industry and corporate physical economy services.
- (III) Launch various trading platforms to meet the diverse needs of customers for PC and mobile orders. Launched Yuanta Futures' own electronic trading platform – iTRADER in 2021 with its functions optimized continuously. New technologies, such as robotic process automation (RPA) and digital reporting system, are introduced to the back-end operation process simultaneously to provide customers with smoother service performance in order to improve operation efficiency comprehensively. Yuanta Futures cooperated with the Group to introduce the Fast Identity Online (FIDO) in 2022. In the future, it will provide customers with a more convenient financial service experience and improve the convenience and security of financial transactions.

#### IV. Future operating plans and development strategies

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

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

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

## **Yuanta Futures Co., Ltd.**

### **Audit Committees' Review Report**

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

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

Best regards

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

The Audit Committee of Yuanta Futures Co., Ltd.

Convener Yu-Chun Wu

March 8, 2023

### Attachment 3

## INDEPENDENT AUDITORS' REPORT

PWCR22000442

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

### ***Opinion***

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

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

### ***Basis for Opinion***

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

### ***Key Audit Matters***

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

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

## ***Fair value valuation of the unlisted stocks***

### Description

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

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

### How our audit addressed the matter

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

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

## ***Other matter – Parent company only financial statements***

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

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

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

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

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

## ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

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

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

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

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

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

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Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

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Lee, Hsiu-Ling

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

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

(Continued)

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

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

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

| Items                     | Notes  | Year ended December 31 |                     |              |                     |              |
|---------------------------|--|------------------------|---------------------|--------------|---------------------|--------------|
|                           |  | 2022                   |                     | 2021         |                     |              |
|                           |  | AMOUNT                 | %                   | AMOUNT       | %                   |              |
| <b>Revenues</b>           |  |                        |                     |              |                     |              |
| 401000                    | Brokerage  | 6(19) and 7            | \$ 3,849,693        | 96           | \$ 3,658,844        | 94           |
| 410000                    | (Losses) gains on trading of securities  | 6(2)(20) and 7         | ( 88,117)           | ( 2)         | 119,534             | 3            |
| 421300                    | Dividend income  | 6(2)                   | 79,463              | 2            | 7,518               | -            |
| 421500                    | Losses on valuation of trading securities  | 6(2)                   | ( 6,869)            | -            | ( 2,576)            | -            |
| 421600                    | Gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales                           | 6(2)                   | 34                  | -            | ( 49,017)           | ( 1)         |
| 421610                    | Valuation gains on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss | 6(2)                   | 2,132               | -            | 35,719              | 1            |
| 424200                    | Securities commission revenue  | 7                      | 13,585              | -            | 19,880              | 1            |
| 424300                    | Clearance fee from consignment   | 6(21) and 7            | 37,221              | 1            | 65,185              | 2            |
| 424400                    | Net gains on derivative financial instruments  | 6(2)(22)               | 94,352              | 3            | 14,280              | -            |
| 424900                    | Futures advisory revenues  | 7                      | 8,352               | -            | 16,142              | -            |
| 428000                    | Other operating revenues   | 7                      | 9,952               | -            | 3,182               | -            |
| 400000                    | <b>Total revenues</b>  |                        | <u>3,999,798</u>    | <u>100</u>   | <u>3,888,691</u>    | <u>100</u>   |
| <b>Costs and expenses</b> |  |                        |                     |              |                     |              |
| 501000                    | Brokerage fee  | 6(23)                  | ( 800,438)          | ( 20)        | ( 776,978)          | ( 20)        |
| 502000                    | Dealer handling fee  | 6(23)                  | ( 608)              | -            | ( 3,586)            | -            |
| 521200                    | Interest expense   | 7                      | ( 124,846)          | ( 3)         | ( 9,165)            | -            |
| 425300                    | Expected credit impairment losses and reversal gains   |                        | 2,795               | -            | 3,755               | -            |
| 524100                    | Futures commission   | 6(24) and 7            | ( 739,770)          | ( 19)        | ( 708,571)          | ( 18)        |
| 524300                    | Clearance fee  | 6(25)                  | ( 569,590)          | ( 14)        | ( 573,923)          | ( 15)        |
| 528000                    | Other operating fee  |                        | ( 3,206)            | -            | ( 2,737)            | -            |
| 531000                    | Employee benefit expense   | 6(26)                  | ( 850,134)          | ( 21)        | ( 731,790)          | ( 19)        |
| 532000                    | Depreciation and amortization  | 6(27)                  | ( 172,914)          | ( 4)         | ( 143,441)          | ( 4)         |
| 533000                    | Other operating expenses   | 6(28) and 7            | ( 493,283)          | ( 13)        | ( 480,389)          | ( 11)        |
| 500000                    | <b>Total costs and expenses</b>  |                        | <u>( 3,751,994)</u> | <u>( 94)</u> | <u>( 3,426,825)</u> | <u>( 87)</u> |
|                           | <b>Operating income</b>  |                        | <u>247,804</u>      | <u>6</u>     | <u>461,866</u>      | <u>13</u>    |
| 602000                    | Other gains and losses   | 6(2)(29) and 7         | 1,174,661           | 30           | 587,094             | 15           |
| 902001                    | <b>Income before income tax</b>  |                        | <u>1,422,465</u>    | <u>36</u>    | <u>1,048,960</u>    | <u>28</u>    |
| 701000                    | Income tax expense   | 6(30)                  | ( 277,117)          | ( 7)         | ( 188,678)          | ( 5)         |
| 902005                    | <b>Net income</b>  |                        | <u>\$ 1,145,348</u> | <u>29</u>    | <u>\$ 860,282</u>   | <u>23</u>    |

