

Stock Code : 6024



Capital Futures Corp.

2020

Annual General Meeting of Shareholders

Meeting Handbook

Date and Time : 10:30 am, June 19th, 2020

Place : B2, No. 97, Sec. 2, Dunhua S. Rd.,
Taipei 106, Taiwan, R.O.C.

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Capital Futures Corp.

The procedure of 2020 Annual General Meeting of Shareholders

- I. Commence Meeting
- II. Speech of the Chairman
- III. Reporting Matters
- IV. Recognition Matters
- V. Discussion Matters
- VI. Matters for Election
- VII. Extemporaneous Motions
- VIII. Adjournment

Capital Futures Corp.

2020 Annual General Meeting of Shareholders Meeting Agenda

Date and Time: 10:30 am Friday, June 19th, 2020

Place: B2, No. 97, Sec. 2, Dunhua S. Rd., Taipei 106,
Taiwan, R.O.C.

- I. Commence Meeting
- II. Speech of the Chairman
- III. Reporting Matters
 1. Presenting the Company's 2019 Business Report.
 2. Audit Committee's review report for 2019 Consolidated and Individual Financial Statements.
 3. Report on the distribution of employees' compensation and Directors' remuneration in 2019.
 4. Amendment to the Company's "The Ethical Corporate Management Best Practice Principles".
 5. Presenting the Company's "Corporate Social Responsibility Policy".
- IV. Recognition Matters
 1. 2019 Business Report and Consolidated and Individual Financial Statements.
 2. Proposal for Distribution of 2019 earnings.
- V. Discussion Matters
 1. Amendment to the Company's "Articles of Association".
 2. Amendment to the Company's "Rules of Procedure for Shareholders' Meeting".
- VI. Matters for Election
 1. By- election of one Independent Director of the Company.
- VII. Extemporaneous Motions
- VIII. Adjournment

Reporting Matters

1.	<p>Reported issue: Presenting the Company’s 2019 Business Report.</p> <p>Details: Please refer to Attachment 1 for the Company’s 2019 Business Report (page 8~12 of this handbook).</p>
2.	<p>Reported issue: Audit Committee’s review report for 2019 Consolidated and Individual Financial Statements.</p> <p>Details: Please refer to Attachment 2 for 2019 Audit Committee’s Review Report (page 13 of this handbook).</p>
3.	<p>Reported issue: Report on the distribution of employees’ compensation and Directors’ remuneration in 2019.</p> <p>Details: The 2019 income before tax prior to deducting the compensation for employees as audited by the certified public accountant was NT\$764,374,141. According to Article 27 in the Company’s Articles of Association: “The Company should distribute 0.6% to 2% of the profit of the current year distributable as employees’ compensation, and 3% or less of its profit of the current year distributable as Directors’ remuneration.” The distribution of remuneration to employees for an amount of NT\$8,713,865 and remuneration to Directors for an amount of NT\$8,713,865 were resolved in the Board meeting of the Company on March 26, 2020 which all of the remuneration to be distributed in cash. The aforesaid amount accounted for 1.14% of the Company’s 2019 earning. Please refer to Attachment 3 of this handbook. (page 14)</p>
4.	<p>Reported issue: Amendment to the Company’s “The Ethical Corporate Management Best Practice Principles”.</p> <p>Details: The Company amended “The Ethical Corporate Management Best Practice Principles” according to Taiwan Stock Exchange Order No. 10800083781. Please refer to Attachment 4 (page 15~32) of this handbook for before and after clause amendment of the “The Ethical Corporate Management Best Practice Principles”.</p>
5.	<p>Reported issue: Presenting the Company’s “Corporate Social Responsibility Policy”.</p> <p>Details: Please refer to the Attachment 5 for the Company’s “Corporate Social Responsibility Activities Program”. (page 33~43)</p>

Recognition Matters

1.	<p>Subject: 2019 Business Report and Consolidated and Individual Financial Statements. (The proposal was submitted by the Board of Directors)</p> <p>Details: 1. The Company's 2019 Consolidated Financial Statements and the Individual Financial Statements were audited by the CPA Lee, Feng-Hui and CPA Chung, Tan-Tan of KPMG Taiwan and were resolved for acceptance in the meeting of the Board of Directors (March 26, 2020). The audited Financial Statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.</p> <p>2. Please refer to Attachment 1 (page 8~12) and Attachment 6 (page 44~51) for aforementioned Business report and 2019 Financial Statements and Auditor's report.</p> <p>Resolution:</p>
2.	<p>Subject: Acknowledging the Company's 2019 Earnings Distribution. (The proposal was submitted by the Board of Directors)</p> <p>Details:</p> <p>1. The 2019 net profit after-tax of the Company was NT\$600,008,826 plus (1) Accumulated undistributed earnings NT\$558,897, and (2) subtracts Actuarial loss on defined benefit plan included in Retained Earnings of this year NT\$ 664,244, to calculate the distributable net profit was NT\$599,903,479. According to the Article of Association of the Company, the net profit can be distributed as following:</p> <p>A. The amount of Legal reserve is NT\$59,990,348.</p> <p>B. The amount of Special reserve is NT\$119,980,696.</p> <p>C. The amount of Special reserve appropriated due to reduction of shareholders' equity occurred is NT\$18,553,248.</p> <p>D. It was resolved for acceptance in the meeting of the Board of Directors to distribute cash dividends of NT\$399,831,410 at NT\$1.9 per share on the basis of 210,437,584 outstanding shares round to the nearest dollar. The fraction falling below the dollar amount shall be recognized as other incomes of the Company, as for the unappropriated retained earnings in the end of term is NT\$ 1,547,777. The Chairman is authorized to set the dividend day and</p>

related issues upon the finalization of the General Meeting of shareholders.

2. If number of outstanding shares of the Company is affected by the change in the share capital, so that the shareholders of the interest rate changes, it is authorized the Chairman to adjust.

3. Please refer to Attachment 7 for the “Distribution of 2019 Earnings”. (page 52)

Resolution:

Discussion Matters

1.	<p>Subject: Amendments to the “Articles of Association”. (The proposal was submitted by the Board of Directors)</p> <p>Details: 1. Pursuant to October 26, 2018 Executive Yuan Order No. 1070037184 and August 1, 2018 Presidential Order No. 10700083291, which stipulate amendments in the Company act entered into force on November 1, 2018, it is proposed to amend Company's “Articles of Association”.</p> <p>2. The amendments of “Articles of Association” include Article 4,5,19, 27 and 27-1. Please refer to the Attachment 8 for before and after clause amendment of the “Articles of Association”. (page 53~65)</p> <p>Resolution:</p>
2.	<p>Subject: Amendments to the Company’s “Rules of Procedure for Shareholders’ Meeting”. (The proposal was submitted by the Board of Directors)</p> <p>Details: 1. To amend the “Rules of Procedure for shareholders' meeting” of the Company in accordance with the Company law, Ministry of Economic Affairs interpretation and relevant international norms and practices.</p> <p>2. Please refer to Attachment 9 for before and after clause amendment of the “Rules of Procedure for Shareholders’ Meeting”. (page 66~79)</p> <p>Resolution:</p>

Matters for Election

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. Due to the independent director of the Company Mr. Shea, Jia-Dong resigned on January 2nd 2020, and the Company should by-election for one independent Director according to the Articles of Association.

2. The new independent director will take office immediately after by-election of the shareholders' meeting and shall serve the same term as the 8th Director of the Company until May 23, 2021.

3. In accordance with the provisions of the Articles of Association of the Company, the election for independent director shall adopt the nomination system. The candidate list of independent Director was examined and approved by the 17th meeting of the 8th Board on May 6th, 2020. The related information of candidate is as following:

Candidate		ID	Major career	Shares held
Independent Director	Hsiao, Nai-Ching	A22255****	Master of Department of Law, National Chung Hsing University Judge of Supreme Court	0

Resolution:

Extemporary Motions

Adjournment

Capital Futures Corp.
2019 Business Report

I. 2019 Operating performance

Looking back on 2019, due to the uncertainty of the trade war between China and the United States has interfered with the overall investment environment, the annual trading volume of domestic futures brokerage business of the Company was 39.53 million lots which decreased by 7.9% from the previous year. Moreover, the Company has reached 7.58% market share which increased by 13.3% from the previous year. The annual trading volume of overseas futures brokerage business of the Company was 7.74 million lots, the market share was 20.3% which decreased by 9.8% from the previous year. In 2019, the consolidated revenues and net income before tax of the Company were NT\$1,916 million and NT\$746 million which decreased by 32.73% and 21.82% from the previous year respectively. And the net income after tax of the Company was NT\$599 million, which decreased by 28.45% from the previous year, it represented the first recession after eight years of continuous growth since 2010.

In 2019, the Company was awarded the top five best futures brokers in Asia by Singapore Exchange, and obtained the Happiness Enterprise Award from 1111 Job Bank which was an honor and recognition in terms of operation management and employee satisfaction. As a leader in the field of Fintech development, the Company not only captures market trends in an efficiency way, but constructs a self-owned IT system actively with taking innovation differences as the DNA; in addition, the Company has own professional market making, proprietary spread trading and securities proprietary trading business team could bring the profit contribution and distribute it steadily. On the other hand, the Capital View is the exclusive live show program of the Company which could lead in analyzing global investment products and opportunities through

researching fundamental financial information and market analysis to provide professional real-time investment suggestions. Moreover, the Company built an innovation service model on internet through a legal community platform for customers to subscribe futures advisory services via App, online interaction program, etc. Furthermore, the Company aims to operate diversified business and profit diversification for building a multi-engine profit model, and raise the overall performance.

Additionally, the Company sets 7 Directors in Board of Directors (including 3 independent Directors) who are all with the profession of operating management, financial & accounting, law professional, international market and leadership strategy. Through rich financial experience and various operating expertise from Directors who are with diversified background, the Company could implement the operation supervision and management for pushing up the Company's whole development strategy, business performance, business operating improvement, and right protection of investors. The Company will continue to implement the service entity economy, strengthen corporate governance, fully safeguard the rights and interests of shareholders, and comply with the rigorous internal control system. For pursuing long-term profit stability, the Company not only constructs a safe investment environment, but would fulfill the corporate social responsibility to become a financial company which could do all the best to customers.

II. 2019 income and profit analysis

Unit: NTD thousands

Item	2019	2018
Income	1,916,778	2,849,492
Expenses	1,739,116	2,321,961
Non-operating income and expenses	568,952	427,445
Net income before tax	746,614	954,976
Net income	599,676	838,110
Return on Equity (%)	11.87%	17.24%

Net profit margin (%)	31.29%	29.41%
Return on Asset (%)	1.47%	2.27%
Earnings per share after tax (dollar)	3.4	4.73

III. Operating plan and development strategy

Looking ahead to 2020, the uncertainty events from market and the hedging demand will increase as expected, since affected by the pandemic of Coronavirus Pneumonia (Covid 19), the continued conflict of the trade war between China and the United states, US election year, etc. Although the external competition environment and the related regulatory framework remains severe, such as the anti-money laundering provisions become more rigorous, however, the overall operating environment of the futures industry will grow up continuously due to the enhancement in price fluctuations of the financial market. The operating plan and development strategy of the Company in 2020 is as following:

- 1.To richly cultivate and duplicate the overseas market business: The Company develop the greater China market with the DMA advantages of overseas futures products, such as CME Group、HK、SGX、Euronext、EUREX、ICE, etc.
- 2.To enhance the trading performance of our futures and securities proprietary team continuously and also recruit outstanding traders who are with the profession of spread strategy, high-frequency trading, market making and operating ability for raising the profit and distributing the market risk.
- 3.The Company expands the leveraged trading and derivative business to provide the hedge solutions for listing companies, small and medium enterprises. Developing foreign exchange hedging module and training foreign exchange trader talent pool and VIP customers for creating new source of income.
- 4.To expand domestic institutional customers and raise the trading volume and margin, the Company would actively promote LME products and develop its hedge module.
- 5.To develop the advantages of our real-time system with combining

for expanding domestic/ foreign institutional customers aggressively and focus on raising the trading volume and customer margin.

- 6.To optimize the order software for maintaining the customers who usually place order via APP.
- 7.Cross-industry integration of various financial platforms and expansion of community channels, training institution, and media channels, the Company creates a win-win mechanism for mutual benefit and common prosperity through organizing marketing activities.
- 8.The innovated live program “Capital View” mainly provides exclusive financial points and also assists to set up hedging modules and trading strategy management mechanism for increasing the loyalty of customers to the Company.
- 9.To set up the digital marketing team under Futures Advisory department for recruiting professional talents and for creating the value of big data.
- 10.To represent information advantages, the HK subsidy of the Company develop its own exclusive global futures trading platform in connecting global futures exchanges to provide the B2C cross-market trading platform and customize services for the customers in greater China.
- 11.To complete the establishment of the Hong Kong official website and apply Hong Kong Type 4 and 5 business licenses for actively promoting the consultant business, the Company recruit consultants and promote professional fee-based courses in Taiwan and China.
- 12.The Company plans to establish the first Futures Company in China (joint venture /solely-invested) which combine with the comprehensive effect of Shanghai and Chengdu subsidiaries.
- 13.Continue to strengthen internal audit and internal control of the Company, carry out education and training on information security, money laundering prevention, and strictly abide by risk control and corporate governance. Also, the Company will keep going to fight for constituting in TWSE Corporate Governance 100 index and take the regular evaluation every year.

14.To carry out the corporate culture, young people are the future keep strengthen industry-university cooperation in the campus and focus on the training of new talents for promoting the balanced development of recruitment, education and retention.

