

Stock Code : 6024



Capital Futures Corp.

2022

Annual General Meeting of Shareholders

Meeting Handbook

Date and Time : 10:00 am, June 21st, 2022

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

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Capital Futures Corp.

2021 Annual General Meeting of Shareholders

I.Meeting Procedure

- i. Call Meeting to Order
- ii. Chairman's Address
- iii. Reporting Matters
- iv. Recognition Matters
- v. Discussion Matters
- vi. Extemporary Motion
- vii. Adjournment

Capital Futures Corp.

2021 Annual General Meeting of Shareholders

II.Meeting Agenda

Date and Time : 10:00 am, June 21st, 2022

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

- i. Call Meeting to Order
- ii. Chairman's Address
- iii. Reporting Matters
 - 1.Presentation on the 2021 business report.
 - 2.The audit committee's review report on the 2021 financial statements.
 - 3.Report on the distribution of employees' compensation and directors' remuneration in 2021.
 - 4.Amendment to the Sustainable Development Best Practice Principles and the Sustainable Development Policy.
- iv. Recognition Matters
 - 1.Adoption of the 2021 business report and consolidated and individual financial statements.
 - 2.Proposal for distribution of 2021 earnings.
- v. Discussion Matters
 - 1.Amendment to the Articles of Association.
 - 2.Amendment to the Rules of Procedure for Shareholders Meetings.
 - 3.Amendment to the Procedure for the Acquisition and Disposal

of Assets.

- vi. Extemporaneous Motion
- vii. Adjournment

III.Reporting Matters

1. Reported issue: Presentation on the 2021 business report.
Details: Please refer to Attachment 1 of this handbook for the Company's 2021 business report (page 10~ 14).
2. Reported issue: The audit committee's review report on the 2021 financial statements.
Details: Please refer to Attachment 2 of this handbook for 2021 audit committee's review report (page 15).
3. Reported issue: Report on the distribution of employees' compensation and directors' remuneration in 2021.
Details: The 2021 profit before tax prior to deducting the compensation for employees and remuneration for directors was NT\$615,008,903. 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 as employees' compensation, and 3% or less of its profit of the current year as directors' remuneration." The distribution of compensation to employees for an amount of NT\$7,195,604 and remuneration to directors for an amount of NT\$7,195,604 were approved by the board meeting on March 11, 2022. The compensation and the remuneration are to be distributed in cash. The aforesaid amount each accounted for 1.17% of the Company's 2021 earning. Please refer to Attachment 3 of this handbook. (page 16)
In addition, Futures Commission Merchants, including the Company, had been affected by the interest rate cut and then declined in profit during 2021. However, the average amount of directors' remuneration, except the compensation of concurrent employees, increased compared with 2020, resulting from the Company paid a large amount of pension to the former chairman, who retired in August, 2021.If the abovementioned pension had been deducted, the average directors' remuneration in 2021 would have been less than the average directors' remuneration in 2020.
4. Reported issue: Amendment to the Sustainable Development Best Practice Principles and the Sustainable Development Policy.
Details: The Company amended the title of the Corporate Social Responsibility Best Practice Principles to the Sustainable Development Best Practice Principles, amended the title of the Corporate Social Responsibility Policy to the the Sustainable Development Policy, and amended related articles in accordance

with the Taiwan Stock Exchange Order No. 11000241731. Please refer to Attachment 4 (page 17 ~ 38) of this handbook for the comparison table before and after amendment.

IV.Recognition Matters

1. Subject: Adoption of the 2021 business report, consolidated and individual financial statements. (The proposal was submitted by the board of directors)

Details:

- (1)The Company's 2021 consolidated financial statements and the individual financial statements were audited by the CPA Wu, Cheng-Yen and CPA Chung, Tan-Tan of KPMG Taiwan and were resolved for acceptance in the meeting of the board of directors (March 11, 2022). The audited financial statements and the business report were reviewed by the audit committee without any nonconformity identified and with a review report issued.
- (2)Please refer to Attachment 1(page 10~ 14) and Attachment 5 (page 39 ~ 52) for 2021 business report, 2021 financial statements, and auditors' report.

Resolution:

2. Subject: Acknowledging the Company's 2021 earnings distribution. (The proposal was submitted by the board of directors)

Details:

- (1)The distributable net profit: NT\$522,796,380 equals the 2021 after-tax net profit of the Company: NT\$490,039,229 (1) plus accumulated undistributed earnings for the prior period: NT\$1,433,128 and (2) adjustment of undistributed earnings in this year: NT\$ 31,324,023. According to the Article of Association of the Company, the net profit can be distributed as following:
 - A. The amount of legal reserve is NT\$52,136,325.
 - B. The amount of special reserve is NT\$104,272,650.
 - C. The amount of special reserve appropriated due to deduction of equity is NT\$28,770,198.
 - D. It was resolved for acceptance in the meeting of the board of directors that cash dividends to distribute are, rounded down to the nearest integer, NT\$336,700,134 (at NT\$1.6 per share on the basis of 210,437,584 outstanding shares). The total payment of shares of odd lots shall be counted as other revenue of the Company, as for the undistributed earnings in the end of term is NT\$ 917,073. The chairman is authorized

to set the dividend day and related issues upon the finalization of the general meeting of shareholders.

(2) If the number of outstanding shares is affected by the later change in the capital of the Company, simultaneously the shareholders of the dividend payout ratio needs to be revised, the chairman will be authorized by the shareholder meeting to deal with the relevant issue.

(3) Please refer to Attachment 6 for the 2021 earnings distribution proposal. (page 53)

Resolution:

V. Discussion Matters

1. Subject: Amendments to the Articles of Incorporation.
(The proposal was submitted by the board of directors)

Details:

- (1) To amend the Articles of Incorporation of the Company in accordance with the Company Act Article 172-2 that the shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.
- (2) Please refer to Attachment 7 for the comparison table before and after amendment. (page 54 ~62)

Resolution:

2. Subject: Amendments to the Rules of Procedure for Shareholders Meetings. (The proposal was submitted by the board of directors)

Details:

- (1) In accordance with the Company Act Article 172-2 that a company may hold its shareholders' meeting by visual communication network and the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, the Company amends the Rules of Procedure for Shareholders Meetings.
- (2) Please refer to Attachment 8 for the comparison table before and after amendment. (page 63 ~97)

Resolution:

3. Subject: Amendments to the Procedure for the Acquisition and Disposal of Assets. (The proposal was submitted by the board of directors)

Details:

- (1) To amend Article 4, Article 7 to Article 9, Article 13, and Article 27 of the Procedure for the Acquisition and Disposal of Assets of the Company in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- (2) Please refer to Attachment 9 for the comparison table before and after amendment. (page 98 ~134)

Resolution:

VI. Extemporaneous Motion

VII.Adjournment

VII.Attachment

Attachment 1

Capital Futures Corp. 2021 Business Report

I. Operating performance in 2021

In 2021, the outbreak of the COVID-19 epidemic has greatly impacted the global economy, which continued to affect the financial market. The Company's 2021 annual trading volume of the domestic futures brokerage business was 61.76 million lots, increasing 24% from 49.84 million the previous year with a market share of 7.87%. The Company's annual trading volume of the foreign futures brokerage business was 7.56 million lots, decreasing 7.5% from the previous year with a market share of 20.3%. In 2021, the consolidated revenues was NT\$2,438,961 thousand, increasing 0.52% from the previous year, and the net income before and after tax were NT\$599,901 thousand and NT\$489,323 thousand, respectively decreasing 23.53% and 21.37% from the previous year. Due to the rate cut by central banks over the world, the Company's interest income dropped sharply. However, the Company's brokerage business and proprietary trading business still steadily grew, along with the significant growth of leverage transaction business. Furthermore, the Company aimed to operate diversified business and earn diversified income by building the multi-engine profitable model to improve the overall performance.

Capital Futures actively develops an independent IT global trading platform in financial technology, attaches great importance to the trading experience of customers, and develops the mobile APP "Happy Trader" that meets the needs of professional investors. The APP includes several practical functions and strives to create a variety of intelligent trading services, intuitive display of commodity market, and instant transaction; in addition, technical analysis chart combined

with fast order function, allowing customers to access more flexible investment commodities in the international market, lowering the investor's transaction threshold to achieve inclusive finance. The Company has also built the industry's first customer-exclusive investment community platform "Trader168" to provide customers with diversified and real-time investment information and trading forum. The Company leads the leveraged trading business in the industry as the first CFD futures broker to offer foreign stocks and foreign indices, and the leveraged trading business has ranked first in the industry for five consecutive years since operation, with a market share of over 50% , and successfully registered the trademarks of "Nano Gold CFD", "Nano Index CFD" and "Nano Oil CFD".

With the vision of "becoming the most heart-warming digital financial company", Capital Futures has won three recognitions in the 2021 "Digital Financial Service Award" hosted by the Commercial Times with the joint efforts of the Company and all its employee, among which are the two highest honors "Digital Transformation Award - Gold" and "Digital Information Services Award - Gold" and "Digital Innovation Award - Excellence".

The Company has 7 directors in board of directors (including 3 independent directors) who are all with the profession of operation, management, finance, accounting, law, international market and strategy. Through rich financial experience and various operating expertise from Directors with diversified background, the Company can implement supervision on operation and management, which helps push forward the Company's whole development strategy, business performance, operating system, and investor protection. The Company will continue to serve the real economy, strengthen corporate governance, safeguard the rights and interests of investors, and execute the rigorous compliance and internal control systems. In other words, the Company not only pursues long-term and stable profitability, but also commits itself to constructing a safe investment

environment and fulfilling its corporate social responsibility.

II.2021 income and profit analysis (Consolidated)

(Expressed in Thousands of New Taiwan Dollars)

Item	2021	2020
Income	2,438,961	2,426,236
Expenses	2,018,766	2,055,139
Non-operating income and expenses	179,706	413,409
Net income before taxes	599,901	784,506
Net income	489,323	622,344
Return on Equity (%)	7.73	10.89
Net profit margin (%)	20.06	25.65
Return on Asset (%)	1.05	1.42
Earnings per share after taxes (dollar)	2.33	3.07

III. Operating plans and development strategies for the future

With the popularization of vaccines, changes have been brought to the global economy where consumption has resurged, and the demand for materials and energy has increased. Inflation has become a topic of concern. With the epidemic has not yet been resolved, the inflation posing new challenges, and many factors such as the issue of raising interest rates affecting the uncertainty of the global economy and financial markets, which may enlarge the market volatility and the hedging demand, trading in domestic and international futures markets should keep booming, and the trading volume has chance to increase; consequently, the opportunities shall present to the overall operation of futures industry.