(Continued)

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

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

| Items  | Notes  | Year ended December 31 |   |                     |           |                     |           |
|--|--|------------------------|---|---------------------|-----------|---------------------|-----------|
|  |  | 2022                   |   | 2021                |           |                     |           |
|  |  | AMOUNT                 | % | AMOUNT              | %         |                     |           |
| <b>Other comprehensive income</b>                                    |  |                        |   |                     |           |                     |           |
| <b>Items that will not be reclassified to profit or loss</b>         |  |                        |   |                     |           |                     |           |
| 805510   | Remeasurement of defined benefit obligations   | 6(13)                  |   | \$ 8,500            | -         | \$ 5,163            | -         |
| 805540   | Unrealized (loss) gain on equity instrument investment measured at fair value through other comprehensive income | 6(5)(18)               | ( | 68,495)             | ( 2)      | 471,095             | 12        |
| 805599   | Income tax related to components of items not to be reclassified   | 6(30)                  | ( | 1,700)              | -         | ( 1,032)            | -         |
| <b>Items that may be reclassified to profit or loss subsequently</b> |  |                        |   |                     |           |                     |           |
| 805610   | Translation gain and loss on the financial statements of foreign operating entities                              | 6(18)                  |   | 104,243             | 3         | ( 32,238)           | ( 1)      |
| 805000   | <b>Total other comprehensive income (net of tax)</b>   |                        |   | <u>\$ 42,548</u>    | <u>1</u>  | <u>\$ 442,988</u>   | <u>11</u> |
| 902006   | <b>Total comprehensive income</b>  |                        |   | <u>\$ 1,187,896</u> | <u>30</u> | <u>\$ 1,303,270</u> | <u>34</u> |
| Consolidated net income attributable to:                             |  |                        |   |                     |           |                     |           |
|  | Owners of the parent   |                        |   | <u>\$ 1,145,348</u> | <u>29</u> | <u>\$ 860,282</u>   | <u>23</u> |
| Consolidated comprehensive income attributable to:                   |  |                        |   |                     |           |                     |           |
|  | Owners of the parent   |                        |   | <u>\$ 1,187,896</u> | <u>30</u> | <u>\$ 1,303,270</u> | <u>34</u> |
| Earnings per share (in New Taiwan Dollars)                           |  |                        |   |                     |           |                     |           |
|  | Basic and diluted earnings per share   | 6(31)                  |   | <u>\$ 3.95</u>      |           | <u>\$ 2.97</u>      |           |

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

(Expressed in thousands of New Taiwan dollars)

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

YUANTA FUTURES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000418

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

### ***Opinion***

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

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

### ***Basis for Opinion***

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

### ***Key Audit Matters***

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

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

### ***Fair value valuation of the unlisted stocks***

#### Description

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

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

#### How our audit addressed the matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

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Lee, Hsiu-Ling

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

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

(Continued)