15.To create a happy workplace, strengthen corporate responsibility (CSR) and integrate core strategies—sustained financial innovation and sustainable management.

Sun, Tien-Shan
Chairman

Lee, Wen-Chu
President

Lin, Li-Juan
Accounting manager

Capital Futures Corp.
Audit Committees' Review Report

The Board of Directors has prepared the 2019 fiscal year Financial Statements (including the Consolidated Financial Statements) of the Company, among which the financial statements were audited by the CPAs of KPMG Taiwan, “Lee, Feng-Hui” and “Chung, Tan-Tan”, with an unqualified opinion issued in the Independent Auditor’s Report. We, as the Audit Committee of the Company, has reviewed the Financial Statements (including the Consolidated Financial Statements) that were present fairly with the reports prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law that are hereby presented for your approval.

Capital Futures Corp.
Chairman of Audit Committee

Chuang, Chih-Chen

March 26, 2020

Attachment 3

Distribution status of employees' and directors' remuneration in 2019

1. The distribution of remuneration to employees for an amount of NT\$8,713,865 and remuneration to Directors for an amount of NT\$8,713,865 were resolved in the Board meeting of the Company on March 26, 2020. Aforementioned remuneration will be distributed in cash, and the amount accounted for 1.14% of the Company's 2019 earning (the sum of net income before tax and the estimates of remuneration to employees and Directors) respectively.
2. The difference between the amount of remuneration to employees and Directors resolved by the Board of Directors and the estimated amount recognized as expense of the fiscal years as follows:

Unit: NT dollar

Item	Proposed amount of distribution resolved by the Board of Directors (A)	Estimated amount recognized as expense of the fiscal year (B)	Amount of difference (A-B)	Treatment of difference
Remuneration to employees	8,713,865	8,713,865	0	No difference
Remuneration to Directors	8,713,865	8,713,865	0	No difference

Attachment 4

Before and after clause amendment of the “The Ethical Corporate Management Best Practice Principles”

Provision after amendment	Provision before amendment	Note
<p>Article 5</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and <u>obtain approval from the Board of Directors</u>, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 5</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>The amendment for Article 5 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p>
<p>Article 7</p> <p>The Company shall <u>establish a risk assessment mechanism against unethical conduct</u>, <u>analyze</u> and assess on a <u>regular basis</u> business activity within business scope which is at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review the adequacy and effectiveness on a regular</p>	<p>Article 7</p> <p>When establishing prevention programs, the Company shall analyze business activities within business scope which is at a higher risk of being involved in unethical conduct, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 	<p>The amendment for Article 7 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management</p>

<p>basis.</p> <p>It is advisable for the Company to refer to <u>prevailing domestic and foreign standards or guidelines</u> in establishing the prevention programs, which shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, <u>health, or safety</u> of consumers or other stakeholders in the course of research <u>and development, procurement, manufacture,</u> provision, or sale of products and services. 	<ol style="list-style-type: none"> 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests of consumers or other stakeholders in the course of research, provision, or sale of products and services. 	<p>Best Practice Principles for TWSE/GTSM Listed Companies”.</p>
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<p>Article 8 <u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company and the respective business group shall clearly specify in their rules on the external documents and the <u>company website</u>, the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. <u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.</u></p>	<p>Article 8 The Company and the respective business group shall clearly specify in their rules on the external documents, the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.</p>	<p>The amendment for Article 8 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p>
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<p>Article 17</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and avail itself of <u>adequate resources and staffs with competent personnel</u>, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis (<u>at least once a year</u>):</p> <p>1. Assisting in incorporating ethics and moral values into</p>	<p>Article 17</p> <p>The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors which is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis:</p> <p>1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption</p>	<p>The amendment for Article 17 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p>
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<p>the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>2. <u>Analyzing and assessing on a regular basis</u> the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, <u>and</u> setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a</p>	<p>and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>2. Adopting accordingly programs to prevent unethical conduct, setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</p> <p>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the</p>	
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<p>whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	<p>purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p>Article 20 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical <u>conduct</u>, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company <u>shall base on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans,</u></p>	<p>Article 20 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall base on the results of preceding paragraph reduced to write in the form of an audit report to be submitted to the</p>	<p>The amendment for Article 20 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p>

<p><u>including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs.</u> The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p><u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and reduced to writing in the form of an audit report to be submitted to the Board of Directors.</u></p>	<p>Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	
<p>Article 23 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of</p>	<p>Article 23 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of</p>	<p>The amendment for Article 23 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to ‘Ethical Corporate Management Best Practice Principles for</p>

<p>the Company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or <u>senior management</u> shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>3. <u>Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed.</u> <u>Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding <u>anonymous reporting.</u></p> <p>6. Measures for protecting</p>	<p>the Company to submit reports.</p> <p>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</p> <p>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>4. Confidentiality of the identity of whistle-blowers and the content of reported cases.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing</p>	<p>TWSE/GTSM Listed Companies”.</p>
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<p>whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>7. Whistle-blowing incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	<p>incentive measures.</p> <p>When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.</p>	
<p>Article 27</p> <p>The ethical corporate management best practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be sent to <u>independent directors</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the Board of</p>	<p>Article 27</p> <p>The ethical corporate management best practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>When the Company submits its ethical corporate management best practice principles to the Board of Directors for discussion</p>	<p>The amendment for Article 27 is done pursuant to the May 23, 2019 Taiwan Stock Exchange Order No. Tai-Cheng-Chi-Li-Zi 10800083781 according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p>

<p>Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	<p>pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	
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Capital Futures Corp.
The Ethical Corporate Management Best Practice Principles
(After amendment)

- Article 1 The Ethical Corporate Management Best Practice Principles (“Principles”) is promulgated to assist the Company to foster a corporate culture of ethical management and sound development. The Company promulgates its own ethical corporate management best practice principles applicable to its subsidiary business groups and organizations, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.
- Article 2 When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.
- Article 3 "Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 4 The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
- Article 5 The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of

Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 The Company shall in its own ethical management policy prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training. When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the operation sites. In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions or members of other representative institutions, and consult or negotiate with relevant interested parties.

Article 7 The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within business scope which is at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review the adequacy and effectiveness on a regular basis.

It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy. The Company and the respective business group shall clearly specify in their rules on the external documents and the company website, the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and shall

carry out the policies in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

- Article 9 The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of agents, suppliers, clients, or other trading counterparties and its record of unethical conduct, if any. It is advisable not to have dealings with persons who have any records of unethical conduct.
- When entering into contracts with agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.
- Article 10 When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- Article 11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Article 12 When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article 13 The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
- Article 14 The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable

laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15 The Company shall engage in business activities in accordance with applicable competition laws and regulations.

Article 16 In the course of research, provision or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations to ensure the transparency of information about our products and services. The Company shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in its operations, with a view to prevent its products and services from directly or indirectly damaging the rights and interests of consumers or other stakeholders.

Article 17 The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and avail itself of adequate resources and staffs with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for

mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.

4. Promoting and coordinating awareness and educational activities with respect to ethics policy.

5. Developing a whistle-blowing system and ensuring its operating effectiveness.

6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18 The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19 The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at Board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Directors, managers, employees, mandataries, and substantial controllers of the Company shall not take advantage of their positions or influence to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall base on the results of

assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and reduced to writing in the form of an audit report to be submitted to the Board of Directors.

- Article 21 The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:
1. Standards for determining whether improper benefits have been offered or accepted.
 2. Procedures for offering legitimate political donations.
 3. Procedures and the standard rates for offering charitable donations or sponsorship.
 4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
 5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
 6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
 7. Handling procedures for violations of these Principles.
 8. Disciplinary measures on offenders.

- Article 22 The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the company's commercial transaction counterparties so they understand the company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.
- The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

- Article 23 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system

shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.

2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.

3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.

4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.

5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.

6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.

7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24 The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25 The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26 The Company shall at all times monitor the development of relevant local and international regulations concerning ethical

corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieve better implementation of ethical management.

Article 27 The ethical corporate management best practice principles of the Company shall be implemented after the Board of Directors grants the approval, and shall be sent to independent directors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

Attachment 5

2020 Corporate Social Responsibility Activities Program

Stakeholders	Plans and policies
Employees	<ol style="list-style-type: none"> 1. Arranging education training for employees. 2. Capital Financial University Talents Training. 3. Holding a series of Healthy Diet Activities. 4. Holding the year end party. (Such as Banquet, entertainment, and the draw activity) 5. Regular health checks for employees. 6. Employee group insurance <ul style="list-style-type: none"> ➤ The Company provides employees with a broad variety of group insurance coverage from life, accidental injury, accidental medical treatment, to occupational hazard. ➤ Employees are invited to include their family members into group insurance at discounted premium. Term life, accidental injury, medical treatment, and cancer insurance policies have been offered to care for employees and their family members. 7. Welfare measures of the Welfare Committee <ul style="list-style-type: none"> ➤ Employee marriage. ➤ Funeral subsidies for the death of the employees. ➤ Funeral subsidies for the death of the employee's family members. ➤ Consolation money for the hospitalization and surgery of employees. ➤ Maternity subsidy. ➤ Travel allowance. ➤ Emergency relief loan. ➤ Consolation money for natural disaster.
Customers and investors	<ol style="list-style-type: none"> 1. Holding investment and finance seminars. 2. Holding public welfare investment seminars. 3. Promoting the electronic trading system. 4. Continuously promoting the “Environmental Protection, Love

	<p>For the Earth, and Happiness in Life" electronic account statement activity.</p> <p>5. Establishing a multiple ordering platform to provide customers with a more convenient ordering process</p>
Shareholders	<p>1.General shareholders’ meeting held regularly every year.</p> <p>2.Disclose information comprehensively to shareholders with the use of the annual report, corporate social responsibility report, and the Company's Website.</p> <p>3.Classes are opened on topics including finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility, corporate ethics, internal control systems and financial reporting based on the professional competence of the Directors and employees</p>
Business Integrity	<p>The Company has “Rules Governing Ethical Management” and “Procedures for Ethical Management and Guidelines for Conduct “in place. They exist to enforce integrity principles throughout internal management and commercial activities. It will review the Company's integrity management on a yearly basis, and reports its findings to the board of Directors periodically.</p>
Society and community service	<p>1.“Capital Love Reading Program”</p> <p>2. Blood donation activity</p>
Environmental protection	<p>1.Promoting energy conservation and carbon reduction policies to reduce the use of water, electricity and petroleum.</p> <p>2.Giving priority to the use of products of manufacturers with the environmental protection label.</p> <p>3.Promoting the recovery of resources to properly handle waste.</p>

2019 Corporate Social Responsibility Program and Achievement

Stakeholders	2019 planned programs and directions	Achievement
Employees	1. Investment and financial management seminars/ educational training.	<p>1. In order to cultivate various professional talents, the Company accords to the different career stages and organizational development needs of personnel at all levels, and also plan a comprehensive training plan and provide colleagues with timely and diversified learning channels, so as to achieve win-win benefits of organizational talent development and personal career development.</p> <p>(1)2019.2.25 Music sharing seminar was played by Mr. Huang Shu-Shen.</p> <p>(2)2019.5.2 “The analysis of the trade war between China and The United States” presented by Dr. Chen Song Hsin.</p> <p>(3)2019.6.13 “The reborn of Taiwan industry” presented by Lawyer Mr. Huang Rih-Tsan.</p> <p>(4)2019.6.13 “The co-founder of Press play would tell you a truth that people will pay for knowledge in the future.</p> <p>(5)2019.7.11 “The education training of the related rules and processing methods in trading securities.”</p> <p>(6)2019.8.15 “Word, magician of image”.</p> <p>(7)2019.9.19 “Sharing various events which always happened during making films”.</p> <p>(8)2019.9.27 “Go crazy with painting”.</p> <p>(9)2019.10.28 “Negotiation skills” presented by Dr. Liu Bi-Rong.</p> <p>(10)2019.11.6 “The character analysis of internet stars”.</p> <p>(11)2019.11 & 2019.12 “What supervisors can help employees?”</p>