The operating plans and development strategies of the Company in 2022 are as follows:

1.Domestic market:

- (1)Use the quantitative stock selection strategy and develop a day-trading interface to attract day-trading customers to the futures market based on the upsurge of the spot market.
- (2)Continuously optimize IT Infra to provide the best solutions for high-frequency professional customers.

2.Foreign market:

- (1)Provide global market investment information through Capital's

exclusive community platform to become the “Facebook of investment” for customers and enhance customers' global outlook and brand loyalty.

- (2) Integrate the resources of various investment and research departments to provide 24H global real-time important information and use the intelligent push broadcast system developed by the digital team to push broadcast to the customers in real time, making high-quality services more accessible.

3. Leverage Transaction Merchants:

- (1) Promote the foreign CFD stocks, and market “Buy US stocks, come to Capital”.
- (2) Optimize semi-automatic intelligent trading, simplify customer trading process, stabilize trading volume, and improve performance.
- (3) Seek for the competent authorities and the CBC to approve making “non-foreign exchange” CFD commodity referral and allow futures salesmen and securities IB salesmen to refer non-foreign exchange commodities to expand the distribution channel.

4. Proprietary Trading:

- (1) In response to possible brokerage systemic risks, the proprietary strategy is more flexible with strict risk control.
- (2) When market volatility rises, market-making proprietary will actively increase volatility strategy trading.

5. Cultivate talent with schools (new foreign exchange workforce, campus talent recruitment), increase industry-university cooperation (winter and summer internships and work-study programs), and introduce new talents from various fields to implement the positive cycle of selecting, cultivating, retaining and utilize talents.

6. Provide employees with an internal entrepreneurial environment for employees welfare to strengthen employees’ synergy and recognition with the Company.

7. Strengthen internal audit and internal control, legal compliance and strict risk control, and fulfill the corporate responsibility of environmental, social and governance (ESG) to ensure sustainable operation of the Company.

Lee, Wen-Chu
Chairman

Mao, Jen-Hua
President

Lin, Li-Juan
Accounting manager

Capital Futures Corp.
2021 Audit Committee's Review Report

The board of directors has prepared the 2021 fiscal year Individual and Consolidated Financial Statements (hereinafter, the “Financial Statements”) of the Company, which were audited by the CPAs of KPMG Taiwan, “Wu, Cheng-Yen” and “Chung, Tan-Tan”, with an unmodified opinion issued in the Independent Auditor’s Report. We, as the Audit Committee of the Company, have reviewed the Financial Statements that were present fairly with the Report prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and hereby present for your recognition.

Capital Futures Corp.
Chairman of Audit Committee

Chen, Kuo-Tay

March 11, 2022

Attachment 3

Distribution status of employees' compensation and directors' remuneration in 2021

1. The distribution of the compensation to employees for an amount of NT\$7,195,604 and the remuneration to directors for an amount of NT\$7,195,604 were resolved in the board meeting of the Company on March 11, 2022. Aforementioned compensation and remuneration will all be distributed in cash, and the amount respectively accounted for 1.17% of the Company's 2021 earning which refers to the amount before deduction of the compensation and the remuneration.
2. The difference between the amount of compensation to employees and remuneration to directors resolved by the board of directors and the estimated amount recognized as expense of the fiscal years as follows:

Unit: NTD

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)	The reason and treatment of difference
Compensation to employees	7,195,604	7,195,604	0	No difference
Remuneration to directors	7,195,604	7,195,604	0	No difference

Attachment 4

Comparison table for the Sustainable Development Best Practice Principles and the Sustainable Development Policy Before and After Amendment

4.1 Comparison table for the Sustainable Development Best Practice Principles Before and After Amendment

Title After the Amendment	Title Before the Amendment
Title <u>Sustainable Development</u> Best Practice Principles	Title <u>Corporate Social Responsibility</u> Best Practice Principles

After the Amendment	Before the Amendment
<p>Article 2</p> <p>The Principles apply to the Company and its subsidiaries, including the entire operations of the company and its subsidiaries.</p> <p>The Company actively fulfills its <u>sustainable development</u> in the course of company's business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u>.</p>	<p>Article 2</p> <p>The Principles apply to the Company and its subsidiaries, including the entire operations of the company and its subsidiaries.</p> <p>The Company actively fulfills its <u>corporate social responsibility</u> in the course of company's business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>corporate responsibility</u>.</p>
<p>Article 3</p> <p>In <u>promoting sustainable development</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate</p>	<p>Article 3</p> <p>In <u>fulfilling corporate social responsibility</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate</p>

governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.	governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
Article 4 To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of <u>sustainable development</u> information.	Article 4 To implement <u>corporate social responsibility</u> initiatives, the Company is advised to follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of <u>corporate social responsibility</u> information.
Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual company and of company's respective business groups as a whole on stakeholders, in establishing company's policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>sustainable development</u> , the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.	Article 5 The Company shall take into consideration the correlation between the development of domestic and international <u>corporate social responsibility</u> principles and corporate core business operations, and the effect of the operation of individual company and of company's respective business groups as a whole on stakeholders, in establishing company's policies, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>corporate social responsibility</u> , the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.
Article 7 The directors of the company shall exercise the due care of good administrators to urge the company to	Article 7 The directors of the company shall exercise the due care of good administrators to urge the company to

<p>perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies.</p> <p>The board of directors of the company are advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>promotion</u> of its <u>sustainable development</u> initiatives:</p> <p>1. Identifying the company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines;</p> <p>2. Making <u>sustainable development</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives; and</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information.</p> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</p>	<p>perform its <u>social responsibility</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>corporate social responsibility</u> policies.</p> <p>The board of directors of the company are advised to give full consideration to the interests of stakeholders, including the following matters, in the company's <u>performance</u> of its <u>corporate social responsibility</u> initiatives:</p> <p>1. Identifying the company's <u>corporate social responsibility</u> mission or vision, and declaring its <u>corporate social responsibility</u> policy, systems or relevant management guidelines;</p> <p>2. Making <u>corporate social responsibility</u> the guiding principle of the company's operations and development, and ratifying concrete promotional plans for <u>corporate social responsibility</u> initiatives; and</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>corporate social responsibility</u> information.</p> <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.</p>
<p>Article 8</p> <p>The Company is advised to, on a regular basis, organize education and training on the <u>promotion</u> of <u>sustainable development</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>	<p>Article 8</p> <p>The Company is advised to, on a regular basis, organize education and training on the <u>implementation</u> of <u>corporate social responsibility</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.</p>

<p>Article 9</p> <p>For the purpose of managing <u>sustainable development</u> initiatives, the company is advised to <u>set up a governance structure for promoting sustainable development</u> and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>It is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.</p>	<p>Article 9</p> <p>For the purpose of managing <u>corporate social responsibility</u> initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>corporate social responsibility</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.</p> <p>The company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.</p> <p>It is advised that the employee performance evaluation system be combined with <u>corporate social responsibility</u> policies, and that a clear and effective incentive and discipline system be established.</p>
<p>Article 10</p> <p>The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they are concerned about.</p>	<p>Article 10</p> <p>The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>corporate social responsibility</u> issues which they are concerned about.</p>
<p>Article 12</p> <p>The company is advised to endeavor to <u>use all energies</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.</p>	<p>Article 12</p> <p>The company is advised to endeavor to <u>utilize all resources</u> more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural</p>

	resources.
<p>Article 17</p> <p>The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.</p> <p>The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <p>1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</p> <p>2.Indirect greenhouse gas emissions: emissions resulting from the generation of <u>inputted</u> electricity, heating, or steam.</p> <p><u>3.Other indirect emissions: emissions resulting from Company's activities and owned or directly controlled by other Companies, except indirect emissions from energies.</u></p> <p>The company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of company's business operations on climate change.</p>	<p>Article 17</p> <p>The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt <u>climate</u> related measures.</p> <p>The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</p> <p>1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</p> <p>2.Indirect greenhouse gas emissions: emissions resulting from the generation of <u>externally purchased or acquired</u> electricity, heating, or steam.</p> <p>The company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of company's business operations on climate change.</p>
<p>Chapter 5</p> <p>Enhancing Disclosure of <u>Sustainable development</u> Information</p>	<p>Chapter 5</p> <p>Enhancing Disclosure of <u>Corporate social responsibility</u> Information</p>
<p>Article 28</p> <p>The company shall disclose information</p>	<p>Article 28</p> <p>The company shall disclose information</p>

<p>according to relevant laws, regulations and the Company's Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its <u>sustainable development</u> initiatives to improve information transparency. Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1.The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for realizing the <u>sustainable development</u> initiatives established by the Company, and performance in <u>promotion</u>. 4.Major stakeholders and their concerns. 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6.Other information relating to <u>sustainable development</u> initiatives. 	<p>according to relevant laws, regulations and the Company's Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its <u>corporate social responsibility</u> initiatives to improve information transparency. Relevant information relating to <u>corporate social responsibility</u> which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1.The policy, systems or relevant management guidelines, and concrete promotion plans for <u>corporate social responsibility</u> initiatives, as resolved by the board of directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for realizing the <u>corporate social responsibility</u> initiatives established by the Company, and performance in <u>implementation</u>. 4.Major stakeholders and their concerns. 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6.Other information relating to <u>corporate social responsibility</u> initiatives.
<p>Article 29</p> <p>The company shall adopt internationally widely recognized standards or guidelines when producing <u>sustainability</u> reports, to disclose the status of its implementation of the <u>sustainable development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p>	<p>Article 29</p> <p>The company shall adopt internationally widely recognized standards or guidelines when producing <u>corporate social responsibility</u> reports, to disclose the status of its implementation of the <u>corporate social responsibility</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:</p>