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

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

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

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

(Continued)

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

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

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

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

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

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

**Attachment 4**

Yuanta Futures Co., Ltd.  
Earnings Appropriation Statement  
2022

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

## Details:

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

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

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

| Amendments   | Current existing clauses  | Description of amendments   |
|--|---|---|
| <p>of directors may propose the list of nominees for directors presented in the shareholders' meeting to be elected by the shareholders.</p> <p>(Paragraph 4 is omitted)</p>   | <p>over 1% shareholding and the board of directors may propose the list of nominees for directors <u>for the review of the board of directors and with the qualified candidates</u> presented in the shareholders' meeting to be elected by the shareholders.</p> <p>(Paragraph 4 is omitted)</p> | <p>shares issued by the company, the board of directors or other persons with the right to convene, unless otherwise specified, shall have the proposed candidates included in the list of director candidates without examining and/or screening the data and information of each director candidate nominated; therefore, the relevant text of this article is deleted.</p> |
| <p>Article 20<br/>(Paragraph 1 to 5, omitted)</p> <p>6. Drafts the Company's earnings <u>distribution</u> proposals or making up for the loss.</p> <p>(Paragraph 7 to 13, omitted)</p>   | <p>Article 20<br/>(Paragraph 1 to 5, omitted)</p> <p>6. Drafts the Company's earnings <u>allocation</u> proposals or making up for the loss.</p> <p>(Paragraph 7 to 13, omitted)</p>  | <p>The words "allocation" and "distribution" in the company's Articles of Incorporation should be expressed uniformly as "distribution" for clarification.</p>  |
| <p>Article 20-1<br/>The Company shall assemble a <u>Remuneration</u> Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.</p>   | <p>Article 20-1<br/>The Company shall assemble a Remuneration Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.</p>   | <p>Amended the names of functional committees.</p>  |
| <p>Article 27<br/>(Paragraph 1 and 2, omitted)</p> <p>The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings <u>distributions</u> under Article 29.</p>                          | <p>Article 27<br/>(Paragraph 1 and 2, omitted)</p> <p>The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings <u>allocation</u> under Article 29.</p>                                    | <p>The words "allocation" and "distribution" in the company's Articles of Incorporation should be expressed uniformly as "distribution" for clarification.</p>  |
| <p>Article 29<br/><u>The company's earnings, if any,</u> should be first applied to pay taxes and make up for the losses over the years, <u>and then 10% legal reserve</u> and 20% special reserve appropriated lawfully. Also, the balance of the earnings after the appropriation or</p> | <p>Article 29<br/>After paying tax and making up for the accumulated losses with the annual earnings, the Company <u>shall appropriate</u> 10% of the remaining earnings as legal reserve, 20% of the remaining earnings as special reserve and with the special reserve</p>                      | <ol style="list-style-type: none"> <li>1. The calculation method for the appropriation of legal reserve is clearly defined with the text amended accordingly.</li> <li>2. The words</li> </ol>  |

| Amendments   | Current existing clauses  | Description of amendments  |
|--|---|--|
| <p>reversal of the special reserve should be completed lawfully, and the undistributed earnings of the previous year distributed according to the proposal of the board of directors and the resolution of the shareholders meeting on the distribution of shareholder dividends. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital. To incentivize employees and the management team, this Company shall appropriate one per-mille (0.1‰) to five per-cent (5%) of the balance from deducting the accumulated deficits from the profit of the year (e.g. income before tax deducting the income before deducting the compensation for employees). In addition, when distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements. The said "certain requirements" shall be determined by the Board of Directors. The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:</p> <ol style="list-style-type: none"> <li>1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for <u>distribution</u>.</li> <li>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</li> </ol> | <p>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:</p> <ol style="list-style-type: none"> <li>1. The annual dividend to be distributed should be an amount not less than 50% of the earnings available for <u>allocation</u>.</li> <li>2. The Company may decide the weight of dividends issued in cash and in shares based on its</li> </ol> | <p>"allocation" and "appropriation" in the company's Articles of Incorporation are expressed uniformly as "appropriation"; also, the word "allocation" and "distribution" should be expressed uniformly as "distribution" for clarification.</p> |