	<p>2.Talent training through Capital Financial University.</p> <p>3.Healthy-workplace series of activities.</p> <p>4.Regular health checks for employees.</p> <p>5.Employee group insurance.</p>	<p>2. Talent training through Capital Financial University. Activity period: August 6 ~ November 20; number of students: 31.</p> <p>3. Healthy-workplace series of activities.</p> <p>(1)Engaging physicians to the Company every quarter to provide health consulting services for employees. In 2019, there are total 35 employees have been accepted the consultation.</p> <p>(2)Promoting sports activities: Renting a basketball stadium every Friday 18:30~20:30 for employees taking basketball exercise.</p> <p>(3)The healthy boxed meal information was posted on the Company's intranet.</p> <p>(4)Building a smoke-free office environment. Announcing the Company's "Smoking and Chewing of Betel Nuts Hazard Prevention Measures"</p> <p>(5)Setting "Ergonomic hazards and illegal infringement prevention" and "Abnormal loading job trigger the diseases prevention", and implement according to the plan.</p> <p>4. In addition to regular employee health checks, the Company sign contracts with health check centers to provide preferential health checks for employees.</p> <p>5. Employee group insurance</p> <p>(1)The Company provides employees with a broad variety of group insurance coverage from life, accidental injury, accidental medical treatment, to occupational hazard.</p> <p>(4)Employees are invited to include their family members into group insurance at discounted premium. Term life, accidental injury, medical treatment,</p>
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	<p>6. Various welfare measures of the Welfare Committee.</p>	<p>and cancer insurance policies have been offered to care for employees and their family members.</p> <p>6. Various welfare measures of the Welfare Committee in 2019:</p> <p>(1) Travel subsidy: 222 people; total amount of subsidy: NT\$1,442,612.</p> <p>(2) Marriage subsidy: 2 people; total amount of subsidy: NT\$6,000.</p> <p>(3) Childbirth subsidy: 5 people; total amount of subsidy: NT\$15,000.</p> <p>(4) Hospitalization subsidy: 4 people; total amount of subsidy: NT\$30,000.</p> <p>(5) Funeral subsidy: 1 person; total amount of subsidy: NT\$5,000.</p> <p>The Company obtain the Happiness Enterprise Award from 1111 Job Bank.</p>
<p>Customers and Investors</p>	<p>1. Holding investment seminars</p>	<p>1. Held investment seminars regularly in 2019 as follows:</p> <p>(1) 2019/01/30~2019/02/10 Capital Futures was not closed during Chinese New Year.</p> <p>(2) 2019/04/01~2019/12/31 Capital Winner seminar.</p> <p>(3) 2019/05~2019/08 the new influential people in foreign exchange trading.</p> <p>(4) 2019/1/28 Global trading competition.</p> <p>(5) 2019/2/26 Analysis and discussion of Mainland stock ETF.</p> <p>(6) 2019/3/12 Winner seminar.</p> <p>(7) 2019/3/26 The investment skill of mainland stock market.</p> <p>(8) 2019/4/24 The strategy masters teach you how to pick investment targets.</p> <p>(9) 2019/7/10 The effect and analysis of the United States cutting the interest rate.</p> <p>(10) 2019/9/17 The key in investing overseas futures market.</p>

	<p>2. Holding public welfare investment seminar.</p> <p>3. Promoting the electronic trading system.</p>	<p>(11) 2019/10/04 The rare chance to talk to masters.</p> <p>(12) 2019/11/2~2019/11/3 Proprietary trading training camp.</p> <p>(13) 2019/11/11 and 2019/12/10 The global forum- invest easily in VIX.</p> <p>(14) 2019/12/23 The key investment strategies in 5G industry.</p> <p>2. Hosting 4 public welfare investment seminars in 2019, a total of 1,210 people participated.</p> <p>3. Promoting the electronic trading system.</p> <p>(1) Promoting “GOODi” to be the intelligent financial partner: GOODi is the first domestic intelligent financial robot which build with artificial intelligence as the blueprint. In the future, the goal of GOODi is to integrate all investment accounts of Capital Group for searching and it will provide the correct solutions efficiently to customers through talking. Also, GOODi could learn automatically what the financial news, financial statements, shareholder meetings are customer’s concern about, and it will be the most trusted financial partner. Customers could immediately receive financial news, financial reports, the information of ex-dividends, shareholders' meeting, etc. through talking with GOODi.</p> <p>(2) It is expected to provide the platform of LINE @ and Intelligent Winner for customers to place orders in 2020.</p> <p>(3) The Company sets the customer service center which focus on promoting the electronic trading platform service. After the Company provides App and Web online self-service inspection mechanisms, the frequency of manual operations has been reduced, allowing precious human resources to be transferred to the development of</p>
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	<p>4. Continuously promoting the "Environmental Protection, Love for the Earth, and Happiness in Life" electronic statement activity</p>	<p>customer experience, interface design, project construction and intelligent services.</p> <p>4. Supported environmental protection and paperless operations, the Company provide continuously various APP, Web application functions and record education videos for teaching customers.</p> <p>(1) In 2019, there total 19,753 accounts were opened, and 5,086 accounts of it were opened online. The ratio of electronic trading is 26%.</p> <p>(2) In 2019, there total 25,155 accounts traded, and 24,158 accounts of it traded online, the ratio of electronic trading is 96%.</p> <p>(3) To provide customers with electronic statements of all commodities, continue to promote various electronic statements through marketing activities, reduce paper use, effectively reduce printed paper and ink and other consumables, and also reduce costs and pollution which was caused by transportation during mailing.</p> <p>(4) To provide customers with various functions of opening accounts, adding accounts, transactions, accounts, deposits and withdrawals, research reports via Web and APP, and to publicize and promote for realizing the complete electronic transaction through the official website and YouTube dual channel teaching videos. The goal is to advance and reduce the transportation cost and required time for customers to handle counters, and promote energy conservation and carbon reduction for a contribution of environmental protection.</p>
Shareholders	1. A general shareholders'	1. The general shareholders' meeting was held on May 30, 2019.

	<p>meeting is held every year</p> <p>2.The annual report and corporate social responsibility report are completely disclosed to shareholders on the Company's website</p> <p>3.The status of Directors participated training courses</p>	<p>2.The annual report and corporate social responsibility report are published on an annual basis and will be uploaded to MOPS and the Company's website in the end of June every year.</p> <p>3.The Company has 7 Directors (including 3 Independent Directors). A total of 37 hours of training was conducted in 2019, and the topics covered finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility, corporate ethics, internal control systems and financial reporting.</p>
Business Integrity	<p>The Company has the "Code of Business Integrity" and the "Procedures for Ethical Management and Guidelines for Conduct" for implementation of the commitment of the integrity policy in internal management and business activities.</p>	<p>The Directors and management levels implement the "Code of Business Integrity" aggressively in internal management and business activities. Through e-learning platform to hold education trainings for integrity policy, and also disclose the integrity policy on internet for letting the suppliers, customers, and other related people could know clear about the integrity policy of the Company. It has been reported on March 26, 2020, the 16th meeting of the 8th board.</p>
Social and Community Service	<p>1.Social welfare activities and donations.</p>	<p>1. Social welfare activities and donations.</p> <p>(1) Sponsor to the event "Chef to Your Home" of the McDonald's House Foundation, employee who participate in this event would make dinner together on July 17th, 2019.</p> <p>(2) Charitable donations in 2019 is as follows:</p> <ul style="list-style-type: none"> ●Mennon Social Welfare Charity

	<p>2. “Capital Group Love Reading Program”</p>	<p>Foundation: NT\$100,000.</p> <ul style="list-style-type: none"> ● Taichung Private Trust, Hope and Love Intelligent Development Center: NT\$100,000. ● Financial Services Education Public Welfare Fund: NT\$100,000. ● Financial Governance and Law Compliance Society: NT\$750,000. ● Securities and Futures Institute: NT\$5,000,000 <p>2. “Capital Group Love Reading Program”: To promote rural education in Taiwan and close the gap between rural and urban resources.</p> <p>(1) In 2019, a total of 9 primary schools were donated, King Young Elementary School in Yilan County, Guishan Elementary School and Dacheng Elementary School in New Taipei City, Gien Shih Elementary School in Hsinchu County, Siang Bi Elementary School in Miaoli County, Xiufeng Elementary School in Nantou County, and Chiayi County Siding Elementary School, Tainan Ruifeng Elementary School, Pingtung County Gaoshi Elementary School.</p> <p>(2) In March 2019, the launching ceremony of "Capital Group Love Reading Program" was held at King Young Elementary School in Yilan County, announcing that the scope of donation will be expanded from northern to the whole of Taiwan this year. Also, it expected to resonate with the society for caring about the education in the rural areas together through this program.</p> <p>(3) In April 2019, a total of about two hundred primary school children from New Taipei City were invited to go out of their hometowns and came to the</p>
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	<p>3.Capital Group blood donation activity</p>	<p>Chiang Kai-shek Memorial Hall for a city reading tour, visiting the Ghibli Animation Manuscript Exhibition. Let children experience the world-renowned animation manuscript works, and up close peep into the creation process of well-known animations such as Totoro.</p> <p>(4)All teachers and students of Xiufeng Primary School in Nantou County were invited to visit Daohe Liuyi Cultural Museum and Science Museum in Taichung City on Christmas Eve.</p> <p>3. Blood donation activities - public welfare activities. In the twelfth year of the cooperation with the Blood Foundation, the blood donation activity expanded for 23 stations which covering the north to south districts in Taiwan. The Capital Group led its employees, employees' family members and the public to donate blood and send love to those in need, and a total of 1,500 bags which breakthrough the goal of activity in 2019.</p>
<p>Environment-al Protection</p>	<p>1.Promoting energy conservation and carbon reduction policies to reduce the use of water and electricity.</p>	<p>1.Promoted energy conservation and carbon reduction policies to reduce the use of water, electricity and fuel.</p> <p>(1)Lighting equipment in office adopt energy-saving lamps and anti-glare louver for promoting indoor lighting efficiency.</p> <p>(2)The light equipment controls by different districts in office, it would help when turn off unnecessary lighting.</p> <p>(3)Regional offices are equipped with air-conditioning control and air circulation fans are installed on the ceiling to improve the air volume to achieve room temperature needs and improve indoor air quality for reducing energy consumption.</p> <p>(4)Setting up the small air conditioner engine to replace the large one when</p>

	<p>2. Giving priority to products of manufacturers with the environmental protection label.</p> <p>3. Promoting the recovery of resources to properly handle waste.</p>	<p>off-peak.</p> <p>(5) Ask the manufacturer to clean and maintain the air conditioning system regularly for improving the effect of cold room and maintaining the service life of the machine.</p> <p>(6) Publishing the water-saving policies strongly and cherish water resources.</p> <p>(7) Setting time control in water fountain, it will close when off duty or holiday time.</p> <p>(8) Promoting e-operation to save paper use.</p> <p>(9) The company had news published online and replaced the paper signature with e-signature to minimize the distribution of printed information.</p> <p>2. Preferring green procurement and using the products of the manufacturers with environmental protection mark Green construction materials and certified energy-saving light fixtures should be used for decoration engineering with priority.</p> <p>3. Promoting resource recycling and properly handling waste Substantiated the Company's internal resources recycling and resource sorting; used toner cartridges were recycled by the professional manufacturers in order to avoid pollution and waste of resources.</p>
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Attachment 6

Independent Auditors' Report

To the Board of Directors of Capital Futures Corporation

Opinion

We have audited the consolidated financial statements of Capital Futures Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018 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 of December 31, 2019 and 2018, 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, the related rules of Preparing Financial Reports of Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 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, and we do not provide a separate opinion on these matters. Key audit matters of the Group's financial statements are stated as follows:

Commission income – brokerage recognized:

Related accounting policies of commission income – brokerage recognized, please refer to the consolidated financial report note 4(o) revenue recognized. Explanation of commission income – brokerage, please refer to the consolidated financial report note 6(o)(i). Comprehensive income statement commission income – brokerage.

Explanation of key audit matters:

The Group's main income is commission income – brokerage from entrusted futures dealing. The existence and accuracy of commission income – brokerage have major affect on the financial report. Therefore, commission income – brokerage recognized is one of the important evaluation matters of the Group's financial report.

Audit procedures in response:

According to the key audit matters main audit procedures, we perform the sampling test on brokerage business dealing internal control and commission income – brokerage recorded amount, then compare with the entrusted data from brokerage business and evaluate the revenue recognized policies are managed by the related bulletin.

Other Matter

Capital Futures Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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, the related rules of Preparing Financial Reports of Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 Group's ability 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

The engagement partners on the audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2020