<p>1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives.</p> <p>2.Major stakeholders and their concerns.</p> <p>3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4.Future improvements and goals.</p>	<p>1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>corporate social responsibility</u> initiatives.</p> <p>2.Major stakeholders and their concerns.</p> <p>3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4.Future improvements and goals.</p>
<p>Article 30</p> <p>The company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve its established <u>sustainable development</u> framework and to obtain better results from the <u>promotion of the sustainable development</u> policy.</p>	<p>Article 30</p> <p>The company shall at all times monitor the development of domestic and foreign <u>corporate social responsibility</u> standards and the change of business environment so as to examine and improve its established <u>corporate social responsibility</u> framework and to obtain better results from the <u>implementation of the corporate social responsibility</u> policy.</p>

Capital Futures Corp.
Sustainable Development Best Practice Principles

Chapter I General Principles

- Article 1 In order to fulfill the social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, hereby adopt the Principles to be followed.
- Article 2 The Principles apply to the Company and its subsidiaries, including the entire operations of the company and its subsidiaries.
The Company actively fulfills its sustainable development in the course of company's business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
- Article 3 In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4 To implement sustainable development initiatives, the Company is advised to follow the principles below:
- 1.Exercise corporate governance.
 - 2.Foster a sustainable environment.
 - 3.Preserve public welfare.
 - 4.Enhance disclosure of sustainable development information.
- Article 5 The Company shall take into consideration the correlation between the development of domestic and international sustainable

development principles and corporate core business operations, and the effect of the operation of individual company and of company's respective business groups as a whole on stakeholders, in establishing company's policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The directors of the company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the company are advised to give full consideration to the interests of stakeholders, including the following matters, in the company's promotion of its sustainable development initiatives:

1. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the

company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and
3.Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing sustainable development initiatives, the company is advised to set up a governance structure for promoting sustainable development and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10 The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to

the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

- Article 11 The company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.
- Article 12 The company is advised to endeavor to use all energies more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
- Article 13 The company is advised to establish proper environment management systems based on the characteristics of company's industries. Such systems shall include the following tasks:
1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
 2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
 3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of company's operation on a regular basis.
- Article 14 The company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for company's managerial officers and other employees on a periodic basis.
- Article 15 The company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, operations, and services in accordance with the following principles to reduce the impact on the natural

environment and human beings from company's business operations:

- 1.Reduce resource and energy consumption of company's products and services.
- 2.Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- 3.Improve recyclability and reusability of raw materials or products.
- 4.Maximize the sustainability of renewable resources.
- 5.Improve efficiency of products and services.

Article 16

To improve water use efficiency, the company shall properly and sustainably use water resources and collaborate with condominium management committee to execute relevant management measures. The company shall collaborate with condominium management committee to construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use company's best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- 1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
- 2.Indirect greenhouse gas emissions: emissions resulting from the generation of inputted electricity, heating, or steam.
- 3.Other indirect emissions: emissions resulting from Company's activities and owned or directly controlled by other Companies, except indirect emissions from energies.

The company is advised to compile statistics on greenhouse gas

emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of company's business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

The company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. The company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that company's human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The company shall respond to any employee's grievance in an appropriate manner.

Article 19 The company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 The company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The company is advised to organize training on safety and health for company's employees on a regular basis.

Article 21 The company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills. The company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions. The company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to

improve the negotiation and cooperation among employers, employees and employee representatives.

The company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The company shall also develop the relevant strategies and specific measures for implementation.

Article 23

The company shall take responsibility for company's products and services, and take marketing ethics seriously. In the process of research and development, procurement, operations, and services, the company shall ensure the transparency and safety of company's products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce it in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers. .

Article 24

The company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries.

The company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25

The company is advised to evaluate and manage all types of risks that

could cause interruptions in operations, so as to reduce the impact on consumers and society.

The company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The company is advised to assess the impact its procurement has on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

The company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in

events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Sustainable development Information

Article 28

The company shall disclose information according to relevant laws, regulations and the Company's Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

- 1.The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
- 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- 3.Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in promotion.
- 4.Major stakeholders and their concerns.
- 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- 6.Other information relating to sustainable development initiatives.

Article 29

The company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of its implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.

The reports are advised to include:

- 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable

development initiatives.

2. Major stakeholders and their concerns.

3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.

4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31 This Principles will take effect after approval in the board meeting and the same shall apply to any amendment thereto.

4.2 Comparison table for the Sustainable Development Policy Before and After Amendment

Title After the Amendment	Title Before the Amendment
Title <u>Sustainable Development</u> Policy	Title <u>Corporate Social Responsibility</u> Policy

Article After the Amendment	Article Before the Amendment
Article 1 The Company and its subsidiaries (collectively the “Group”) engage in commercial activities following the belief of ethical management, steady growth, and sustainable development in order to implement <u>sustainable development</u> , hereby adopt the Policy to be followed.	Article 1 The Company and its subsidiaries (collectively the “Group”) engage in commercial activities following the belief of ethical management, steady growth, and sustainable development in order to implement <u>corporate social responsibility</u> , hereby adopt the Policy to be followed.
Article 2 The Group shall do its duty of <u>sustainable development</u> and interprets the stakeholders and <u>sustainable development</u> issues as follows: (The rest is omitted.)	Article 2 The Group shall do its duty of <u>corporate social responsibility</u> and interprets the stakeholders and <u>social responsibility</u> issues as follows: (The rest is omitted.)
Article 3 The Company’s president is responsible for enacting and promoting the Group’s related matters in the scope of <u>sustainable development</u> .	Article 3 The Company’s president is responsible for enacting and promoting the Group’s related matters in the scope of <u>corporate social responsibility</u> .
Article 4 The Company will produce <u>sustainability</u> reports, disclose the status of its implementation of the <u>sustainable development</u> policy, and upload on its official website.	Article 4 The Company will produce <u>corporate social responsibility</u> reports, disclose the status of its implementation of the <u>corporate social responsibility</u> policy, and upload on its official website.

Capital Futures Corp.
Sustainable Development Policy

- Article 1 The Company and its subsidiaries (collectively the “Group”) engage in commercial activities following the belief of ethical management, steady growth, and sustainable development in order to implement sustainable development, hereby adopt the Policy to be followed.
- Article 2 The Group shall do its duty of sustainable development and interprets the stakeholders and sustainable development issues as follows:

Customers

The Group will endeavor to provide highly value-added financial service, which exceeds customer expectations, and becomes customers’ long-term partner.

Promotions as follow:

- 1.Establish and disclose policies on consumer rights and interests.
- 2.Fully disclosures the information for products and services and effective procedure for consumer complaints.
- 3.Strictly comply with laws and regulations related to the personal information protection and taken protection measures for customer data.

Employees

The Group will abide by labor-related laws and regulations, comply with the internationally recognized human rights of labor, protect the legal rights and interests of labor, and provide a good working environment.

Promotions as follow:

- 1.Create an equal employment environment and protect the legal rights and interests of labor.
- 2.Take care of the human rights of labor and set up a communication mechanism.
- 3.Organize employee education and training.
- 4.Attention to employee health, Organize health talks, and offer free

health checks.

Stockholders

The Group will strengthen corporate governance continually, improve operational performance, and increase shareholder value.

Promotions as follow:

- 1.Enhance the functions of the Board of Directors, protect the rights of shareholders, and improve shareholder communications.
- 2.Enhance disclosure of financial and non-financial information and transparency.
- 3.Pay attention to product innovation, and enhance risk control.
- 4.Organize educational training and promotion in business ethics for directors and employees.

Environmental protection

The Group will take sustainable development as our business philosophy and endeavor to promote a sustainable environment.

Promotions as follow:

- 1.Press ahead with policies for energy conservation, reduce the use of water, electricity, and oil.
- 2.Press ahead with electronic operation procedure to reduce paper use.
- 3.Give priority to green procurement and use the green mark products.
- 4.Promote resources recycling and dispose of waste properly

Community engagement

Sustain a good relationship with the local community through the Group's service points.

Promotions as follow:

- 1.Organize arts and cultural activities, health talks, and finance talks to improve community residents' quality of life.
- 2.Implement corporate volunteer programs to encourage employees to join community services.

Public Welfare

The Group's will press ahead the public welfare activities.

Promotions as follow:

1. Provide caring for vulnerable groups, and improve their self-care abilities.
2. Cooperate with domestic public interest groups and domestic social welfare organizations to press ahead with public assistance schemes.
3. Support ecological education and raise environmental awareness.

Ethical Corporate Management

The Group will establish the ethical management culture based on the honesty and responsible business philosophy.

Promotions as follow:

1. Comply with relevant laws and regulations and fulfill the Company's Rules Governing Ethical Management.
2. Prohibition of corruption, or acceptance of improper benefits by taking the opportunity of his occupation.
3. Any business operations shall engages with the principles of fair and ethical.

Article 3 The Company's President is responsible for enacting and promoting the Group's related matters in the scope of sustainable development.

Article 4 The Company will produce sustainability reports, disclose the status of its implementation of the sustainable development policy, and upload on its official website.

Article 5 This Principles will take effect after approval in the board meeting and the same shall apply to any amendment thereto.



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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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed 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:

Brokerage fee revenue recognized:

Related accounting policies of brokerage fee revenue recognized, please refer to Note 4(p) revenue recognition. Explanation of brokerage fee revenue, please refer to the consolidated financial report Note 6(p)(i) comprehensive income statement brokerage fee revenue.



Explanation of key audit matters:

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

Audit procedures in response:

According to the key audit matters as described above, we perform main audit procedures including the sampling test on brokerage business dealing internal control and brokerage fee revenue recorded amount, then compare with the entrusted data from brokerage business and evaluate the revenue recognized policies in compliance with the related bulletin.