| Amendments  | Current existing clauses   | Description of amendments |
|---|--|---------------------------|
| <p>next year. However, cash dividends must not be lower than 30% of all dividends issued.</p>   | <p>business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.</p>   |                           |
| <p>Article 32<br/>The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 20, 2019; the 28th amendment was completed on May 27 , 2020; the 29th amendment was completed on July 5 , 2021; the 30th amendment was completed on May 24 , 2022; <b><u>the 31st amendment was completed on , 2023</u></b> and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p> | <p>Article 32<br/>The Company’s Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 20, 2019; the 28th amendment was completed on May 27 , 2020; the 29th amendment was completed on July 5 , 2021; the 30th amendment was completed on May 24 , 2022; and implemented with the resolutions reached in the shareholders’ meeting, same as the amendment.</p> | <p>Revision history</p>   |

## 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 25, 2023), 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 25, 2023

| Title                         | Name   | Number of shares held (shares) | Shareholding percentage (%) |
|-------------------------------|--|--------------------------------|-----------------------------|
| Chairman                      | Yuanta Financial Holding Co., Ltd.<br>Representative: Tien-Fu Lin    | 192,167,005                    | 66.26%                      |
| Vice Chairman                 | Yuanta Financial Holding Co., Ltd.<br>Representative: Pin-Cheng Chen |                                |                             |
| Director                      | Yuanta Financial Holding Co., Ltd.<br>Representative: Wen-Ching Chiu |                                |                             |
| Director                      | Yuanta Financial Holding Co., Ltd.<br>Representative: Wei-Chen Chang |                                |                             |
| Director                      | Yuanta Financial Holding Co., Ltd.<br>Representative: Kuo-Tsun Hsu   |                                |                             |
| Director                      | Yuanta Financial Holding Co., Ltd.<br>Representative: Mei-Ling Kuo   |                                |                             |
| Independent Director          | Yu-Chun Wu   | 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 17 to 27, 2013. 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 business operations are as left:

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 Shareholding

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 trenches.

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 General Meeting of shareholders**

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.

Convene a virtual shareholder meeting or have it held with the methods promulgated by the central competent authorities.

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

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

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

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

Article 17 Except otherwise regulated by The Company Act, a shareholders meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting. In addition, when the Company has adopted an electronic voting form in accordance with the provisions of the competent authorities, the shareholders of the Company may exercise their voting rights in an electronic form. The shareholders who exercise their voting rights in an electronic form shall be deemed as voting in person; also, the relevant matters shall be handled in accordance with

the laws and regulations.

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

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

## **Chapter 4 The Board of Directors, Directors and Managers**

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

The Company 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 shall have the following powers and authorities:

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

- Article 20-1 The Company shall assemble a Remuneration Committee, for which the Board of Directors is authorized to create its foundation rules according to the relevant regulations.
- Article 20-2 The Company may set up other functional committees under the board of directors. The number, term of office, powers and other matters shall be prescribed in the organizational rules of the functional committees and the setup shall be carried out after the resolution of the board of directors.
- Article 21 The Chairman of the Board of Directors shall be appointed with the presence of more than two thirds of all directors, and the supports from more than half of all present directors. The Chairman represents the company in all dealings. If necessary, a Vice Chairman can be appointed through the same procedure. If the Chairman is unable to perform his/her duties due to leave of absence or any reasons, the Vice Chairman will take the Chairman's place. If the Vice Chairman is also absent, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among themselves to perform the Chairman's duties on behalf.
- Board of Directors meetings are convened by the Chairman. However, the first meeting of a newly-elected board shall be convened by the director receiving the highest number of votes during the shareholders meeting. The first meetings among newly-elected boards shall take place within 15 days after the election.
- The convention of a Board of Directors meeting must be advised to all Directors with detailed agenda at least 7 days in advance. However, meetings can be held in shorter notices in case of emergency.
- The notice of convening the board meeting can be made electronically or by fax with the consent of the counterparty.
- Article 22 Unless otherwise regulated by The Company Act, all resolutions to Board of Directors meeting agendas must be discussed among more than half of all directors, and agreed by more than half of all directors present at the meeting. The meeting minutes must be signed or stamped by the meeting chairman and the recorder, and distributed to all Directors within 20 days after the meeting. Kept as essential document files of the Company for the perpetuity of the Company.
- The preparation and distribution of meeting minutes can be made in electronic form.
- Article 23 If a Director is unable to attend the Board of Directors meeting in person, another director can be appointed as proxy, subject to compliance with Article 205 of The Company. The proxy arrangement must be supported by a proxy form. If the Board of Directors meeting proceeds by way of video conferencing, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.
- Article 24 (Deleted)
- Article 25 The Company has the "Audit Committee" composed by all the independent directors in accordance with Article 14.4 of the Securities and Exchange Act.
- The size, terms, responsibilities, authorities, and meeting rules relating to the Audit Committee shall comply with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and be governed under a separate set of Audit Committee Foundation Rules.
- Article 26 The Company employs one President and several managers; the appointment, dismissal, and remuneration of whom shall comply with Article 29 of The Company Act.