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
111100 Cash and cash equivalents (Note 6(a))	\$ 4,131,969	10	3,957,955	10			24,900	-
112000 Current financial assets at fair value through profit or loss (Note 6(b))	512,847	1	495,870	1	212000 Current financial liabilities at fair value through profit or loss (Note 6(b))	\$ 22,836	-	24,900
114010 Bonds purchased under resale agreements (Note 6(b))	46,000	-	198,000	1	214080 Futures traders' equity (Note 6(f))	35,435,978	87	34,787,243
114070 Customers' margin accounts (Note 6(f))	35,492,166	87	34,904,047	86	214100 Leverage contract trading - customers' equity	308,590	1	225,899
114080 Receivable - futures margin (Note 6(g))	2	-	1	-	214130 Accounts payable	43,812	-	36,918
114100 Security borrowing margin	3,874	-	-	-	214140 Accounts payable to related parties (Note 7)	10,914	-	10,922
114130 Accounts receivable	13,539	-	13,847	-	214150 Advance receipts	2,511	-	10,264
114140 Accounts receivable to related parties (Note 7)	722	-	334	-	214160 Receipts under custody	3,856	-	3,985
114150 Prepayments	8,277	-	15,819	-	214170 Other payables	132,096	-	145,580
114170 Other receivables	80,484	-	61,274	-	214180 Other payables to related parties (Note 7)	871	-	525
114180 Other receivables to related parties (Note 7)	4,068	-	19,998	-	214600 Current income tax liabilities	86,626	-	52,554
114300 Leverage contract trading - customers' margin accounts	308,543	1	228,564	1	215100 Provisions - current	5,952	-	-
114600 Current income tax assets	228	-	236	-	216000 Current lease liabilities (Note 6(i))	27,546	-	-
119000 Other current assets	2	-	2	-	219000 Other current liabilities	10,670	-	8,488
	<u>40,602,721</u>	<u>99</u>	<u>39,895,947</u>	<u>99</u>		<u>36,092,258</u>	<u>88</u>	<u>35,307,278</u>
Non-current assets:								
123200 Non-current financial assets at fair value through other comprehensive income (Note 6(b))	1,375	-	1,055	-	Non-current liabilities:			
124100 Investments under Equity Method (Note 6(c))	47,860	-	45,719	-	226000 Non-current lease liabilities (Note 6(i))	11,882	-	-
125000 Property and equipment (Note 6(d))	66,829	-	48,452	-	228000 Deferred income tax liabilities (Note 6(l))	8,767	-	9,556
125800 Right-of-use assets (Note 6(e))	39,481	-	-	-	229000 Other non-current liabilities (Note 6(k))	6,719	-	7,912
127000 Intangible assets (Note 6(h))	82,235	-	78,032	-		<u>27,368</u>	-	<u>17,468</u>
128000 Deferred income tax assets (Note 6(l))	236	-	170	-	Total liabilities	<u>36,119,626</u>	<u>88</u>	<u>35,324,746</u>
129000 Other non-current assets	320,173	1	316,643	1	Equity attributable to owners of parent:			
	<u>558,189</u>	<u>1</u>	<u>490,071</u>	<u>1</u>	301010 Common stock (Note 6(m))	1,764,376	4	1,764,376
					302000 Capital surplus (Note 6(m))	1,047,338	3	1,047,338
					304010 Legal reserve	504,667	1	421,147
					304020 Special reserve	1,142,132	3	990,784
					304040 Unappropriated earnings (Note 6(m))	599,904	1	835,315
					305000 Other equity	(45,421)	-	(26,868)
					Total equity attributable to the parent company	<u>5,012,996</u>	<u>12</u>	<u>5,032,092</u>
					306000 Non-controlling interests	28,288	-	29,180
					906004 Total equity	<u>5,041,284</u>	<u>12</u>	<u>5,061,272</u>
					906002 Total liabilities and equity	<u>\$ 41,160,910</u>	<u>100</u>	<u>40,386,018</u>
								<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2019		2018		
	Amount	%	Amount	%	
Income:					
401000	Commission income - brokerage (Note 6(o))	\$ 1,577,235	82	1,858,391	65
410000	Net gains (losses) on sale of trading securities	54,758	3	(68,276)	(2)
421300	Dividend revenue	1,101	-	5,853	-
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	14,751	1	(2,554)	-
421600	Losses on covering of borrowed securities and bonds with resale agreements-short sales	(1,144)	-	-	-
421610	Net losses on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	(1,108)	-	-	-
424100	Futures commission revenue (Note 6(o))	209,879	11	453,195	16
424200	Securities commission revenue	4,622	-	7,102	-
424400	Net gains (losses) on derivative financial instruments (Note 6(o))	(16,016)	(1)	465,785	16
424500	Net gains (losses) on derivative instruments - Taipei Exchange (Note 6(o))	36,424	2	72,343	3
424800	Management fee revenue	204	-	1,379	-
424900	Consulting fee revenue	15,076	1	29,057	1
428000	Other operating revenue	20,996	1	27,217	1
		<u>1,916,778</u>	<u>100</u>	<u>2,849,492</u>	<u>100</u>
Expenses:					
501000	Brokerage fees	266,476	14	342,926	12
502000	Brokerage fees - proprietary trading	1,325	-	4,919	-
521200	Financial costs	19,791	1	10,225	1
521640	Loss from securities borrowing transactions	193	-	-	-
425300	(Reversal of) expected credit impairment loss (Note 6(p))	(2,237)	-	35,328	1
524100	Futures commission expenses (Note 6(o))	432,079	22	634,575	22
524300	Clearing and settlement expenses	149,055	8	173,218	6
528000	Other operating expenditure	2,129	-	5,964	-
531000	Employee benefit expenses (Note 6(o))	457,346	24	483,456	17
532000	Depreciation and amortization expenses (Note 6(o))	67,600	4	30,558	1
533000	Other operating expenses (Note 6(o))	345,359	18	600,792	21
		<u>1,739,116</u>	<u>91</u>	<u>2,321,961</u>	<u>81</u>
Non-operating income and expenses:					
601000	Share of profit (loss) of subsidiaries, associates and joint ventures under equity method (Note 6(c))	2,469	-	3,818	-
602000	Other gains and losses (Note 6(o))	566,483	30	423,627	15
		<u>568,952</u>	<u>30</u>	<u>427,445</u>	<u>15</u>
902001	Net income before income tax	746,614	39	954,976	34
701000	Less: Income tax expenses (Note 6(l))	146,938	8	116,866	5
	Net income	<u>599,676</u>	<u>31</u>	<u>838,110</u>	<u>29</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified to profit or loss in subsequent periods:				
805510	Actuarial gain (loss) on defined benefit plans (Note 6(k))	(664)	-	(372)	-
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other	320	-	41	-
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Subtotal of components that may not be subsequently reclassified into profit or loss	<u>(344)</u>	<u>-</u>	<u>(331)</u>	<u>-</u>
805600	Components that may be reclassified to profit or loss in subsequent periods:				
805610	Foreign exchange difference from translating financial reports of foreign operations	(19,498)	(1)	28,935	1
805699	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(l))	(66)	-	9,222	-
	Subtotal of components that may be subsequently reclassified into profit or loss	<u>(19,432)</u>	<u>(1)</u>	<u>19,713</u>	<u>1</u>
805000	Other comprehensive income	<u>(19,776)</u>	<u>(1)</u>	<u>19,382</u>	<u>1</u>
902006	Total comprehensive income	<u>\$ 579,900</u>	<u>30</u>	<u>857,492</u>	<u>30</u>
Net income attributable to:					
913100	Shareholders of the parent	\$ 600,009	31	835,205	29
913200	Non-controlling interests	(333)	-	2,905	-
		<u>\$ 599,676</u>	<u>31</u>	<u>838,110</u>	<u>29</u>
Comprehensive income attributable to:					
914100	Shareholders of the parent	\$ 580,792	30	853,807	30
914200	Non-controlling interests	(892)	-	3,685	-
		<u>\$ 579,900</u>	<u>30</u>	<u>857,492</u>	<u>30</u>
975000	Basic earnings per share (Dollar) (Note 6(n))	<u>\$ 3.40</u>		<u>4.73</u>	
985000	Diluted earnings per share (Dollar) (Note 6(n))	<u>\$ 3.40</u>		<u>4.73</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Stock	Equity attributable to the parent company										Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity attributable to the parent company	Non-controlling interests	
Balance at January 1, 2018	\$ 1,603,979	1,207,735	348,116	794,335	730,304	(46,737)	-	895	4,637,732	25,495	4,663,227
Effects of retrospective application	-	-	-	-	-	-	-	895	895	-	895
Balance on January 1, 2018 after adjustments	1,603,979	1,207,735	348,116	794,335	730,304	(46,737)	-	895	4,638,627	25,495	4,664,122
Net income for the year ended December 31, 2018	-	-	-	-	835,205	-	-	-	835,205	2,905	838,110
Other comprehensive income	-	-	-	-	(372)	18,933	-	41	18,602	780	19,382
Total comprehensive income	-	-	-	-	834,833	18,933	-	41	853,807	3,685	857,492
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	73,031	-	-	-	-	-	-	-	-
Special reserve	-	-	-	196,449	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(460,342)	-	-	-	(460,342)	-	(460,342)
Changes in capital surplus:											
Issuance of stock dividends from capital surplus	160,397	(160,397)	-	-	-	-	-	-	-	-	-
Balance at December 31, 2018	1,764,376	1,047,338	421,147	990,784	835,315	(27,804)	-	936	5,032,092	29,180	5,061,272
Net income for the year ended December 31, 2019	-	-	-	-	600,009	-	-	-	600,009	(333)	599,676
Other comprehensive income	-	-	-	-	(664)	(18,873)	-	320	(19,217)	(559)	(19,776)
Total comprehensive income	-	-	-	-	599,345	(18,873)	-	320	580,792	(892)	579,900
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	83,520	-	-	-	-	-	-	-	-
Special reserve	-	-	-	171,217	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(599,888)	-	-	-	(599,888)	-	(599,888)
Reversal of special reserve	-	-	-	(19,869)	19,869	-	-	-	-	-	-
Balance at December 31, 2019	\$ 1,764,376	1,047,338	504,667	1,142,132	599,904	(46,677)	-	1,256	5,012,996	28,288	5,041,284

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 746,614	954,976
Adjustments:		
Adjustments to reconcile:		
Depreciation expense	59,246	22,605
Amortization expense	8,354	7,953
Expected credit loss (gain)	(2,237)	35,328
Net gains on financial assets or liabilities at fair value through profit or loss	(21,723)	(9,253)
Interest expense	19,791	10,225
Interest income (including financial income)	(541,224)	(379,425)
Dividend income	(1,457)	(5,902)
Share of loss (profit) of associates and joint ventures under equity method	(2,469)	(3,818)
Total adjustments to reconcile	(481,719)	(322,287)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	5,854	589,933
Decrease (increase) in bond purchased under resale agreements	152,000	(186,499)
Increase in customer margin accounts	(588,119)	(6,883,182)
Decrease (increase) in receivable-futures margin	2,388	(33,370)
Increase in leverage contract trading - customer's margin accounts	(79,979)	(77,024)
Increase in security borrowing margin	(3,874)	-
Decrease in accounts receivable	308	15,469
(Increase) decrease in accounts receivable to related parties	(388)	767
Decrease (increase) in prepayments	7,542	(6,799)
Increase in other receivable	(22,239)	(7,927)
Decrease (increase) in other receivable to related parties	15,762	(19,777)
Increase in other current assets	-	(1)
(Increase) decrease in clearing and settlement fund	(2,835)	893
(Increase) decrease in refundable deposits	(695)	6,085
Decrease in financial liabilities at fair value through profit or loss	(3,172)	(106,552)
Increase in futures traders' equity	648,735	6,800,864
Increase in leverage contract trading - customer's equity	82,691	73,059
Increase (decrease) in accounts payable	6,894	(59,528)
Decrease in accounts payable to related parties	(8)	(3,766)
Decrease in advance receipts	(7,753)	(14,981)
Decrease in receipts under custody	(129)	(434)
Decrease in other payable	(14,322)	(28,687)
Increase in other payable to related parties	349	179
Increase in provisions for liabilities	5,952	-
Increase (decrease) in other current liabilities	2,182	(4,315)
(Decrease) increase in non-current liabilities	(1,857)	4,784
Total changes in operating assets and liabilities	205,287	59,191
Total adjustments	(276,432)	(263,096)
Cash inflow generated from operations	470,182	691,880
Interest received	544,377	372,469
Dividends received	1,349	5,902
Interest paid	(19,071)	(10,220)
Income taxes paid	(113,773)	(112,074)
Income taxes refund	-	3
Net Cash flows from (used in) operating activities	883,064	947,960
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(47,513)	(22,746)
Acquisition of intangible assets	(12,646)	(3,912)
Proceeds from disposal of intangible assets	-	1,932
Net cash flows from (used in) investing activities	(60,159)	(24,726)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(29,890)	-
Cash dividends paid	(599,888)	(460,342)
Net cash flows from (used in) financing activities	(629,778)	(460,342)
Effect of exchange rate changes on cash and cash equivalents	(19,113)	28,369
Net increase (decrease) in cash and cash equivalents	174,014	491,261
Cash and cash equivalents at beginning of period	3,957,955	3,466,694
Cash and cash equivalents at end of period	\$ 4,131,969	3,957,955

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Capital Futures Corporation

Opinion

We have audited the financial statements of Capital Futures Corporation("the Company"), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Futures Enterprises and the Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters of the Company's financial statements are stated as follows:

Commission income – brokerage recognized:

Related accounting policies of commission income – brokerage recognized, please refer to the financial report note 4(o) revenue recognized. Explanation of commission income – brokerage, please refer to the financial report note 6(o)(i). Comprehensive income statement commission income – brokerage.

Explanation of key audit matters:

The Company's main income is commission income – brokerage from entrusted futures dealing. The existence and accuracy of commission income – brokerage have major affect on the financial report. Therefore, commission income – brokerage recognized is one of the important evaluation matters of the Company's financial report.

Audit procedures in response:

According to the key audit matters main audit procedures, we perform the sampling test on brokerage business dealing internal control and commission income – brokerage recorded amount, then compare with the entrusted data from brokerage business and evaluate the revenue recognized policies are managed by the related bulletin.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 financial statements, including the disclosures, and whether the 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 investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 that were of most significance in the audit of the 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.