Other Matter

Capital Futures Corporation has prepared its individual financial statements as of and for the years ended December 31, 2021 and 2020, 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 Managed 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 WU, CHENG YEN and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:									
111100 Cash and cash equivalents (Note 6(a))	\$ 5,248,044	12	5,259,993	11	211100 Short-term borrowings (Note 6(j))	\$ 109,784	-	-	-
112000 Financial assets at fair value through profit or loss- current (Note 6(b))	357,902	1	450,635	1	212000 Financial liabilities at fair value through profit or loss- current (Note 6(b))	67,806	-	61,349	-
113200 Financial assets at fair value through other comprehensive income- current (Note 6(b))	28,268	-	119,204	-	214080 Futures traders' equity (Note 6(g))	39,205,380	84	39,140,989	85
114010 Bonds purchased under resale agreements (Note 6(b))	84,013	-	244,530	1	214100 Accounts payable	630,830	2	552,056	1
114070 Customers margin accounts (Note 6(g))	39,235,077	84	39,174,200	85	214130 Accounts payable - customers' equity	45,693	-	136,981	-
114130 Accounts receivable	18,034	-	131,775	-	214150 Accounts payable-related parties (Note 7)	11,448	-	14,679	-
114140 Accounts receivable-related parties (Note 7)	3,011	-	2,735	-	214160 Advance receipts	3,352	-	3,773	-
114150 Prepayments	7,803	-	7,279	-	214170 Receipts under custody	4,220	-	5,078	-
114170 Other receivables	409,498	1	76,756	-	214180 Other payables	136,080	-	142,850	-
114180 Other receivables-related parties (Note 7)	4,181	-	3,841	-	214600 Other payables-related parties (Note 7)	1,293	-	4,881	-
114500 Leverage contract trading-customers' margin accounts	624,232	1	352,962	1	215100 Current income tax liabilities	38,213	-	61,758	-
114710 Current income tax assets	230	-	238	-	216000 Provisions-current	5,618	-	5,577	-
114710 Non-current assets classified as held for sale (Note 6(c))	50,112	-	-	-	216000 Lease liabilities- current (Note 6(k))	24,112	-	27,882	-
119000 Other current assets	-	-	5	-	219000 Other current liabilities	9,168	-	15,248	-
	<u>46,090,407</u>	<u>99</u>	<u>45,824,153</u>	<u>99</u>		<u>40,294,027</u>	<u>86</u>	<u>39,973,101</u>	<u>86</u>
Non-current assets:					Non-current liabilities:				
122200 Financial assets at fair value through other comprehensive income- non-current (Note 6(b))	1,581	-	1,349	-	226000 Lease liabilities- non-current (Note 6(k))	23,017	-	30,597	-
124100 Investments under equity method (Note 6(d))	-	-	49,281	-	228000 Deferred income tax liabilities (Note 6(m))	16,124	-	15,251	-
125000 Property and equipment (Note 6(e))	47,372	-	63,272	-	229000 Other non-current liabilities (Note 6(l))	-	-	7,487	-
125800 Rights-of-use assets (Note 6(f))	47,037	-	58,504	-		<u>39,341</u>	<u>-</u>	<u>53,335</u>	<u>-</u>
127000 Intangible assets (Note 6(f))	70,581	-	79,516	-	Total liabilities	<u>40,333,338</u>	<u>86</u>	<u>40,026,436</u>	<u>86</u>
128000 Deferred income tax assets (Note 6(m))	-	-	414	-	Equity attributable to owners of parent:				
129000 Other non-current assets	350,558	1	336,876	1	301010 Common stock (Note 6(n))	2,104,376	5	2,104,376	5
	<u>517,129</u>	<u>1</u>	<u>589,242</u>	<u>1</u>	302000 Capital surplus (Note 6(n))	1,663,021	4	1,873,996	4
					304010 Legal reserve	626,803	1	564,658	1
					304020 Special reserve	1,446,574	3	1,280,666	3
					304040 Unappropriated earnings (Note 6(n))	522,696	1	623,005	1
					305000 Other equity	(115,806)	-	(87,037)	-
					Total equity attributable to owners of parent	<u>6,248,164</u>	<u>14</u>	<u>6,359,664</u>	<u>14</u>
					Non-controlling interests	<u>25,234</u>	<u>-</u>	<u>27,295</u>	<u>-</u>
					Total equity	<u>6,274,098</u>	<u>14</u>	<u>6,386,959</u>	<u>14</u>
906001 Total assets	<u>\$ 46,607,536</u>	<u>100</u>	<u>\$ 46,413,395</u>	<u>100</u>	Total liabilities and equity	<u>\$ 46,607,536</u>	<u>100</u>	<u>\$ 46,413,395</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
Income:				
401000 Brokerage fee revenue (Note 6(p))	\$ 1,780,477	73	1,896,284	78
410000 Net gains (losses) on sale of trading securities	54,337	2	115,501	5
421300 Dividend revenue	11,420	-	3,545	-
421500 Net gains (losses) on measurement of trading securities at fair value through profit or loss	(11,346)	-	4,945	-
421600 Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	6,531	-	(1,304)	-
421610 Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	-	-	1,109	-
424100 Futures commission revenue (Note 6(p))	327,809	13	322,130	13
424200 Securities commission revenue	27,770	1	11,437	-
424400 Net gains (losses) on derivative instruments- futures (Note 6(q))	110,119	5	(22,772)	(1)
424500 Net gains (losses) on derivative instruments - OTC (Note 6(p))	91,820	4	62,602	3
424800 Management fee revenue	2,349	-	220	-
424900 Consulting fee revenue	18,404	1	12,219	1
428000 Other operating revenue	19,271	1	20,320	1
	<u>2,438,961</u>	<u>100</u>	<u>2,426,236</u>	<u>100</u>
Expenses:				
501000 Brokerage fees	346,549	14	370,883	15
502000 Brokerage fees - proprietary trading	2,172	-	3,147	-
521200 Financial costs	5,247	-	7,404	-
521640 Loss from securities borrowing transactions	-	-	70	-
425300 Expected credit impairment losses and reversal gains (Note 6(q))	(236)	-	413	-
524100 Futures commission expenses (Note 6(p))	489,551	20	525,520	22
524300 Clearing and settlement expenses	193,739	8	180,753	8
528000 Other operating expenditure	5,558	-	4,552	-
531000 Employee benefit expenses (Note 6(p))	498,853	20	496,948	21
532000 Depreciation and amortization expenses (Note 6(p))	72,625	3	77,442	3
533000 Other operating expenses (Note 6(p))	404,708	17	388,007	16
	<u>2,018,766</u>	<u>82</u>	<u>2,055,139</u>	<u>85</u>
	<u>420,195</u>	<u>18</u>	<u>371,097</u>	<u>15</u>
Net operating income				
Non-operating income and expenses:				
601000 Shares of profit of associates and joint ventures under equity method (Note 6(d))	894	-	2,304	-
602000 Other gains and losses (Note 6(p))	178,812	7	411,105	17
	<u>179,706</u>	<u>7</u>	<u>413,409</u>	<u>17</u>
902001 Net income before income tax	599,901	25	784,506	32
701000 Less: Income tax expenses (Note 6(m))	110,578	5	162,162	6
Net income	<u>489,323</u>	<u>20</u>	<u>622,344</u>	<u>26</u>
Other comprehensive income:				
Components that may not be reclassified subsequently to profit or loss:				
805510 Actuarial gain (loss) on defined benefit plans (Note 6(l))	1,159	-	(709)	-
805540 Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	31,396	1	1,660	-
805599 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<u>32,555</u>	<u>1</u>	<u>951</u>	<u>-</u>
Subtotal of components that may not be reclassified subsequently into profit or loss				
Components that may be reclassified subsequently to profit or loss:				
805600 Exchange differences on translation of foreign operations	(28,303)	(1)	(44,625)	(2)
805690 Equity related to non-current assets classified as held for sale	(2,129)	-	-	-
805699 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(m))	414	-	(178)	-
	<u>(30,846)</u>	<u>(1)</u>	<u>(44,447)</u>	<u>(2)</u>
Subtotal of components that may be reclassified subsequently to profit or loss				
Other comprehensive income	<u>1,709</u>	<u>-</u>	<u>(43,496)</u>	<u>(2)</u>
Total comprehensive income	<u>\$ 491,032</u>	<u>20</u>	<u>\$ 578,848</u>	<u>24</u>
Net income attributable to:				
913100 Shareholders of the parent	\$ 490,039	20	622,166	26
913200 Non-controlling interests	(716)	-	178	-
	<u>\$ 489,323</u>	<u>20</u>	<u>\$ 622,344</u>	<u>26</u>
Comprehensive income attributable to:				
914100 Shareholders of the parent	\$ 492,593	20	579,841	24
914200 Non-controlling interests	(1,561)	-	(993)	-
	<u>\$ 491,032</u>	<u>20</u>	<u>\$ 578,848</u>	<u>24</u>
975000 Basic earnings per share (Dollar) (Note 6(o))	<u>\$ 2.33</u>		<u>\$ 3.07</u>	
985000 Diluted earnings per share (Dollar) (Note 6(o))	<u>\$ 2.33</u>		<u>\$ 3.07</u>	

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							Total equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Other equity: Unrealized gains (losses) from financial assets measured at fair value other comprehensive income	
\$	1,764,376	1,047,338	504,667	1,142,132	599,904	(46,677)	1,256	5,041,284
Net income for the year ended December 31, 2020	-	-	-	-	622,166	-	-	622,166
Other comprehensive income	-	-	-	-	(709)	(43,276)	1,660	(43,496)
Total comprehensive income	-	-	-	-	621,457	(43,276)	1,660	578,848
Appropriation and distribution of retained earnings								
Legal reserve	-	-	59,991	-	(59,991)	-	-	-
Special reserve	-	-	-	119,981	(119,981)	-	-	-
Cash dividends	-	-	-	-	(399,831)	-	-	(399,831)
Capital increase by cash (Note 6(m))	340,000	826,260	-	18,553	(18,553)	-	-	-
Right of inclusion options exercised	-	398	-	-	-	-	-	398
Balance at December 31, 2020	2,104,376	1,873,596	564,658	1,280,666	623,005	(89,953)	2,916	6,386,959
Net income for the year ended December 31, 2021	-	-	-	-	490,039	(27,872)	-	490,039
Other comprehensive income	-	-	-	-	1,159	(27,872)	31,396	(845)
Total comprehensive income	-	-	-	-	491,198	(27,872)	31,396	491,032
Appropriation and distribution of retained earnings								
Legal reserve	-	-	62,145	-	(62,145)	-	-	-
Special reserve	-	-	-	124,291	(124,291)	-	-	-
Cash dividends	-	-	-	-	(393,518)	-	-	(393,518)
Other changes in capital surplus	-	-	-	41,617	(41,617)	-	-	-
Cash dividends from capital surplus	-	(210,437)	-	-	-	-	-	(210,437)
Right of inclusion options exercised	-	62	-	-	-	-	-	62
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	30,164	-	(30,164)	-
Balance at December 31, 2021	2,104,376	1,663,621	626,803	1,446,574	522,796	(117,825)	4,148	6,274,098

See accompanying notes to consolidated financial statements.