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

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

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

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

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

## **Chapter 5 Accounting**

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

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

Article 29 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 allocation.
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 20, 2019; the 28th amendment was completed on May 27 , 2020; the 29th amendment was completed on July 5 , 2021; the 30th amendment was completed on May 24 , 2022; and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.

## Appendix 4

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

Resolved in the shareholders' meeting on June 7, 2005.  
Amended and resolved in the shareholders' meeting on March 22, 2007  
Amended and resolved in the shareholders' meeting on June 2, 2009.  
Amended and resolved in the shareholders' meeting on May 23, 2012  
Amended and resolved in the shareholders' meeting on May 20, 2014  
Amended and resolved in the shareholders' meeting on May 21, 2015  
Amended and resolved in the shareholders' meeting on May 24, 2018  
The amendment was resolved in the shareholder's meeting on July 5, 2021

### Article 1

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

### Article 1-1

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

### Article 2

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

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

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

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

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

The board of directors of the Company shall consider adjusting its composition based on

the results of performance evaluation.

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

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

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

#### Article 3

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

#### Article 4

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

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

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

#### Article 5

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

#### Article 6

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

Article 7

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

Article 8

Ballots are invalid in any of the following circumstances:

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

Article 9

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 10

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

Article 11

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

Article 12

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

## Appendix Five

### Yuanta Futures Co., Ltd.

#### Rules of Procedure for Shareholders Meetings

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

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

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

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

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

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

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

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

The amendment was resolved in the shareholder's meeting on May 27, 2021

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

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

Article 1 For the purpose of establishing the Company's shareholder's meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 5 of the Company's "Corporate Governance Best-Practice Principles" for compliance.

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

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

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

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

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

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

The reason for the convening of the shareholders' meeting is indicated as a full re-election

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

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

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

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

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

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

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

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

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given

to the opinions of the independent directors with respect to the place and time of the meeting.

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

Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. For a virtual shareholders' meeting convened, the company shall indicate in the shareholders' meeting notice how shareholders should attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other *force majeure* events, the date the meeting is postponed or resumed when necessary, and other matters needing attention. For a virtual-only shareholders' meeting, it is necessary to specify appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

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

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

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

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

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

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

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

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

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

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

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

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

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

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards and the number of shares registered on the virtual meeting platform, plus the number of shares whose voting rights are exercised in writing or electronically.

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

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

attend the virtual shareholder meeting by means of visual communication network shall complete the registration with the Company in accordance with Article 6.

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

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

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

The 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 chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 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.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

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

As long as questions so raised in accordance with the preceding paragraph are not in

violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

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

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

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting. The result of the votes of approval, objection, or waiver casted by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

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

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

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

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

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

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

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

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

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

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other *force majeure* events, and how issues are dealt with shall also be included in the minutes.

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

The Company while holding a virtual shareholder meeting should have the number of shares represented by the attending shareholders announced on the virtual meeting platform at the time of calling the meeting to order. The same applies to the number of voting rights counted separately during the meeting.

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

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

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

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

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

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

If the 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 In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

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

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the annual general meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.

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

The company when postponing or resuming a meeting according to paragraph II shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the "Regulations Governing the Administration of Shareholder Services of Public Companies." Also, those who are in the register of shareholders on the book-entry closing date are entitled to attend the shareholders' meeting.

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

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

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

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