The engagement partners on the audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2020

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018		December 31, 2019		December 31, 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
111100 Cash and cash equivalents (Note 6(a))	\$ 3,258,958	8	3,211,143	8	212000 Current financial liabilities at fair value through profit or loss (Note 6(b))	\$	22,836	-
112000 Current financial assets at fair value through profit or loss (Note 6(b))	512,716	1	269,845	1	214080 Futures traders' equity (Note 6(f))	34,489,833	86	34,098,182
114010 Bonds purchased under resale agreements (Note 6(b))	46,000	-	198,000	-	214100 Leverage contract trading customers' equity	308,590	1	225,899
114070 Customers margin accounts (Note 6(f))	34,512,680	86	34,122,952	86	214130 Accounts payable	41,651	-	34,175
114080 Receivable futures margin (Note 6(g))	2	-	1	-	214140 Accounts payable to related parties (Note 7)	10,914	-	10,922
114100 Security borrowing margin	3,874	-	-	-	214150 Advance receipts	2,422	-	3,117
114130 Accounts receivable	11,379	-	11,986	-	214160 Receipts under custody	3,811	-	3,946
114140 Accounts receivable to related parties (Note 7)	374	-	228	-	214170 Other payables	118,233	1	118,899
114150 Prepayments	3,955	-	10,925	-	214180 Other payables to related parties (Note 7)	3,698	-	2,395
114170 Other receivables	21,347	-	40,230	-	214600 Current income tax liabilities	86,372	-	52,418
114180 Other receivables to related parties (Note 7)	4,052	-	19,981	-	215100 Provisions - current	5,952	-	-
114300 Leverage contract trading customers' margin accounts	308,543	1	228,564	1	216000 Current lease liabilities (Note 6(i))	14,920	-	-
119000 Other current assets	2	-	2	-	219000 Other current liabilities	10,670	-	8,488
	<u>38,683,882</u>	<u>96</u>	<u>38,113,857</u>	<u>96</u>		<u>35,119,902</u>	<u>88</u>	<u>34,567,504</u>
Non-current assets:					Non-Current liabilities:			
123200 Non-current financial assets at fair value through other comprehensive income (Note 6(b))	1,375	-	1,055	-	226000 Non-current lease liabilities (Note 6(i))	6,767	-	-
124100 Investments under Equity Method (Note 6(c))	1,030,228	3	1,099,476	3	228000 Deferred income tax liabilities (Note 6(l))	8,767	-	9,556
125000 Property and equipment (Note 6(d))	57,721	-	44,122	-	229000 Other non-current liabilities (Note 6(k))	6,719	-	7,912
125800 Right-of-use assets (Note 6(e))	21,602	-	-	-		<u>22,253</u>	-	<u>17,468</u>
127000 Intangible assets (Note 6(h))	56,982	-	52,405	-	Total liabilities	<u>35,142,155</u>	<u>88</u>	<u>34,584,972</u>
128000 Deferred income tax assets (Note 6(l))	236	-	170	-	Common stock (Note 6(m))	1,764,376	4	1,764,376
129000 Other non-current assets	303,125	1	305,979	1	Capital surplus (Note 6(m))	1,047,338	3	1,047,338
	<u>1,471,269</u>	<u>4</u>	<u>1,503,207</u>	<u>4</u>	Legal reserve	504,667	1	421,147
					Special reserve	1,142,132	3	990,784
					Unappropriated earnings (Note 6(m))	599,904	1	835,315
					Other equity	(45,421)	-	(26,868)
						<u>5,012,996</u>	<u>12</u>	<u>5,032,092</u>
					Total equity	<u>40,155,151</u>	<u>100</u>	<u>39,617,064</u>
906001 Total assets	<u>\$ 40,155,151</u>	<u>100</u>	<u>\$ 39,617,064</u>	<u>100</u>	906002 Total liabilities and equity	<u>\$ 40,155,151</u>	<u>100</u>	<u>\$ 39,617,064</u>

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		<u>2019</u>		<u>2018</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Incomes:					
401000	Commission income - brokerage (Note 6(o))	\$ 1,638,480	94	1,926,768	81
410000	Net gains (losses) on sale of trading securities	36,165	2	(81,713)	(3)
421300	Dividend revenue	1,101	-	5,842	-
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	13,966	1	(1,803)	-
421600	Losses on covering of borrowed securities and bonds with resale agreements short sales	(1,144)	-	-	-
421610	Net losses on borrowed securities and bonds with resale agreements short sales at fair value through profit or loss	(1,108)	-	-	-
424200	Securities commission revenue	3,492	-	4,721	-
424400	Net gains (losses) on derivative financial instruments (Note 6(o))	(5,221)	-	414,369	18
424500	Net gains (losses) on derivative instruments Taipei Exchange (Note 6(o))	36,424	2	72,343	3
424800	Management fee revenue	204	-	1,379	-
424900	Consulting fee revenue	15,076	1	29,057	1
428000	Other operating revenue	(1,800)	-	2,342	-
		<u>1,735,635</u>	<u>100</u>	<u>2,373,305</u>	<u>100</u>
Expenses:					
501000	Brokerage fees	219,170	13	251,847	11
502000	Brokerage fees proprietary trading	1,325	-	4,919	-
521200	Financial costs	26,592	2	12,410	1
521640	Loss from securities borrowing transactions	193	-	-	-
425300	(Reversal of) expected credit impairment loss (Note 6(p))	(2,237)	-	33,522	1
524100	Futures commission expenses (Note 6(o))	385,391	22	451,960	19
524300	Clearing and settlement expenses	149,055	9	173,218	7
528000	Other operating expenditure	2,129	-	5,964	-
531000	Employee benefit expenses (Note 6(o))	384,246	22	414,995	18
532000	Depreciation and amortization expenses (Note 6(o))	55,275	3	26,505	1
533000	Other operating expenses (Note 6(o))	275,576	16	485,689	20
		<u>1,496,715</u>	<u>87</u>	<u>1,861,029</u>	<u>78</u>
Non-operating income and expenses:					
601100	Share of profit (loss) of subsidiaries, associates and joint ventures under equity method (Note 6(c))	(50,309)	(3)	60,171	2
602000	Other gains and losses (Note 6(o))	558,336	32	377,809	16
		<u>508,027</u>	<u>29</u>	<u>437,980</u>	<u>18</u>
902001	Net income before income tax	746,947	42	950,256	40
701000	Less: Income tax expenses(Note 6(l))	146,938	8	115,051	5
	Net income	<u>600,009</u>	<u>34</u>	<u>835,205</u>	<u>35</u>
805000	Other comprehensive income:				
805500	Components that may not be reclassified to profit or loss in subsequent periods:				
805510	Actuarial gain (loss) on defined benefit plans (Note 6(k))	(664)	-	(372)	-
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other	320	-	41	-
805599	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Subtotal of components that may not be subsequently reclassified into profit or loss	<u>(344)</u>	<u>-</u>	<u>(331)</u>	<u>-</u>
805600	Components that may be reclassified to profit or loss in subsequent periods:				
805610	Foreign exchange difference from translating financial reports of foreign operations	(18,129)	(1)	28,630	1
805660	Share of other comprehensive income of subsidiaries, associates and joint ventures - Items that may be reclassified to profit or loss in subsequent periods	(810)	-	(475)	-
805699	Income tax related to components of other comprehensive income that will be reclassified to profit or loss(Note 6(l))	(66)	-	9,222	-
	Subtotal of components that may be subsequently reclassified into profit or loss	<u>(18,873)</u>	<u>(1)</u>	<u>18,933</u>	<u>1</u>
805000	Other comprehensive income	<u>(19,217)</u>	<u>(1)</u>	<u>18,602</u>	<u>1</u>
902006	Total comprehensive income	<u>\$ 580,792</u>	<u>33</u>	<u>853,807</u>	<u>36</u>
975000	Basic earnings per share (Dollar) (Note 6(n))	<u>\$ 3.40</u>		<u>4.73</u>	
985000	Diluted earnings per share (Dollar) (Note 6(n))	<u>\$ 3.40</u>		<u>4.73</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Stock		Retained earnings				Total other equity interest			Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
Balance at January 1, 2018	\$ 1,603,979	1,207,735	348,116	794,335	730,304	(46,737)	-	4,637,732		
Effects of retrospective application	-	-	-	-	-	-	-	895		
Balance on January 1, 2018 after adjustments	1,603,979	1,207,735	348,116	794,335	730,304	(46,737)	-	4,638,627		
Net income for the year ended December 31, 2018	-	-	-	-	835,205	-	-	835,205		
Other comprehensive income	-	-	-	-	(372)	18,933	41	18,602		
Total comprehensive income	-	-	-	-	834,833	18,933	41	853,807		
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	73,031	-	(73,031)	-	-	-		
Special reserve	-	-	-	196,449	(196,449)	-	-	-		
Cash dividends	-	-	-	-	(460,342)	-	-	(460,342)		
Changes in capital surplus:										
Issuance of stock dividends from capital surplus	160,397	(160,397)	-	-	-	-	-	-		
Balance at December 31, 2018	1,764,376	1,047,338	421,147	990,784	835,315	(27,804)	936	5,032,092		
Net income for the year ended December 31, 2019	-	-	-	-	600,009	-	-	600,009		
Other comprehensive income	-	-	-	-	(664)	(18,873)	320	(19,217)		
Total comprehensive income	-	-	-	-	599,345	(18,873)	320	580,792		
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	83,520	-	(83,520)	-	-	-		
Special reserve	-	-	-	171,217	(171,217)	-	-	-		
Cash dividends	-	-	-	-	(599,888)	-	-	(599,888)		
Reversal of special reserve	-	-	-	(19,869)	19,869	-	-	-		
Balance at December 31, 2019	\$ 1,764,376	1,047,338	504,667	1,142,132	599,904	(46,677)	1,256	5,012,996		

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 746,947	950,256
Adjustments:		
Adjustments to reconcile:		
Depreciation expense	47,206	18,844
Amortization expense	8,069	7,661
Expected credit loss (gain)	(2,237)	33,522
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(20,238)	9,341
Interest expense	26,592	12,410
Interest income (including financial income)	(529,587)	(363,732)
Dividend income	(1,457)	(5,891)
Share of loss (profit) of associates and joint ventures under equity method	50,309	(60,171)
Total adjustments to reconcile profit (loss)	<u>(421,343)</u>	<u>(348,016)</u>
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets at fair value through profit or loss	(221,525)	486,135
Decrease (increase) in bond purchased under resale agreements	152,000	(186,499)
Increase in customer margin accounts	(389,728)	(7,215,225)
Decrease (increase) in receivable-futures margin	2,388	(33,370)
Increase in leverage contract trading - customer's margin accounts	(79,979)	(77,024)
Increase in security borrowing margin	(3,874)	-
Decrease in accounts receivable	607	17,330
(Increase) decrease in accounts receivable to related parties	(146)	466
Decrease (increase) in prepayments	6,970	(5,655)
Decrease (increase) in other receivable	18,544	(19,065)
Decrease (increase) in other receivable to related parties	15,761	(19,766)
Increase in other current assets	-	(1)
Decrease (increase) in clearing and settlement fund	2,954	(5,924)
(Increase) decrease in refundable deposits	(100)	144
Increase (decrease) in financial liabilities at fair value through profit or loss	12,665	(113,913)
Increase in futures traders' equity	391,651	7,203,341
Increase in leverage contract trading - customer's equity	82,691	73,059
Increase (decrease) in accounts payable	7,476	(59,531)
Decrease in accounts payable to related parties	(8)	(3,766)
(Decrease) increase in advance receipts	(695)	736
Decrease in receipts under custody	(135)	(405)
Decrease in other payable	(1,504)	(22,706)
Increase in other payable to related parties	1,086	375
Increase in provisions for liabilities	5,952	-
Increase (decrease) in other current liabilities	2,182	(4,315)
(Decrease) increase in non-current liabilities	(1,857)	4,784
Total changes in operating assets and liabilities	<u>3,376</u>	<u>19,205</u>
Total adjustments	<u>(417,967)</u>	<u>(328,811)</u>
Cash inflow generated from operations	328,980	621,445
Interest received	530,050	357,997
Dividends received	1,349	5,891
Interest paid	(25,652)	(12,168)
Income taxes paid	(113,773)	(110,395)
Net Cash flows from (used in) operating activities	<u>720,954</u>	<u>862,770</u>
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(38,619)	(19,400)
Acquisition of intangible assets	(12,646)	(3,774)
Net cash flows from (used in) investing activities	<u>(51,265)</u>	<u>(23,174)</u>
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(21,986)	-
Cash dividends paid	(599,888)	(460,342)
Net cash flows from (used in) financing activities	<u>(621,874)</u>	<u>(460,342)</u>
Net increase (decrease) in cash and cash equivalents	<u>47,815</u>	<u>379,254</u>
Cash and cash equivalents at beginning of period	<u>3,211,143</u>	<u>2,831,889</u>
Cash and cash equivalents at end of period	<u>\$ 3,258,958</u>	<u>3,211,143</u>

See accompanying notes to financial statements.

Attachment 7

Capital Futures Corp.
Proposal for Distribution of 2019 earnings

Unit: NT dollars

Items	Amount
Beginning retained earnings	558,897
Less : Actuarial loss on defined benefit plan included in Retained Earnings	664,244
Add: net profit after tax	600,008,826
Distributable net profit	599,903,479
Less: 10% Legal Reserve	59,990,348
Less: 20% Special Reserve	119,980,696
Less: Special reserve appropriated due to reduction of shareholders' equity occurred	18,553,248
Distributable items:	
Less: Dividend to shareholders	
Cash Dividends on Common Shares (NT\$1.9 per share)	399,831,410
Unappropriated retained earnings	1,547,777
Note 1: Principle of profit distribution means that the profit from the current year should be distributed with priority.	
Note 2: The cash dividend on common shares (NT\$1.9 per share) is calculated by 210,437,584 of outstanding common shares.	

Attachment 8

Capital Futures Corp.