CAPITAL FUTURES CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 599,901	784,506
Adjustments:		
Adjustments to reconcile:		
Depreciation expenses	63,543	67,702
Amortization expenses	9,082	9,740
Expected credit impairment losses and reversal gains	(236)	413
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	16,652	(9,967)
Interest expenses	5,247	7,404
Interest income (including financial income)	(173,949)	(364,733)
Dividend revenue	(13,962)	(3,584)
Shares of profit of associates and joint ventures under equity method	(894)	(2,304)
Losses on disposal of property and equipment	65	-
Loss (gain) on lease modification	1,018	(41)
Impairment losses	4,951	1,204
Total adjustments to reconcile	(88,483)	(294,166)
Changes in operating assets and liabilities:		
Decrease in financial assets at fair value through profit or loss	76,081	71,070
Decrease (increase) in bond purchased under resale agreements	160,517	(198,530)
Increase in customer margin accounts	(80,877)	(3,682,034)
Decrease (increase) in receivable-futures margin	236	(411)
Increase in leverage contract trading - customer's margin accounts	(271,270)	(44,419)
Decrease in security borrowing margin	-	3,874
Decrease (increase) in accounts receivable	113,741	(118,236)
Increase in accounts receivable - related parties	(276)	(2,013)
Decrease (increase) in prepayments	(524)	998
Increase in other receivables	(337,027)	(4,018)
Decrease (increase) in other receivables- related parties	(344)	231
Decrease (increase) in other current assets	3	(3)
Increase in clearing and settlement fund	(12,278)	(16,744)
Decrease (increase) in refundable deposits	(603)	41
Increase in financial liabilities at fair value through profit or loss	6,457	39,622
Increase in futures traders' equity	64,291	3,705,011
Increase in leverage contract trading - customer's equity	278,774	43,466
Increase (decrease) in accounts payable	(91,288)	93,169
Increase (decrease) in accounts payable - related parties	(3,231)	3,765
Increase (decrease) in advance receipts	(521)	1,262
Increase (decrease) in receipts under custody	(158)	1,222
Increase (decrease) in other payables	(6,887)	11,422
Increase (decrease) in other payables - related parties	(3,588)	4,020
Increase (decrease) in provisions for liabilities	41	(375)
Increase (decrease) in other current liabilities	(5,480)	4,578
Increase (decrease) in other non-current liabilities	(7,129)	50
Total changes in operating assets and liabilities	(121,340)	(82,973)
Total adjustments	(209,823)	(377,139)
Cash inflow generated from operations	390,078	407,367
Interest received	178,352	372,443
Dividends received	13,848	3,616
Interest paid	(5,240)	(8,192)
Income taxes paid	(133,050)	(180,549)
Net cash flows from operating activities	443,988	594,685
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(316,995)	(117,518)
Proceeds from disposal of financial assets at fair value through other comprehensive income	439,095	-
Acquisition of property and equipment	(15,593)	(28,936)
Acquisition of intangible assets	(5,136)	(8,323)
Net cash flows from (used in) investing activities	101,371	(154,777)
Cash flows from (used in) financing activities:		
Cash dividends paid	(603,955)	(399,831)
Increase in short-term loans	109,784	-
Payments of lease liabilities	(33,270)	(35,520)
Proceeds from issue of share capital	-	1,166,260
Proceeds from right of inclusion options exercised	62	398
Net cash flows from (used in) financing activities	(527,379)	731,307
Effect of exchange rate changes on cash and cash equivalents	(29,929)	(43,191)
Net increase (decrease) in cash and cash equivalents	(11,949)	1,128,024
Cash and cash equivalents at beginning of period	5,259,993	4,131,969
Cash and cash equivalents at end of period	\$ 5,248,044	5,259,993

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

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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, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020 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, 2021 and 2020, 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 Managed 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 for 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:

Brokerage fee revenue recognized:

Related accounting policies of brokerage fee revenue recognized, please refer to Note 4(p) revenue recognition. Explanation of brokerage fee revenue, please refer to the financial report Note 6(o)(i) comprehensive income statement brokerage fee revenue.

Explanation of key audit matters:

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

Audit procedures in response:

According to the key audit matters as described above, we perform main audit procedures including the sampling test on brokerage business dealing internal control and brokerage fee revenue recorded amount, then compare with the entrusted data from brokerage business and evaluate the revenue recognized policies in compliance with 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 Managed 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 WU, CHENG YEN and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2022

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and 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 Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020					
	Amount	%	Amount	%		Amount	%	Amount	%				
Assets					Liabilities and Equity								
Current assets:					Current liabilities:								
111100	Cash and cash equivalents (Note 6(a))	\$	4,746,387	11	4,546,619	10	212000	Financial liabilities at fair value through profit or loss- current (Note 6(b))	-	67,806	-	61,272	-
112000	Financial assets at fair value through profit or loss- current (Note 6(b))		356,721	1	330,679	1	214080	Futures traders' equity (Note 6(g))	37,735,043	84	38,200,906	84	
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))		28,268	-	119,204	-	214100	Leverage contract trading - customers' equity	630,830	2	352,056	1	
114010	Bonds purchased under resale agreements (Note 6(b))		84,013	-	244,530	1	214130	Accounts payable	44,316	-	136,184	1	
114070	Customers margin accounts (Note 6(g))		37,754,551	84	38,226,053	84	214140	Accounts payable- related parties (Note 7)	11,448	-	14,679	-	
114130	Accounts receivable		17,847	-	131,327	-	214150	Advance receipts	3,252	-	3,773	-	
114140	Accounts receivable- related parties (Note 7)		3,011	-	2,679	-	214160	Receipts under custody	4,877	-	5,032	-	
114150	Prepayments		3,282	-	3,330	-	214170	Other payables	123,898	-	125,741	-	
114170	Other receivables		9,596	-	17,388	-	214180	Other payables- related parties (Note 7)	9,214	-	13,551	-	
114180	Other receivables - related parties (Note 7)		3,846	-	3,841	-	214600	Current income tax liabilities	38,213	-	61,758	-	
114300	Leverage contract trading-customers' margin accounts		624,232	1	352,962	1	215100	Provisions- current	5,618	-	5,577	-	
114710	Non-current assets classified as held for sale (Note 6(c))		50,112	-	-	-	216000	Lease liabilities- current (Note 6(j))	18,164	-	22,238	-	
119000	Other current assets		-	-	-	-	219000	Other current liabilities	9,768	-	15,248	-	
			<u>43,681,868</u>	<u>97</u>	<u>43,978,617</u>	<u>97</u>			<u>38,702,447</u>	<u>86</u>	<u>39,018,015</u>	<u>86</u>	
Non-current assets:					Non-current liabilities:								
123200	Financial assets at fair value through other comprehensive income- non-current (Note 6(b))		1,581	-	1,349	-	226000	Lease liabilities- non-current (Note 6(j))	12,611	-	29,447	-	
124100	Investments under equity method (Note 6(d))		862,458	2	973,913	2	228000	Deferred income tax liabilities (Note 6(i))	16,324	-	15,251	-	
125000	Property and equipment (Note 6(e))		36,558	-	50,864	-	229000	Other non-current liabilities	-	-	7,487	-	
125800	Right-of-use assets (Note 6(f))		30,565	-	51,525	-			<u>28,935</u>	<u>-</u>	<u>52,185</u>	<u>-</u>	
127000	Intangible assets (Note 6(i))		52,084	-	55,737	-	Total liabilities		<u>38,731,382</u>	<u>86</u>	<u>39,070,200</u>	<u>86</u>	
128000	Deferred income tax assets (Note 6(i))		-	-	414	-	Common stock (Note 6(m))		2,104,376	5	2,104,376	5	
129000	Other non-current assets		314,632	1	317,445	1	Capital surplus (Note 6(m))		1,663,621	4	1,873,996	4	
			<u>1,297,878</u>	<u>3</u>	<u>1,451,247</u>	<u>3</u>	Legal reserve		626,803	1	564,658	1	
							Special reserve		1,446,574	3	1,280,666	3	
							Unappropriated earnings (Note 6(m))		522,796	1	623,005	1	
							Other equity		(115,806)	-	(87,037)	-	
							Total equity		<u>6,248,364</u>	<u>14</u>	<u>6,359,664</u>	<u>14</u>	
906001	Total assets	\$	<u>44,979,746</u>	<u>100</u>	<u>45,429,864</u>	<u>100</u>	Total liabilities and equity		<u>\$ 44,979,746</u>	<u>100</u>	<u>\$ 45,429,864</u>	<u>100</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