Before and after clause amendment of the “Articles of Association”

Provision after amendment	Provision before amendment	Note
<p>Article 4 The Company’s total registered capital is NT\$2.5 billion exact, which is divided into 250 million shares at NT\$10 per share; the Board of Directors is authorized to approve such shares issued in batches. <u>Employees of the Company subscribing for new shares in accordance with the Company Act include employees of the Company’s parents or subsidiaries meeting certain specific requirements. The certain specific requirements shall be specified by the Board of Directors.</u></p>	<p>The Company’s total registered capital is NT\$2.5 billion exact, which is divided into 250 million shares at NT\$10 per share; the Board of Directors is authorized to approve such shares issued in batches.</p>	<p>Revised the target, which may include the employees of parents or subsidiaries of the company meeting certain specific requirements, of new shares reserved for subscription by employees in accordance with Article 267 of the Company Act.</p>
<p>Article 5 The Company’s shares are in registered form <u>and issued in accordance with the Company Act of the Republic of China and other relevant rules and regulations.</u> After public offering of shares the Company is exempt from printing physical share certificates. The Taiwan Securities Central Depository should be contacted for</p>	<p>The Company’s shares are in registered form. <u>The shares are issued after being signed by or affixed with the seals of three or more Directors, and authenticated by the Competent Authority or its approved authentication agent.</u> After public offering of shares the Company is exempt from printing physical share certificates. The Taiwan Securities Central Depository should</p>	<p>Revised the way the Company issuing shares in accordance with Article 161-2 of the Company Act.</p>

<p>registration of the shares issued pursuant to the preceding provisions.</p>	<p>be contacted for registration of the shares issued pursuant to the preceding provisions.</p>	
<p>Article 19 The Board meeting should be convened by the Chairman of the Board. However, the first Board meeting in each term should be convened by the Director who wins most votes in the shareholders meeting. <u>If the Director who wins most votes or the Chairman of the Board of Directors fails to convene a Board meeting, the majority or more of the Directors may convene a Board meeting on their own.</u></p> <p>For convening a Board meeting, the reason should be stated in the meeting notice, and all Directors and Supervisors should be notified seven days prior to the meeting date. However, in case of an emergency, a meeting may be convened at any time.</p> <p>The Board meeting notice may be in the form of a written notice, fax or e-mail, etc. Agreed by the relative Directors, the notification in the preceding paragraph may be carried out in an</p>	<p>The Board meeting should be convened by the Chairman of the Board. However, the first Board meeting in each term should be convened by the Director who wins most votes in the shareholders meeting.</p> <p>For convening a Board meeting, the reason should be stated in the meeting notice, and all Directors and Supervisors should be notified seven days prior to the meeting date. However, in case of an emergency, a meeting may be convened at any time. The Board meeting notice may be in the form of a written notice, fax or e-mail, etc. Agreed by the relative Directors, the notification in the preceding paragraph may be carried out in an electronic form. The Directors should attend a Board meeting in person. A Director who is unable to attend may delegate another Director as proxy to attend on his behalf; however, each Director can act as the proxy for only one other Director.</p>	<p>Revised the procedure for convening the Board meeting in accordance with Article 203 and Article 203-1 of the Company Act.</p>

<p>electronic form. The Directors should attend a Board meeting in person. A Director who is unable to attend may delegate another Director as proxy to attend on his behalf; however, each Director can act as the proxy for only one other Director.</p>		
<p>Article 27 The Company should distribute 0.6% to 2% of the profit of the current year distributable as employees' compensation, and 3% or less of its profit of the current year distributable as Directors' remuneration. However, the Company's accumulated losses shall have been covered first. The Company's profit of the current year distributable mentioned above is the earnings before tax deducting employees' compensation and Directors' remuneration. A company may, by a resolution of majority vote at a meeting of board of Directors attended by two-thirds or more of the total number of Directors, have the profit distributable as employees' compensation and Directors' remuneration; in addition, a report of</p>	<p>The Company should distribute 0.6% to 2% of the profit of the current year distributable as employees' compensation, and 3% or less of its profit of the current year distributable as Directors' remuneration. However, the Company's accumulated losses shall have been covered first. The Company's profit of the current year distributable mentioned above is the earnings before tax deducting employees' compensation and Directors' remuneration. A company may, by a resolution of majority vote at a meeting of board of Directors attended by two-thirds or more of the total number of Directors, have the profit distributable as employees' compensation and Directors' remuneration; in addition, a report of such distribution shall be submitted to the shareholders' meeting.</p>	<p>Revised the target, which may include the employees of parents or subsidiaries of the Company meeting certain specific requirements, of employees' compensation in accordance with Article 235-1 of the Company Act.</p>

<p>such distribution shall be submitted to the shareholders' meeting. The employees' compensation can be in the form of shares or cash. And such compensation may apply to the employees of the Company's <u>parents and subsidiaries who meet certain specific requirements which shall be determined by the Board of Directors.</u></p>	<p>The employees' compensation can be in the form of shares or cash. And such compensation may apply to the employees of the Company's subsidiaries who meet certain specific requirements.</p>	
<p>Article 27-1 The Company's business environment is a stably growing financial industry. For the purpose of business expansion and re-investment plan, the Company's policy for dividend distribution takes into considerations such as the Company's business development, the Company's future capital expenditure budget and demand for fund, shareholders' interest, and the balance between dividends and the Company's long-term financial planning. With regard to the Company's earnings in each fiscal year, after all taxes and dues have been paid and losses in previous years have been covered, the Company shall first set aside 10% as legal reserve, 20% as special reserve, and other</p>	<p>The Company's business environment is a stably growing financial industry. For the purpose of business expansion and re-investment plan, the Company's policy for dividend distribution takes into considerations such as the Company's business development, the Company's future capital expenditure budget and demand for fund, shareholders' interest, and the balance between dividends and the Company's long-term financial planning. With regard to the Company's earnings in each fiscal year, after all taxes and dues have been paid and losses in previous years have been covered, the Company shall first set aside 10% as legal reserve, 20% as special reserve, and other reserve specified by relevant regulations.</p>	<p>Stipulate explicitly that the Company shall appropriate at least 10% earnings to distribute dividends.</p>

<p>reserve specified by relevant regulations. The Company should add the remaining balance to the undistributed earnings in previous years <u>then appropriate at least 10% of the said earnings to distribute dividends.</u></p> <p>Earnings may be distributed in the form of cash dividend or stock dividend, but the percentage of cash dividend for the year should not be less than 10% of the total dividend for the year. Dividend may not be distributed if an annual loss occurs, and the loss should be first made up if retained earnings are used for dividend distribution.</p>	<p>The Company should add the remaining balance to the undistributed earnings in previous years, <u>retain a certain portion of the sum, and then distribute all or part of the Company's earnings in each fiscal year.</u> Earnings may be distributed in the form of cash dividend or stock dividend, but the percentage of cash dividend for the year should not be less than 10% of the total dividend for the year. Dividend may not be distributed if an annual loss occurs, and the loss should be first made up if retained earnings are used for dividend distribution.</p>	
<p>Article 31 This Articles of Association was formulated on January 4, 1997. The first amendment was made on August 11, 1997; the second amendment was made on April 27, 1997; the third amendment was made on April 8, 2002; the fourth amendment was made on November 14, 2002; the fifth amendment was made on June 27, 2003; the sixth amendment was made on March 17, 2008; the seventh amendment was made on August 26, 2008; the eighth</p>	<p>This Articles of Association was formulated on January 4, 1997. The first amendment was made on August 11, 1997; the second amendment was made on April 27, 1997; the third amendment was made on April 8, 2002; the fourth amendment was made on November 14, 2002; the fifth amendment was made on June 27, 2003; the sixth amendment was made on March 17, 2008; the seventh amendment was made on August 26, 2008; the eighth amendment was made on May 27, 2009; the ninth amendment was</p>	<p>Added the date of this amendment.</p>

<p>amendment was made on May 27, 2009; the ninth amendment was made on May 27, 2010; the tenth amendment was made on June 19, 2012; the eleventh amendment was made on May 20, 2014; the twelfth amendment was made on May 20, 2015; the thirteenth amendment was made on May 27, 2016; the fourteenth amendment was made on May 31, 2017; <u>the fifteenth amendment was made on June 19, 2020.</u></p>	<p>made on May 27, 2010; the tenth amendment was made on June 19, 2012; the eleventh amendment was made on May 20, 2014; the twelfth amendment was made on May 20, 2015; the thirteenth amendment was made on May 27, 2016; the fourteenth amendment was made on May 31, 2017.</p>	
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Capital Futures Corp.
Articles of Association
(Draft)

Article 1: The Company is organized in accordance with the provisions of the R.O.C. Company Law, and known as "Capital Futures Corp.".

Article 2: The Company's business scope is as follows:

- (1) H401011 Futures commission merchant (limited to those approved by the FSC).
- (2) H405011 Futures consulting business
- (3) H407011 Futures management business
- (4) H310011 Securities introducing broker
- (5) H304011 Securities Investment consulting enterprise
- (6) H301011 Securities firm
- (7) H404011 Leverage transaction merchant

Article 3: The Company's headquarter is located in Taipei; the Board of Directors may, depending on business needs, establish domestic and overseas branches in appropriate locations on approval by the Competent Authority.

Article 4: The Company's total registered capital is NT\$2.5 billion exact, which is divided into 250 million shares at NT\$10 per share; the Board of Directors is authorized to approve such shares issued in batches. Employees of the Company subscribing for new shares in accordance with the Company Act include employees of the Company's parents or subsidiaries meeting certain specific requirements. The certain specific requirements shall be specified by the Board of Directors.

Article 5: The Company's shares are in registered form and issued in accordance with the Company Act of the Republic of China and other relevant rules and regulations. The shares are issued after being signed by or affixed with the seals of three or more Directors, and authenticated by the Competent Authority or its approved authentication agent. After public offering of shares the Company is exempt from printing physical share certificates. The Taiwan Securities Central Depository should be contacted for registration of the shares issued pursuant to the preceding provisions.

Article 6: The Company's shareholders should send to the Company their real names, addresses, specimen of their seals, and uniform tax numbers for registration and future references; this requirement also applies when there is a change to the information above.

Article 7: Shareholders should collect dividends or bonuses from the Company or exercise other rights based on their seals filed with the Company.

Article 8: Unless otherwise provided in law, the provisions in "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the Competent Authority should be followed in handling

share transfer, share pledge, report of share loss, inheritance, gifting, report of seal loss or change, or change of address.

Article 9: A Nominal fee may be charged for shareholders' application for share renewal or replacement.

Article 10: Share book closures are 60 days before each regular shareholders' meeting, 30 days before each extraordinary shareholders meeting, or five days before the ex-day for the Company's payment of dividends, bonuses or other benefits.

Article 11: The Company's shareholders meetings are divided into the following two types:

(1) General shareholders meeting, to be convened within six months after the end of each fiscal year.

(2) Extraordinary shareholders meeting, to be convened when necessary in accordance with relevant laws and regulations.

Regarding convening of the aforementioned meetings, in accordance with relevant laws and regulations a written or electronic notice should be sent to shareholders 30 days before a general shareholders meeting or 15 days before an extraordinary shareholders meeting to notify shareholders of the place and the subject. For shareholders with less than a thousand registered shares, the convening notice to such shareholders may be in the form of a public announcement in accordance with other relevant laws and regulations.

Article 12: Except the non-voting shares stipulated in Article 179 of the Company Law or in other laws and decrees, each share has one voting right.

Article 13: A shareholder who is unable to attend a general meeting may present the power of attorney issued by the Company with the level of authorization stipulated, and appoint a proxy to attend the meeting on his behalf. Unless otherwise provided in Article 177 of the Company Law, the requirements in "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the Competent Authority should be followed.

Article 14: Unless otherwise provided in relevant laws or regulations, shareholders or proxies of shareholders who hold more than half of the total number of issued shares should be present in a shareholders meeting before the meeting may start and the resolution be represented, and the resolution should be passed by more than half of the shareholders present at the meeting. The voting power at a shareholders' meeting may be exercised by way of electronic transmission; the method of execution shall comply with relevant regulations.

Article 14-1: Before the Company intends to report the voidance of public issue, it should present a proposal at a shareholders meeting for special resolution, and no further change of this Article 14-1 should be made during the period of the Company's shares are traded on the Emerging Market or the

GreTai Securities Market.

Article 15: A shareholders meeting shall be convened by the Board of Directors and the Chairman of the Board shall be the meeting's Chairman. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board of Directors. For a shareholders meeting convened by a person with the convening right but other than the Board members, the person who convenes the meeting shall be the meeting's Chairman; if there are two or more such persons, then the Chairman should be selected between/among such persons.

Article 16: The resolutions made in a shareholders meeting should be recorded in the meeting minutes, which should be signed by the meeting's Chairman or affixed with his seal and distributed to the shareholders within 20 days after the meeting. Preparation and distribution of the meeting minutes may be notified of such meeting minutes through a public announcement.

Article 17: The Company's Board of Directors consists of seven to nine Directors who are elected in shareholders meetings among competent persons. Each person has a term of three years, and may be re-elected.

Among the Directors in the preceding paragraph, Independent Directors should account for three or more, and be no less than one-fifth of the total Directors. Directors should be elected through a nomination system and by shareholders from a list of Director Candidates.

Relevant rules of the Competent Authority should be followed concerning Independent Directors' professional qualifications, shareholdings, restrictions on their concurrent jobs, the method for nomination of candidates and other binding matters. Provisions of the securities regulatory body should be followed concerning the percentage of Directors' total shareholdings.

Article 17-1: In electing Directors in shareholders meetings, except stipulated in laws and decrees, each share has the same number of voting rights as the number of Directors to be elected. Such voting rights may be used on one single person or distributed among a number of people, and the persons winning most votes are elected. If two or more persons win the same number of votes but the total number of specified seats is exceeded, then a decision may be made among the persons winning the same number of votes through a drawing of lots; for those who are absent the Chairman will perform the drawing on their behalf.

Article 18: A Chairman and a Vice Chairman of the Board should be elected by the Directors among themselves. The Chairman of the Board externally

represents the Company. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board of Directors.

Article 19: The Board meeting should be convened by the Chairman of the Board.

However, the first Board meeting in each term should be convened by the Director who wins most votes in the shareholders meeting. If the Director who wins most votes or the Chairman of the Board of Directors fails to convene a Board meeting, the majority or more of the Directors may convene a Board meeting on their own.