CAPITAL FUTURES CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
Income:				
401000 Brokerage fee revenue (Note 6(o))	\$ 1,897,947	86	1,966,511	92
410000 Net gains (losses) on sale of trading securities	38,867	2	113,688	5
421300 Dividend revenue	9,769	1	3,537	-
421500 Net gains (losses) on measurement of trading securities at fair value through profit or loss	283	-	(7,140)	-
421600 Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	6,531	-	(1,304)	-
421610 Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	-	-	1,109	-
424200 Securities commission revenue	27,152	1	9,738	-
424400 Net gains (losses) on derivative instruments- futures (Note 6(o))	112,827	5	(24,018)	(1)
424500 Net gains (losses) on derivative instruments - OTC (Note 6(o))	91,820	4	62,602	3
424800 Management fee revenue	2,349	-	220	-
424900 Consulting fee revenue	18,404	1	12,219	1
428000 Other operating revenue	(4,334)	-	(4,447)	-
	<u>2,201,615</u>	<u>100</u>	<u>2,132,715</u>	<u>100</u>
Expenses:				
501000 Brokerage fees	285,626	13	265,022	12
502000 Brokerage fees - proprietary trading	2,172	-	3,147	-
521200 Financial costs	4,996	-	9,324	-
521640 Loss from securities borrowing transactions	-	-	70	-
425300 Expected credit impairment losses and reversal gains (Note 6(p))	(236)	-	413	-
524100 Futures commission expenses (Note 6(o))	393,650	18	458,171	22
524300 Clearing and settlement expenses	193,739	9	180,753	9
528000 Other operating expenditure	5,558	-	4,552	-
531000 Employee benefit expenses (Note 6(o))	440,355	20	424,735	20
532000 Depreciation and amortization expenses (Note 6(o))	55,153	3	58,890	3
533000 Other operating expenses (Note 6(o))	357,869	16	327,807	15
	<u>1,738,882</u>	<u>79</u>	<u>1,732,884</u>	<u>81</u>
	<u>462,733</u>	<u>21</u>	<u>399,831</u>	<u>19</u>
Net operating income				
Non-operating income and expenses:				
601100 Shares of profit of associates and joint ventures under equity method (Note 6(d))	(31,754)	(2)	(12,861)	(1)
602000 Other gains and losses (Note 6(o))	169,638	8	397,615	19
	<u>157,884</u>	<u>6</u>	<u>384,754</u>	<u>18</u>
902001 Net income before income tax	600,617	27	784,585	37
701000 Less: Income tax expenses (Note 6(l))	110,578	5	162,419	8
Net income	<u>490,039</u>	<u>22</u>	<u>622,166</u>	<u>29</u>
Other comprehensive income:				
Components that may not be reclassified subsequently to profit or loss:				
805510 Actuarial gain (loss) on defined benefit plans (Note 6(k))	1,159	-	(709)	-
805540 Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	31,396	2	1,660	-
805599 Less: 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 reclassified subsequently into profit or loss	<u>32,555</u>	<u>2</u>	<u>951</u>	<u>-</u>
Components that may be reclassified subsequently to profit or loss:				
805610 Exchange differences on translation of foreign operations	(27,358)	(1)	(43,782)	(2)
805660 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(100)	-	328	-
805690 Equity related to non-current assets classified as held for sale	(2,129)	-	-	-
805699 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(l))	414	-	(178)	-
Subtotal of components that may be reclassified subsequently to profit or loss	<u>(30,001)</u>	<u>(1)</u>	<u>(43,276)</u>	<u>(2)</u>
Other comprehensive income	<u>2,554</u>	<u>1</u>	<u>(42,325)</u>	<u>(2)</u>
Total comprehensive income	<u>\$ 492,593</u>	<u>23</u>	<u>\$ 579,841</u>	<u>27</u>
975000 Basic earnings per share (Dollar) (Note 6(n))	<u>\$ 2.33</u>		<u>\$ 3.07</u>	
985000 Diluted earnings per share (Dollar) (Note 6(n))	<u>\$ 2.33</u>		<u>\$ 3.07</u>	

See accompanying notes to financial statements.

CAPITAL FUTURES CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Stock	Retained earnings				Other equity		
		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	Equity related to non-current assets classified as held for sale
Balance at January 1, 2020								
Net income for the year ended December 31, 2020	Common stocks	1,047,338	504,667	1,142,132	589,904	(46,677)	1,256	-
Other comprehensive income		-	-	-	622,166	-	-	-
Total comprehensive income		-	-	-	-	-	-	-
Appropriation and distribution of retained earnings:		-	-	-	621,457	(43,276)	1,660	-
Legal reserve		-	-	-	-	(43,276)	1,660	-
Special reserve		-	59,991	-	(59,991)	-	-	-
Cash dividends		-	-	119,981	(119,981)	-	-	-
Special reserve for the contra equity account		-	-	-	(399,831)	-	-	-
Right of inclusion option exercised		826,260	-	18,553	(18,553)	-	-	-
Balance at December 31, 2020								
Net income for the year ended December 31, 2021	Common stocks	1,873,996	564,658	1,280,666	623,005	(89,953)	2,916	-
Other comprehensive income		-	-	-	490,039	-	-	-
Total comprehensive income		-	-	-	-	-	-	-
Appropriation and distribution of retained earnings:		-	-	-	491,198	(27,872)	31,396	(2,129)
Legal reserve		-	-	-	-	(27,872)	31,396	(2,129)
Cash dividends		-	62,145	-	(62,145)	-	-	-
Special reserve for the contra equity account		-	-	124,291	(124,291)	-	-	-
Other changes in capital surplus		-	-	41,617	(393,518)	-	-	-
Cash dividends from capital surplus		-	-	-	(41,617)	-	-	-
Right of inclusion options exercised		(210,437)	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income		62	-	-	-	-	-	-
Balance at December 31, 2021								
		1,663,621	626,803	1,446,574	522,796	(117,825)	4,148	(2,129)
		<u>2,104,376</u>	<u>626,803</u>	<u>1,446,574</u>	<u>522,796</u>	<u>(117,825)</u>	<u>4,148</u>	<u>6,248,364</u>

See accompanying notes to financial statements.

CAPITAL FUTURES CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 600,617	784,585
Adjustments:		
Adjustments to reconcile:		
Depreciation expenses	46,367	49,442
Amortization expenses	8,786	9,448
Expected credit impairment losses and reversal gains	(236)	413
Net loss on financial assets or liabilities at fair value through profit or loss	2,147	4,927
Interest expenses	4,996	9,324
Interest income (including financial income)	(172,216)	(358,577)
Dividend revenue	(12,311)	(3,576)
Shares of profit of associates and joint ventures under equity method	31,754	12,861
Gains on lease modification	1,018	(41)
Total adjustments to reconcile	(89,695)	(275,779)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(28,189)	176,001
Decrease (increase) in bond purchased under resale agreements	160,517	(198,530)
Decrease (increase) in customer margin accounts	471,502	(3,713,373)
Decrease (increase) in receivable-futures margin	236	(411)
Increase in leverage contract trading - customer's margin accounts	(271,270)	(44,419)
Decrease in security borrowing margin	-	3,874
Decrease (increase) in accounts receivable	113,480	(119,948)
Increase in accounts receivable - related parties	(332)	(2,305)
Decrease in prepayments	48	625
Decrease (increase) in other receivables	3,972	(3,496)
Decrease (increase) in other receivables- related parties	(8)	215
Decrease (increase) in other current assets	3	(3)
Decrease (increase) in clearing and settlement fund	2,902	(13,855)
Decrease (increase) in refundable deposits	712	(465)
Increase in financial liabilities at fair value through profit or loss	6,534	39,545
Increase (decrease) in futures traders' equity	(465,863)	3,711,073
Increase in leverage contract trading - customer's equity	278,774	43,466
Increase (decrease) in accounts payable	(91,868)	94,533
Increase (decrease) in accounts payable - related parties	(3,231)	3,765
Increase (decrease) in advance receipts	(521)	1,351
Increase (decrease) in receipts under custody	(155)	1,221
Increase (decrease) in other payables	(1,960)	8,176
Increase (decrease) in other payables - related parties	(4,308)	10,266
Increase (decrease) in provisions for liabilities	41	(375)
Increase (decrease) in other current liabilities	(5,480)	4,578
Increase (decrease) in other non-current liabilities	(7,129)	59
Total changes in operating assets and liabilities	158,407	1,568
Total adjustments	68,712	(274,211)
Cash inflow generated from operations	669,329	510,374
Interest received	176,153	365,995
Dividends received	12,197	3,609
Interest paid	(5,018)	(10,515)
Income taxes paid	(133,050)	(180,549)
Net cash flows from operating activities	719,611	688,914
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(316,995)	(117,518)
Proceeds from disposal of financial assets at fair value through other comprehensive income	439,095	-
Acquisition of property and equipment	(9,597)	(19,807)
Acquisition of intangible assets	(5,133)	(8,203)
Net cash flows from (used in) investing activities	107,370	(145,528)
Cash flows from (used in) financing activities:		
Cash dividends paid	(603,955)	(399,831)
Payments of lease liabilities	(23,320)	(22,552)
Proceeds from issue of share capital	-	1,166,260
Proceeds from right of inclusion options exercised	62	398
Net cash flows from (used in) financing activities	(627,213)	744,275
Net increase (decrease) in cash and cash equivalents	199,768	1,287,661
Cash and cash equivalents at beginning of period	4,546,619	3,258,958
Cash and cash equivalents at end of period	\$ 4,746,387	4,546,619

See accompanying notes to financial statements.

Attachment 6

Capital Futures Corp. 2021 Earnings Distribution Proposal

Unit: NTD

No.	Items	Amount	Remark
1.	Beginning earnings	1,433,128	
2.	Add : Changes in actuarial gains on defined benefit plan	1,159,173	
3.	Add : Gains from investments in equity instruments at fair value through other comprehensive income on the disposal	30,164,850	
4.	Add: Net profit after tax	490,039,229	
5.	Distributable earnings in this period	522,796,380	
6.	Less: 10% legal reserve	52,136,325	(2+3+4)*10%
7.	Less: 20% special reserve	104,272,650	(2+3+4)*20%
8.	Less: Special reserve appropriated due to deduction of equity	28,770,198	
	Distributable items:		
	Less: Dividend to shareholders		
9.	Cash dividends on common shares (NT\$1.6 per share)	336,700,134	
10.	Undistributed earnings	917,073	

Note 1: The principle of profit distribution above means that the profit from the current year has priority to be distributed.

Note 2: The cash dividends on common shares (NT\$1.6 per share) are calculated based on 210,437,584 outstanding common shares.

Note 3: The legal reserve shall be set aside based on net profit after tax for the current year plus (or minus) the amount of other profit (or loss) items adjusted to the current year's retained earnings, in accordance with Ministry of Economic Affairs Order No. 10802432410.

Note 4: No. 2 and No. 3 are the adjustments for undistributed earnings.

Note 5: Undistributed earnings of No. 10 refers the retained earnings resolved by the shareholders' meeting.

Chairman:
Lee, Wen-Chu

President:
Mao, Jen-Hua

Accounting manager:
Lin, Li-Juan

Capital Futures Corp.
Comparison table for the Articles of Association Before and After Amendment

After the Amendment	Before the Amendment
<p>Article 11</p> <p>The Company's shareholders meetings are divided into the following two types:</p> <p>(1) General shareholders meeting, to be convened within six months after the end of each fiscal year.</p> <p>(2) Extraordinary shareholders meeting, to be convened when necessary in accordance with relevant laws and regulations.</p> <p>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. <u>The Company's shareholders meetings may be held by means of visual communication network or other methods promulgated by the central competent authority.</u> 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.</p>	<p>Article 11</p> <p>The Company's shareholders meetings are divided into the following two types:</p> <p>(1) General shareholders meeting, to be convened within six months after the end of each fiscal year.</p> <p>(2) Extraordinary shareholders meeting, to be convened when necessary in accordance with relevant laws and regulations.</p> <p>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.</p>
<p>Article 31</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</p>	<p>Article 31</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</p>

<p>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; <u>the sixteen amendment was made on _____, 2022.</u></p>	<p>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.</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 Act, 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 and other relevant rules and regulations of the Republic of China. 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. The Company's shareholders meetings may be held by means of visual communication network or other methods promulgated by the central competent authority. 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 Act 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 Act, 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 Taipei Exchange.
- 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 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 Act, 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 Act 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 independent directors are dismissed 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 Act 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 based on their levels of participation in the Company's operations, the value of their contributions and the industry standard. The remuneration of directors 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 may in their terms of office purchase liability insurance policies to reduce and disperse the risk of damage to all the directors, the Company and shareholders. The board is fully authorized to take care of all the directors' 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, in accordance with the legal procedure,

prepare the following documents after the end of each fiscal year to 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 or 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, and then distribute at least 10% of it as 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 Act, 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; the sixteen amendment was made on _____, 2022.

Capital Futures Corp.
Comparison table for the Rules of Procedure for
Shareholders Meetings Before and After Amendment

After the Amendment	Before the Amendment
<p>Article 3 (Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p><u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>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, 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. <u>However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding</u></p>	<p>Article 3 (Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p></p> <p>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, 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</p>

<p><u>percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</u> 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.</p> <p><u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> <u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the Articles of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of</p>	<p><u>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.</u></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the Articles of Association, reduction of capital, application for the approval of ceasing its status as a public company, approval of</p>
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<p>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, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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 explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>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.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal</p>	<p>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, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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 explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>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.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal</p>
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<p>containing more than one item will be included in the meeting 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.</p> <p>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.</p> <p>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.</p> <p>At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	<p>containing more than one item will be included in the meeting 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.</p> <p>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.</p> <p>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.</p> <p>At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>
<p>Article 4</p> <p>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.</p> <p>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</p>	<p>Article 4</p> <p>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.</p> <p>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</p>

<p>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.</p> <p>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.</p> <p><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>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.</p> <p>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.</p>
<p>Article 5 (Principles determining the time and place of a shareholders meeting)</p> <p>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.</p> <p>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.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>Article 5 (Principles determining the time and place of a shareholders meeting)</p> <p>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.</p> <p>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.</p>
<p>Article 6 (Preparation of documents such</p>	<p>Article 6 (Preparation of documents such</p>

<p>as the attendance book)</p> <p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations <u>for shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>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.</p> <p>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</p>	<p>as the attendance book)</p> <p>The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p><u>Shareholders and their proxies (collectively, "shareholders")</u> 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.</p> <p>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</p>
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<p>meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>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.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>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.</p>
<p><u>Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u></p> <p><u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u></p> <ol style="list-style-type: none"> <u>1.How shareholders attend the virtual meeting and exercise their rights.</u> <u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <ol style="list-style-type: none"> <u>A.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the</u> 	

<p><u>meeting is postponed or on which the meeting will resume.</u></p> <p>B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p>C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p>D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>	
<p>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</p>	<p>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</p>

<p>registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>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.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>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.</p>
<p>Article 9</p> <p>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, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and</p>	<p>Article 9</p> <p>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.</p> <p>The chair shall call the meeting to order at the appointed meeting time and</p>

<p>simultaneously announce relevant information, such as total number of no voting right shares and shares represented by the shareholders present at the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u></p> <p>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.</p>	<p>simultaneously announce relevant information, such as total number of no voting right shares and shares represented by the shareholders present at the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>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.</p>
Article 11 (Shareholder speech)	Article 11 (Shareholder speech)

<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no</u></p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>
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<p><u>more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	
<p>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</p>	<p>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</p>

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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 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 Association, 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

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 Association, 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.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders

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.

<p><u>meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	
<p>Article 15</p> <p>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.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</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 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.</p>	<p>Article 15</p> <p>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.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</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 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.</p>

<p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>	
<p>Article 16 (Public disclosure)</p> <p><u>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, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of</u></p>	<p>Article 16 (Public disclosure)</p> <p>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 <u>and</u> the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p>

<p><u>shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>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 Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>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 Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>
<p><u>Article 19 (Disclosure of information at virtual meetings)</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	
<p><u>Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)</u></p> <p><u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	
<p><u>Article 21 (Handling of disconnection)</u></p> <p><u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p>	

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion

or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph

<p><u>2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>	
<p><u>Article 22 (Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>	
<p>Article <u>23</u> (amended) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.</p>	<p>Article <u>19</u> (amended) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.</p>

Capital Futures Corp.

The 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 Association, 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.

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

The 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, 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. However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held. 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.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the Articles of Association, 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, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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 explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting 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.

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

Article 5 (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.

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

Article 6

(Preparation of documents such as the attendance book)

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

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. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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

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

The Company shall 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, 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.

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

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end

of the meeting.

Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

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 independent director 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.

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

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

In case of a virtual shareholders meeting, the Company is advised

to audio and video record the back-end operation interface of the virtual meeting platform.

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, and the shares checked in on the virtual meeting platform, 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 and simultaneously announce relevant information, such as total number of no voting right shares and shares represented by the shareholders present at the meeting.

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

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. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting

open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

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

Article 12 (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 or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 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 Association, 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.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

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

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

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

Article 14 (Election matters)

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 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.

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

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

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, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the 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 Taipei Exchange) 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 (Disclosure of information at virtual meetings)

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

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)

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

Article 21 (Handling of disconnection)

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders

attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

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

Article 22 (Handling of digital divide)

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

Article 23 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Capital Futures Corp.
Comparison table for the Procedures for the Acquisition and
Disposal of Assets Before and After Amendment

After the Amendment	Before the Amendment
<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with</p>	<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with</p>

<p><u>the self-regulatory rules by each relevant industry associations and the following:</u></p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations. 	<p>the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.
<p>Article 7</p> <p>The procedures for assessment and operation in acquiring or disposing of real property, equipment, or right-of-use assets thereof are as follows.</p> <ol style="list-style-type: none"> 1. The acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table. 	<p>Article 7</p> <p>The procedures for assessment and operation in acquiring or disposing of real property, equipment, or right-of-use assets thereof are as follows.</p> <ol style="list-style-type: none"> 1. The acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table.

<p>2.The decision making process of terms and conditions of transaction and authorized amount are as follows.</p> <p>A.The acquisition or disposal of real property or right-of-use assets thereof shall refer to the publicly announced current value, appraised value and actual transaction price of the neighboring real property or closely the right-of-use assets, etc., to decide on the terms and conditions of transaction and transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>B.The acquisition or disposal of other equipment or right-of-use assets thereof shall be proceeded by methods of price inquiry, price comparison or bid invitation; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>3.The acquisition and disposal of real property, equipment or right-of-use assets thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>4.The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land,</p>	<p>2.The decision making process of terms and conditions of transaction and authorized amount are as follows.</p> <p>A.The acquisition or disposal of real property or right-of-use assets thereof shall refer to the publicly announced current value, appraised value and actual transaction price of the neighboring real property or closely the right-of-use assets, etc., to decide on the terms and conditions of transaction and transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>B.The acquisition or disposal of other equipment or right-of-use assets thereof shall be proceeded by methods of price inquiry, price comparison or bid invitation; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>3.The acquisition and disposal of real property, equipment or right-of-use assets thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>4.The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land,</p>
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engaging others to build on rented land, or acquiring or disposing of business equipment or right-of-use assets thereof, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- A. Due to special circumstances that it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- B. For transaction amount of NT\$1 billion or more, the appraisals from two or more professional appraisers are required.
- C. In the event any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant(CPA) shall be engaged to and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(a) The discrepancy between the

engaging others to build on rented land, or acquiring or disposing of business equipment or right-of-use assets thereof, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- A. Due to special circumstances that it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- B. For transaction amount of NT\$1 billion or more, the appraisals from two or more professional appraisers are required.
- C. In the event any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant(CPA) shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(a) The discrepancy between the

<p>appraisal result and the transaction amount is 20 % or more of the transaction amount.</p> <p>(b)The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>D.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>appraisal result and the transaction amount is 20 % or more of the transaction amount.</p> <p>(b)The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>D.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>
<p>Article 8</p> <p>The procedures for assessment and operation in acquiring or disposing of securities are as follows.</p> <p>1.The purchase and sale of securities thereof of the Company shall be handled in accordance with the investment cycle in the Company’s internal control and the Company’s general expenditure approval authority table.</p> <p>2.The acquisition or disposal of securities thereof by the Company shall collect and assess their business and financial information by the organizer; it shall be handled in accordance with the authorized amount and the applicable level in the Company’s general expenditure approval authority table.</p> <p>3.The acquisition and disposal of securities thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>4.The acquisition or disposal of securities by the Company shall, prior to the date</p>	<p>Article 8</p> <p>The procedures for assessment and operation in acquiring or disposing of securities are as follows.</p> <p>1.The purchase and sale of securities thereof of the Company shall be handled in accordance with the investment cycle in the Company’s internal control and the Company’s general expenditure approval authority table.</p> <p>2.The acquisition or disposal of securities thereof by the Company shall collect and assess their business and financial information by the organizer; it shall be handled in accordance with the authorized amount and the applicable level in the Company’s general expenditure approval authority table.</p> <p>3.The acquisition and disposal of securities thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>4.The acquisition or disposal of securities by the Company shall, prior to the date</p>

<p>of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p>	<p>of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p>
<p>Article 9 The procedures for assessment and operation in acquiring or disposing of intangible assets or right-of-use assets thereof or memberships are as follows.</p> <ol style="list-style-type: none"> 1.The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table. 2.The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall refer to the fair market value or the professional appraisal report in deciding the terms and conditions of the transaction and 	<p>Article 9 The procedures for assessment and operation in acquiring or disposing of intangible assets or right-of-use assets thereof or memberships are as follows.</p> <ol style="list-style-type: none"> 1.The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table. 2.The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall refer to the fair market value or the professional appraisal report in deciding the terms and conditions of the transaction and