For convening a Board meeting, the reason should be stated in the meeting notice, and all Directors and Supervisors should be notified seven days prior to the meeting date. However, in case of an emergency, a meeting may be convened at any time.

The Board meeting notice may be in the form of a written notice, fax or e-mail, etc.

Agreed by the relative Directors, the notification in the preceding paragraph may be carried out in an electronic form.

The Directors should attend a Board meeting in person. A Director who is unable to attend may delegate another Director as proxy to attend on his behalf; however, each Director can act as the proxy for only one other Director.

Article 20: Unless otherwise provided in the Company Law, more than half of the Directors should be present in a Board meeting before the meeting may start, and the resolution should be passed by more than half of the Directors present at the meeting:

For the motion related to Director's own interests and concerns, the relative Director should explain the importance and relevance in that meeting.

Article 21: (Deleted)

Article 22: The powers of the Board of Directors are as follows:

- (1) Review and approval of important legal documents and contracts
- (2) Decision on business policy
- (3) Approval of budgets and preparation of accounts
- (4) Draw up the change of paid-in capital
- (5) Draw up the distribution of earnings
- (6) Setting of the Company's major functions and appointment and dismissal of key personnel

(7) Approval of the purchase or disposal of important assets and real estate

(8) Appointment, dismissal and remuneration of the accounting firm for auditing.

(9) Other powers conferred by laws and regulations or shareholders

The powers above should be chartered after due approvals are obtained.

Article 22-1: Due to business operational needs, the Board of Directors may establish an Audit Committee and a Remuneration Committee or other functional committees.

Article 23: The Audit Committee is formed by all Independent Directors in accordance with Article 14-4 of Securities and Exchange Act.

The number and term of the Audit Committee members, the official powers of the Audit Committee, the rules of procedure for meetings of the Audit Committee and the exercising of official powers of the Audit Committee etc. shall be specified in the Audit Committee Charter in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

All the powers of the Supervisors from the Securities and Exchange Act, the Company Law and other regulations should be performed by the Audit Committee. The Independent Directors in the Audit Committee shall apply mutatis mutandis the regulations of Supervisors' behaviors and their representative of the Company.

Article 24: If one third of the Director seats are vacant or all the supervisors are discharged from duties, the Board should convene an extraordinary shareholders meeting within 60 days for re-election. The terms of office are limited to the predecessors' remaining terms of office.

Article 25: The Company may have a general manager and several senior vice presidents, vice presidents, managers and the principals of branches. The provisions in Article 29 of the Company Law should be followed for the appointment, dismissal and remuneration of such persons. The general manager takes orders from the Board, and is in charge of all the Company's business with the assistance from senior vice presidents, vice presidents and managers.

Article 25-1: The Board is authorized to determine the remuneration of the Chairman, Directors and Supervisors based on their levels of participation in the Company's operations, the value of their contributions and the industry standard.

The remuneration of Directors and Supervisors distributed from annual earnings need to be audited by the Remuneration Committee and a resolution should be passed by the Board meeting and a shareholders meeting.

Article 25-2: Based on actual needs in carrying out their respective duties, all the Company's Directors and Supervisors may in their terms of office

purchase liability insurance policies to reduce and disperse the risk of damage to all the Directors and Supervisors, the Company and shareholders. The Board is fully authorized to take care of all the Directors' and Supervisors' purchase of liability insurance policies.

Article 26: The Company's fiscal year starts from January 1 and ends on December 31 each year. The Board should prepare the following documents after the end of each fiscal year; after having the documents sent to the Supervisors for checking 30 days prior to the shareholders meeting, the Board should present them in the shareholders meeting for recognition.

(1) Business report

(2) Financial statements

(3) Motions for distribution of earnings or making up for losses

Article 27: The Company should distribute 0.6% to 2% of the profit of the current year distributable as employees' compensation, and 3% or less of its profit of the current year distributable as Directors' remuneration. However, the Company's accumulated losses shall have been covered first.

The Company's profit of the current year distributable mentioned above is the earnings before tax deducting employees' compensation and Directors' remuneration.

A company may, by a resolution of majority vote at a meeting of Board of Directors attended by two-thirds or more of the total number of Directors, have the profit distributable as employees' compensation and Directors' remuneration; in addition, a report of such distribution shall be submitted to the shareholders' meeting.

The employees' compensation can be in the form of shares or cash. And such compensation may apply to the employees of the Company's parents and subsidiaries who meet certain specific requirements which shall be determined by the Board of Directors.

Article 27-1: The Company's business environment is a stably growing financial industry. For the purpose of business expansion and re-investment plan, the Company's policy for dividend distribution takes into considerations such as the Company's business development, the Company's future capital expenditure budget and demand for fund, shareholders' interest, and the balance between dividends and the Company's long-term financial planning. With regard to the Company's earnings in each fiscal year, after all taxes and dues have been paid and losses in previous years have been covered, the Company shall first set aside 10% as legal reserve, 20% as special reserve, and other reserve specified by relevant regulations. The Company should add the remaining balance to the undistributed earnings in previous years then appropriate at least 10% of the said earnings to distribute dividends. Earnings may be distributed in the

form of cash dividend or stock dividend, but the percentage of cash dividend for the year should not be less than 10% of the total dividend for the year. Dividend may not be distributed if an annual loss occurs, and the loss should be first made up if retained earnings are used for dividend distribution.

- Article 28: The Company can invest in businesses approved by the Competent Authority and the total amount of its investments is not limited by Article 13 of the Company Law, unless other laws or regulations provide otherwise.
- Article 29: The Company's Articles of Association shall be formulated by the Board of Directors.
- Article 30: Provisions in relevant laws and regulations should be followed for matters not included in this Articles of Association.
- Article 31: This Articles of Association was formulated on January 4, 1997. The first amendment was made on August 11, 1997; the second amendment was made on April 27, 1997; the third amendment was made on April 8, 2002; the fourth amendment was made on November 14, 2002; the fifth amendment was made on June 27, 2003; the sixth amendment was made on March 17, 2008; the seventh amendment was made on August 26, 2008; the eighth amendment was made on May 27, 2009; the ninth amendment was made on May 27, 2010; the tenth amendment was made on June 19, 2012; the eleventh amendment was made on May 20, 2014; the twelfth amendment was made on May 20, 2015; the thirteenth amendment was made on May 27, 2016; the fourteenth amendment was made on May 31, 2017; the fifteenth amendment was made on June 19, 2020.

Attachment 9

Capital Futures Corp.

Before and after clause amendment of the “Rules of Procedure for Shareholders’ Meeting”

Provision after amendment	Provision before amendment	Note
<p>Article 3 (Convening shareholders meetings and shareholders meeting notices) Paragraph 1 to 3 omitted Election or dismissal of directors and supervisors, alteration of the Articles of Incorporation, <u>reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares,</u> the dissolution, merger, spin-off, or each Subparagraph, Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out <u>and the essential contents of above matters shall be explained in the notice of the reasons for convening a shareholders</u></p>	<p>(Convening shareholders meetings and shareholders meeting notices) Paragraph 1 to 3 omitted Election or dismissal of directors or supervisors, alteration to the Articles of Incorporation, the dissolution, merger, spin-off, or each Subparagraph, Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. <u>Any of the above matters shall not be raised by an extempore motion.</u> A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than</p>	<p>Revised the Paragraph 4 according to the Paragraph 5, Article 172 of the Company Act.</p>

<p>meeting, and any of the above matters shall not be raised by an extempore motion; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.</u></p> <p><u>Re-electing whole directors and the date they will assume office are specified in the reasons for convening a shareholders meeting, it shall not be raised to alter the date they assume office by an extempore motion or other methods in the meeting after the re-election complete.</u></p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>But a shareholder proposal urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board</u></p>	<p>one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.</p> <p>Paragraph 7 and 8 omitted.</p>	<p>Added this Paragraph according to interpretative letter from Ministry of Economic Affairs.</p> <p>Revised words according to the Paragraph 1, Article 172-1 of the Company Act.</p>
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<p><u>of directors.</u> In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal <u>in writing or by way of electronic transmission</u>, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.</p> <p>Paragraph 8 and 9 omitted.</p>		<p>Revised words according to the Paragraph 1, Article 172-1 of the Company Act.</p>
<p>Article 10 (Discussion of proposals) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, <u>the relevant proposals, including extempore motion, and amendments shall be voted case by case.</u> The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p>	<p>(Discussion of proposals) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p> <p>Paragraph 2 and 3 omitted.</p>	<p>Revised Paragraph 1 according to the adoption of electronic voting and to fulfill the spirit of voting case by case.</p>

<p>Paragraph 2 and 3 omitted.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore 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, <u>call for a vote and arrange appropriate time for voting.</u></p>	<p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore 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 <u>and</u> call for a vote.</p>	<p>Revised Paragraph 4 to prevent the convener of shareholders meeting from excessively limiting the voting time of shareholders.</p>
<p>Article 15 (The minutes of shareholders meeting)</p> <p>Paragraph 1 and 2 omitted.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and <u>voting results including the total number of calculation and the total votes of every candidate shall be revealed when there is a proposal of director election. The meeting minutes shall be retained for the duration of the existence of the Company.</u></p>	<p>(The minutes of shareholders meeting)</p> <p>Paragraph 1 and 2 omitted.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and <u>their</u> results, and shall be retained for the duration of the existence of the Company.</p>	<p>Revised Paragraph 3 to fulfill the spirit of voting case by case.</p>

Capital Futures Corp.
Rules of Procedure for Shareholders Meetings
(Draft)

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 (Convening shareholders meetings and shareholders meeting notices)
Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
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 and supervisors, alteration of the

Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, spin-off, or each Subparagraph, Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents shall be explained in the notice of the reasons for convening a shareholders meeting, and any of the above matters shall not be raised by an extempore motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice. Re-electing whole directors and supervisors and the date they will assume office are specified in the reasons for convening a shareholders meeting, it shall not be raised to alter the date they assume office by an extempore motion or other methods in the meeting after the re-election complete.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. But a shareholder proposal urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

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.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 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 (Principles determining the time and place of a shareholders meeting)

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.

Article 6 (Preparation of documents such as the attendance book)

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

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

Shareholders and their proxies (collectively, "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 furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

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.

- Article 7 (The chair and non-voting participants of a shareholders meeting)
- If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- 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 (Documentation of a shareholders meeting by audio or video)
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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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 attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting 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 1 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.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, the relevant proposals, including extempore motions, and amendments shall be voted case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore 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 arrange appropriate time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name.

The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system)

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 3 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 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: 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 extempore motions

and amendments to original proposals of that meeting; it is therefore advisable that the Company avoids the submission of extempore 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 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration 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, 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 2 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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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.

Article 14 (Election of directors and supervisors)

The election of directors or supervisors 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 supervisors 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 1 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 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 meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results including the total number of calculation and the total votes of every candidate shall be revealed when there is a proposal of director election. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- Article 17 (Maintaining order at the meeting place)
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 (Recess and resumption of a shareholders meeting)
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 meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 1

Capital Futures Corp. Articles of Association (Before amendant)

- Article 1 The Company is organized in accordance with the provisions of the R.O.C. Company Law, and known as "Capital Futures Corp."
- Article 2 The Company's business scope is as follows:
(1) H401011 Futures commission merchant
(Limited to those approved by the FSC)
(2) H405011 Futures consulting business
(3) H407011 Futures management business
(4) H310011 Securities introducing broker
(5) H304011 Securities Investment consulting enterprise
(6) H301011 Securities firm
(7) H404011 Leverage transaction merchant
- Article 3 The Company's headquarter is located in Taipei; the Board of Directors may, depending on business needs, establish domestic and overseas branches in appropriate locations on approval by the Competent Authority
- Article 4 The Company's total registered capital is NT\$2.5 billion exact, which is divided into 250 million shares at NT\$10 per share; the Board of Directors is authorized to approve such shares issued in batches.
- Article 5 The Company's shares are in registered form. The shares are issued after being signed by or affixed with the seals of three or more Directors, and authenticated by the Competent Authority or its approved authentication agent. After public offering of shares the Company is exempt from printing physical share certificates.
The Taiwan Securities Central Depository should be contacted for registration of the shares issued pursuant to the preceding provisions.
- Article 6 The Company's shareholders should send to the Company their real names, addresses, specimen of their seals, and uniform tax numbers for registration and future references; this requirement also applies when there is a change to the information above.
- Article 7 Shareholders should collect dividends or bonuses from the Company or exercise other rights based on their seals filed with the Company.
- Article 8 Unless otherwise provided in law, the provisions in "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the Competent Authority should be followed in handling share transfer, share pledge, report of share loss, inheritance, gifting, report of seal loss or change, or change of address.