<p>transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>3.The acquisition and disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.</p> <p>3.The acquisition and disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.</p> <p>The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>
<p>Article 13</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment</p>	<p>Article 13</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment</p>

<p>trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been first approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4.The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7.Restrictive covenants and other important stipulations associated with the transaction. 	<p>trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been first approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15. 4.The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7.Restrictive covenants and other important stipulations associated with the transaction. <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the</u></p>
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<p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2.Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>When a matter shall be approved by one-half or more of all audit committee members pursuant to paragraph 1, and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 5, paragraphs 3 and 4.</p> <p><u>The Company or the Company's subsidiary that is not itself a public</u></p>	<p><u>date of occurrence of the current transaction. Items that have been first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2.Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>When a matter shall be approved by one-half or more of all audit committee members pursuant to paragraph 1, and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 5, paragraphs 3 and 4.</p>
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<p><u>company in Taiwan has transactions in paragraph 1, if the transaction amount reaches 10% or more of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until submit the matters set out in each subparagraphs of the paragraph 1 to a shareholders' meeting for approval; provided, this shall not apply to the transactions by the Company with its parent or subsidiaries, or by its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to a shareholders' meeting, first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution need not be counted toward the transaction amount.</u></p>	
<p>Article 27</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300</p>	<p>Article 27</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300</p>

<p>million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2.Merger, demerger, acquisition, or transfer of shares.</p> <p>3.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A.For a company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B.For a company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5.Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a</p>	<p>million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2.Merger, demerger, acquisition, or transfer of shares.</p> <p>3.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A.For a company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B.For a company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5.Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a</p>
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disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

A.Trading of domestic government bonds or foreign government bond, which sovereign credit rating is no less than the Republic of China.

B.Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of foreign government bond, ordinary corporate bonds, or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or sellback of exchange traded note, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

C.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(The rest are omitted)

disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

A.Trading of domestic government bonds.

B.Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

C.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(The rest are omitted)

Capital Futures Corp.

Procedures for the Acquisition and Disposal of Assets (Draft)

Chapter I General Principles

Article 1 The Company shall handle the acquisition or disposal of assets in compliance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies, enacted by the Financial Supervisory Commission (FSC), and these Procedures; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 2 The term "assets" as used in these Procedures includes the following:

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

Article 3 Terms used in these Procedures are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above

contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- 2.Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- 3.Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- 5.Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- 6.Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or

occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules by each relevant industry associations and the following:

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

Chapter II Disposition Procedures

Section I Establishment of Disposition Procedures

Article 5 The Company establish the procedures for the acquisition or disposal

of assets shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution; after the procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If approval of one-half or more of all audit committee members as required in paragraph 1 is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 6 With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under these Procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall

be recorded in the minutes of the board of directors meeting. Any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 5, paragraphs 3 and 4.

Section II Acquisition or Disposal of Assets

Article 7 The procedures for assessment and operation in acquiring or disposing of real property, equipment, or right-of-use assets thereof are as follows.

1. The acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table.
2. The decision making process of terms and conditions of transaction and authorized amount are as follows.
 - A. The acquisition or disposal of real property or right-of-use assets thereof shall refer to the publicly announced current value, appraised value and actual transaction price of the neighboring real property or closely the right-of-use assets, etc., to decide on the terms and conditions of transaction and transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.
 - B. The acquisition or disposal of other equipment or right-of-use assets thereof shall be proceeded by methods of price inquiry, price comparison or bid invitation; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.
3. The acquisition and disposal of real property, equipment or

right-of-use assets thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.

4. The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of business equipment or right-of-use assets thereof, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

A. Due to special circumstances that it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.

B. For transaction amount of NT\$1 billion or more, the appraisals from two or more professional appraisers are required.

C. In the event any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant (CPA) shall be engaged to and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(a) The discrepancy between the appraisal result and the transaction amount is 20 % or more of the transaction amount.

(b)The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.

D.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 8 The procedures for assessment and operation in acquiring or disposing of securities are as follows.

- 1.The purchase and sale of securities thereof of the Company shall be handled in accordance with the investment cycle in the Company's internal control and the Company's general expenditure approval authority table.
- 2.The acquisition or disposal of securities thereof by the Company shall collect and assess their business and financial information by the organizer; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.
- 3.The acquisition and disposal of securities thereof by the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.
- 4.The acquisition or disposal of securities by the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

Article 9 The procedures for assessment and operation in acquiring or disposing of intangible assets or right-of-use assets thereof or memberships are as follows.

- 1.The acquisition or disposal of intangible assets or right-of-use

assets thereof or memberships of the Company shall be handled in accordance with the property and equipment cycle in the Company's internal control and the Company's general expenditure approval authority table.

2. The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall refer to the fair market value or the professional appraisal report in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report; it shall be handled in accordance with the authorized amount and the applicable level in the Company's general expenditure approval authority table.
3. The acquisition and disposal of intangible assets or right-of-use assets thereof or memberships of the Company shall be approved in accordance with the authorization of approval in the preceding paragraph and implemented by the authorized unit.
4. The Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 10 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained under these Procedures need not be counted toward the transaction amount.

Article 11 The Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Section III Related Party Transactions

Article 12 The Company engages in any acquisition or disposal of assets from

or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 10 herein.

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

Article 13 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been first approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15.

4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

When a matter shall be approved by one-half or more of all audit committee members pursuant to paragraph 1, and then submitted to the board of directors for a resolution, and shall be subject to mutatis

mutandis application of Article 5, paragraphs 3 and 4.

The Company or the Company's subsidiary that is not itself a public company in Taiwan has transactions in paragraph 1, if the transaction amount reaches 10% or more of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until submit the matters set out in each subparagraphs of the paragraph 1 to a shareholders' meeting for approval; provided, this shall not apply to the transactions by the Company with its parent or subsidiaries, or by its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to a shareholders' meeting, first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution need not be counted toward the transaction amount.

Article 14 The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the

period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

The Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

Article 15 When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding article are uniformly lower than the transaction price, the matter shall be

handled in compliance with Article 16. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

A. Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to

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

Article 16

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Article 218 of the Company Act shall apply mutatis mutandis to the audit committee.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has

been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

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

Section IV Engaging in Derivatives Trading and Acquisition or Disposal of Claims of Financial Institutions

Article 17 The Company engaging in derivatives trading shall in accordance with the other relevant rules and regulations apply for Securities and Futures Business and shall be exempted from the provisions of section IV of chapter II of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Article 18 The Company do not intend to engage in acquisition or disposal of claims of financial institutions. If it subsequently wishes to engage in acquisition or disposal of claims of financial institutions, it will still be required first to comply with the Article 5 before doing so and establish the procedures for assessment and operation.

Section V Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

Article 19 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized

capital, and in the case of a merger between subsidiaries in which the company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

Article 20

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 21

The Company shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written

record of the following information and retain it for 5 years for reference:

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

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 22

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

or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 23

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 24

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted

under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4.The manner of handling changes in the number of participating entities or companies.

5.Preliminary progress schedule for plan execution, and anticipated completion date.

6.Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 25

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, a company shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 26

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 21, Article 22, and the preceding article.

Chapter III Public Disclosure of Information

Article 27

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1.Acquisition or disposal of real property or right-of-use assets

thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - A. For a company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - B. For a company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

A. Trading of domestic government bonds or foreign government bond, which sovereign credit rating is no less than the Republic of China.

B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bond, ordinary corporate bonds, or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or sellback of exchange traded note, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

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

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not

be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 28

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

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

Chapter IV Additional Provisions

Article 29

The Company's subsidiary shall comply with the following:

1. The Company's subsidiary shall establish and execute its procedures for the acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
2. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
3. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 27, paragraph 1.

Article 30 For the calculation of 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20% of paid-in capital, 10% of equity attributable to owners of the parent shall be substituted; for calculations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 31 In the event the Company's employee who is in charge of acquisition or disposal of assets violates these Procedures, such violation shall be penalized with respect to the relative importance of circumstances accordingly in accordance with the Company's human work rules measure and applicable rules and regulations.

Article 32 These Procedures, and any amendments hereto, shall be approved by the board of directors and submitted to a shareholders' meeting for

approval; provided, when amend these Procedures shall be approved by one-half or more of all audit committee members, submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 5.

VIII.Appendix

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 Act, 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 and other relevant rules and regulations of the Republic of China. 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 Act 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 Act, 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 Taipei Exchange.

- 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 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 Act, 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 Act 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 independent directors are dismissed 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 Act 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 based on their levels of participation in the Company's operations, the value of their contributions and the industry standard. The remuneration of directors 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 may in their terms of office purchase liability insurance policies to reduce and disperse the risk of damage to all the directors, the Company and shareholders. The board is fully authorized to take care of all the directors' 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, in accordance with the legal procedure, prepare the following documents after the end of each fiscal year to 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 or 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, and then distribute at least 10% of it as 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 Act, 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.

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 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 Association, 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, 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, amendments to the Articles of Association, 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, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, 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 explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting 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, 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 independent director 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 and simultaneously announce relevant information, such as total number of no voting right shares and shares represented by the shareholders present at the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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 Association, 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 matters)

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and

kept in proper custody for at least 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 Taipei Exchange) 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 3

Capital Futures Corp. Details of All Directors' Shareholding

1. The Company has issued 210,437,584 ordinary shares as of April 23, 2021.
The legally required minimum shareholding for the Company's directors:
12,000,000 shares.¹
2. As of the book closure date (April 23, 2021) of this annual general meeting, the shareholders' register showed the total number of shares held by directors is 119,068,045, which complied with Article 26 of The Securities Exchange Act. The details are as follows:

As in the Shareholders' Register on April 23, 2021

Title	Name	Shareholding as of book-close date	Percentage
Chairman	Capital Securities Corporation Representative: Lee, Wen-Chu	119,066,014	56.58
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	Chen, Kuo-Tay	0	0
Independent Director	Hsiao, Nai-Ching	0	0
Independent Director	Wu, Yung-Sheng	0	0
Total directors' shareholding		119,068,045	56.58

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.