- Article 9 A Nominal fee may be charged for shareholders' application for share renewal or replacement.
- Article 10 Share book closures are 60 days before each regular shareholders meeting 30 days before each extraordinary shareholders meeting, or five days before the ex-day for the Company's payment of dividends, bonuses or other benefits.
- Article 11 The Company's shareholders meetings are divided into the following two types:
(1) General shareholders meeting, to be convened within six months after the end of each fiscal year.
(2) Extraordinary shareholders meeting, to be convened when necessary in accordance with relevant laws and regulations.
Regarding convening of the aforementioned meetings, in accordance with relevant laws and regulations a written or electronic notice should be sent to shareholders 30 days before a general shareholders meeting or 15 days before an extraordinary shareholders meeting to notify shareholders of the place and the subject. For shareholders with less than a thousand registered shares, the convening notice to such shareholders may be in the form of a public announcement in accordance with other relevant laws and regulations.
- Article 12 Except the non-voting shares stipulated in Article 179 of the Company Law or in other laws and decrees, each share has one voting right.
- Article 13 A shareholder who is unable to attend a general meeting may present the power of attorney issued by the Company with the level of authorization stipulated, and appoint a proxy to attend the meeting on his behalf. Unless otherwise provided in Article 177 of the Company Law, the requirements in "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the Competent Authority should be followed.
- Article 14 Unless otherwise provided in relevant laws or regulations, shareholders or proxies of shareholders who hold more than half of the total number of issued shares should be present in a shareholders meeting before the meeting may start and the resolution be represented, and the resolution should be passed by more than half of the shareholders present at the meeting. The voting power at a shareholders' meeting may be exercised by way of electronic transmission; the method of execution shall comply with relevant regulations.
- Article 14-1 Before the Company intends to report the voidance of public issue, it should present a proposal at a shareholders meeting for special resolution, and no further change of this Article 14-1 should be made during the period of the Company's shares are traded on the Emerging Market or the GreTai Securities Market.

- Article 15 A shareholders meeting shall be convened by the Board of Directors and the Chairman of the Board shall be the meeting's Chairman. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board of Directors. For a shareholders meeting convened by a person with the convening right but other than the Board members, the person who convenes the meeting shall be the meeting's Chairman; if there are two or more such persons, then the Chairman should be selected between/among such persons.
- Article 16 The resolutions made in a shareholders meeting should be recorded in the meeting minutes, which should be signed by the meeting's Chairman or affixed with his seal and distributed to the shareholders within 20 days after the meeting. Preparation and distribution of the meeting minutes may be notified of such meeting minutes through a public announcement.
- Article 17 The Company's Board of Directors consists of seven to nine Directors who are elected in shareholders meetings among competent persons. Each person has a term of three years, and may be re-elected. Among the Directors in the preceding paragraph, Independent Director should account for three or more, and be no less than one-fifth of the total Directors. Directors should be elected through a nomination system and by shareholders from a list of Director Candidates. Relevant rules of the Competent Authority should be followed concerning Independent Directors' professional qualifications, shareholdings, restrictions on their concurrent jobs, the method for nomination of candidates and other binding matters. Provisions of the securities regulatory body should be followed concerning the percentage of Directors' total shareholdings.
- Article 17-1 In electing Directors in shareholders meetings, except stipulated in laws and decrees, each share has the same number of voting rights as the number of Directors to be elected. Such voting rights may be used on one single person or distributed among a number of people, and the persons winning most votes are elected. If two or more persons win the same number of votes but the total number of specified seats is exceeded, then a decision may be made among the persons winning the same number of votes through a drawing of lots; for those who are absent the Chairman will perform the drawing on their behalf.
- Article 18 A Chairman and a Vice Chairman of the Board should be elected by the Directors among themselves. The Chairman of the Board externally

represents the Company. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board of Directors.

- Article 19 The Board meeting should be convened by the Chairman of the Board. However, the first Board meeting in each term should be convened by the Director who wins most votes in the shareholders meeting. For convening a Board meeting, the reason should be stated in the meeting notice, and all Directors and Supervisors should be notified seven day prior to the meeting date. However, in case of an emergency, a meeting may be convened at any time. The Board meeting notice may be in the form of a written notice, fax or e-mail, etc. Agreed by the relative Directors, the notification in the preceding paragraph may be carried out in an electronic form. The Directors should attend a Board meeting in person. A Director who is unable to attend may delegate another Director as proxy to attend on his behalf; however, each Director can act as the proxy for only one other Director.
- Article 20 Unless otherwise provided in the Company Law, more than half of the Directors should be present in a Board meeting before the meeting may start, and the resolution should be passed by more than half of the Directors present at the meeting: For the motion related to Director's own interests and concerns, the relative Director should explain the importance and relevance in that meeting.
- Article 21 (Deleted)
- Article 22 The powers of the Board of Directors are as follows:
- (1) Review and approval of important legal documents and contracts
 - (2) Decision on business policy
 - (3) Approval of budgets and preparation of accounts
 - (4) Draw up the change of paid-in capital
 - (5) Draw up the distribution of earnings
 - (6) Setting of the Company's major functions and appointment and dismissal of key personnel
 - (7) Approval of the purchase or disposal of important assets and real estate
 - (8) Appointment, dismissal and remuneration of the accounting firm for auditing.
 - (9) Other powers conferred by laws and regulations or shareholders

The powers above should be chartered after due approvals are obtained.

- Article 22-1 Due to business operational needs, the Board of Directors may establish an Audit Committee and a Remuneration Committee or other functional committees.
- Article 23 The Audit Committee is formed by all Independent Directors in accordance with Article 14-4 of Securities and Exchange Act. The number and term of the Audit Committee members, the official powers of the Audit Committee, the rules of procedure for meetings of the Audit Committee and the exercising of official powers of the Audit Committee etc. shall be specified in the Audit Committee Charter in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. All the powers of the Supervisors from the Securities and Exchange Act, the Company Law and other regulations should be performed by the Audit Committee. The Independent Directors in the Audit Committee shall apply mutatis mutandis the regulations of Supervisors' behaviors and their representative of the Company.
- Article 24 If one third of the Director seats are vacant or all the supervisors are discharged from duties, the Board should convene an extraordinary shareholders meeting within 60 days for re-election. The terms of office are limited to the predecessors' remaining terms of office.
- Article 25 The Company may have a general manager and several senior vice presidents, vice presidents, managers and the principals of branches. The provisions in Article 29 of the Company Law should be followed for the appointment, dismissal and remuneration of such persons. The general manager takes orders from the Board, and is in charge of all the Company's business with the assistance from senior vice presidents, vice presidents and managers.
- Article 25-1 The Board is authorized to determine the remuneration of the Chairman, Directors and Supervisors based on their levels of participation in the Company's operations, the value of their contributions and the industry standard. The remuneration of Directors and Supervisors distributed from annual earnings need to be audited by the Remuneration Committee and a resolution should be passed by the Board meeting and a shareholders' meeting.
- Article 25-2 Based on actual needs in carrying out their respective duties, all the Company's Directors and Supervisors may in their terms of office purchase liability insurance policies to reduce and disperse the risk of damage to all the Directors and Supervisors, the Company and shareholders. The Board is fully authorized to take care of all the

Directors' and Supervisors' purchase of liability insurance policies.

Article 26 The Company's fiscal year starts from January 1 and ends on December 31 each year. The Board should prepare the following documents after the end of each fiscal year; after having the documents sent to the Supervisors for checking 30 days prior to the shareholders meeting, the Board should present them in the shareholders meeting for recognition.

(1) Business report

(2) Financial statements

(3) Motions for distribution of earnings or making up for losses

Article 27 The Company should distribute 0.6% to 2% of the profit of the current year distributable as employees' compensation, and 3% or less of its profit of the current year distributable as Directors' remuneration. However, the Company's accumulated losses shall have been covered first.

The Company's profit of the current year distributable mentioned above is the earnings before tax deducting employees' compensation and Directors' remuneration.

A company may, by a resolution of majority vote at a meeting of Board of Directors attended by two-thirds or more of the total number of Directors, have the profit distributable as employees' compensation and Directors' remuneration; in addition, a report of such distribution shall be submitted to the shareholders' meeting.

The employees' compensation can be in the form of shares or cash. And such compensation may apply to the employees of the Company's subsidiaries who meet certain specific requirements

Article 27-1 The Company's business environment is a stably growing financial industry. For the purpose of business expansion and re-investment plan, the Company's policy for dividend distribution takes into considerations such as the Company's business development, the Company's future capital expenditure budget and demand for fund, shareholders' interest, and the balance between dividends and the Company's long-term financial planning. With regard to the Company's earnings in each fiscal year, after all taxes and dues have been paid and losses in previous years have been covered, the Company shall first set aside 10% as legal reserve, 20% as special reserve, and other reserve specified by relevant regulations. The Company should add the remaining balance to the undistributed earnings in previous years, retain a certain portion of the sum, and then distribute all or part of the Company's earnings in each fiscal year. Earnings may be distributed in the form of cash dividend or stock dividend, but the percentage of cash dividend for the year should not be less than 10% of the total dividend for the year. Dividend may not be distributed if an annual loss occurs, and the loss should be first made

up if retained earnings are used for dividend distribution.

- Article 28 The Company can invest in businesses approved by the Competent Authority and the total amount of its investments is not limited by Article 13 of the Company Law, unless other laws or regulations provide otherwise.
- Article 29 The Company's Articles of Association shall be formulated by the Board of Directors.
- Article 30 Provisions in relevant laws and regulations should be followed for matters not included in this Articles of Association.
- Article 31 This Articles of Association was formulated on January 4, 1997. The first amendment was made on August 11, 1997; the second amendment was made on April 27, 1997; the third amendment was made on April 8, 2002; the fourth amendment was made on November 14, 2002; the fifth amendment was made on June 27, 2003; the sixth amendment was made on March 17, 2008; the seventh amendment was made on August 26, 2008; the eighth amendment was made on May 27, 2009; the ninth amendment was made on May 27, 2010; the tenth amendment was made on June 19, 2012; the eleventh amendment was made on May 20, 2014; the twelfth amendment was made on May 20, 2015; the thirteenth amendment was made on May 27, 2016; the fourteenth amendment was made on May 31, 2017.

Appendix 2

Capital Futures Corp. Rules of Procedure for Shareholders Meetings (Before amendant)

Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)
Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the Board of Directors. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
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 or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange

Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 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 (Principles determining the time and place of a shareholders meeting)
The venue for a shareholders meeting shall be the premises of this Corporation, 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.

Article 6 (Preparation of documents such as the attendance book)
This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.

This Corporation 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.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors or supervisors, pre-printed ballots shall also be furnished.

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.

Article 7 (The chair and non-voting participants of a shareholders meeting)
If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing

Directors to act as chair, or, if there are no managing Directors, one of the Directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing Directors or the Directors shall select from among themselves one person to serve as chair.

When a managing Director or a Director serves as chair, as referred to in the preceding paragraph, the managing Director or Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person Director that serves as chair. It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the Board in person and attended by a majority of the Directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. 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.

This Corporation 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 (Documentation of a shareholders meeting by audio or video)
This Corporation, 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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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 attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chair shall call the meeting to order at the appointed meeting 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 1 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.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

slip, the spoken content shall prevail.

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

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

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

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

Article 12 (Calculation of voting shares and recusal system)

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 this Corporation, 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 3 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 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by electronic and correspondence means .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 this Corporation 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 this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration 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, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 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 this Corporation'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. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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 this Corporation.

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.

Article 14 (Election of Directors and supervisors)

The election of Directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and supervisors 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 1 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 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. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

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 this Corporation, 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 (Recess and resumption of a shareholders meeting)

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 3

Capital Futures Corp. Rules for the Election of Directors

- Article 1 The election of the Company's directors shall, in addition to the regulations related to the Company Act and Securities and Exchange Act as well as the codes set out in the Article of Incorporation, be organized per the Rules.
- Article 2 The directors of the Company shall be elected by the shareholders' meeting from among the persons with disposing capacity.
- Article 3 The Company's directors shall be selected in consideration of the overall composition of the Board. 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.
- Article 4 Directors of the Company shall meet the following qualifications:
1. Integrity and a practical attitude.
 2. Impartial judgment.
 3. Professional knowledge.
 4. Broad experience.
 5. Ability to read financial statements.
- In addition to the requirements of the preceding paragraph, at least one among the supervisors of the Company must be an accounting or finance professional.
- Article 5 The Company's independent directors shall meet the provisions set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.", and shall be organized per the rules set out in "Corporate Governance Best-Practice Principles for Futures Commission Merchants".
- Article 6 Elections of the Company's independent directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- Article 7 The cumulative voting method shall be used for election of the Company's directors. Each share will have voting rights in number equal

to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

- Article 8 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholder meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 9 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.
- Article 10 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences. And the scrutineers must be shareholders.
- Article 11 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 12 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
 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 is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.

6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors shall be announced by the chair on the site.

Article 14 The Board of the Company shall issue notifications to the directors elected and the elect should sign the consent to act as director.

Article 15 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 16 The “Rules for the Election of Directors” was formulated on May 27th, 2009. The first amendment was made on June 19th, 2012; the second amendment was made on May 20th, 2015; the third amendment was made on June 19th, 2020.

Appendix 4

Capital Futures Corp. Details of Directors' Shareholding

1. The Company has issued 210,437,584 ordinary shares as of 2020/04/21.
2. The required minimum shareholding of the Company's Board Directors: 12,000,000 shares.¹
3. As at the book closure date of this annual general meeting (April 21th, 2020), the shareholders registry showed the total shares held by Directors at 119,372,045, of which have complied with Article 26 of The Securities Exchange Act. The details are as follows:

As in the Shareholders' Register on April 21th, 2020

Title	Name	Shareholding as of book-close date	Percentage
Chairman	Capital Securities Corporation Representative: Sun, Tien-Shan	119,370,014	56.72
Director	Capital Securities Corporation Representative: Wang, Jiunn-Chih		
Director	Capital Securities Corporation Representative: Liu, Ching-Tsun		
Director	Hung Yeh Investment Co., Ltd. Representative: Lee, Yi-Hui	2,031	0
Independent Director	Chuang, Chih-Chen	0	0
Independent Director	Chen, Kuo-Tay	0	0
Total Directors' Shareholdings		119,372,045	56.72

¹ According to the article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies": if a public company has elected two or more independent Directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all Directors and supervisors other than the independent Directors and shall be decreased by 20 percent.