

Stock Code : 6024



Capital Futures Corp.

2023

Annual General Meeting of Shareholders

Meeting Handbook

Date and Time : 10:00 am, May 31st, 2023

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

Means : Physical shareholders' meeting

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Capital Futures Corp.

2023 Annual General Meeting of Shareholders

I.Meeting Procedure

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

Capital Futures Corp.

2023 Annual General Meeting of Shareholders

II.Meeting Agenda

Date and Time : 10:00 am, May 31st, 2023

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

R.O.C.Means : Physical shareholders' meeting

- i. Call Meeting to Order
- ii. Chairman's Address
- iii. Reporting Matters
 - 1.Presentation on the 2022 business report.
 - 2.The audit committee's review report on the 2022 financial statements.
 - 3.Report on the distribution of employees' compensation and directors' remuneration in 2022.
 - 4.Amendment to the Sustainable Development Best Practice Principles and the Sustainable Development Policy.
- iv. Recognition Matters
 - 1.Adoption of the 2022 business report and consolidated and individual financial statements.
 - 2.Proposal for distribution of 2022 earnings.
- v. Extemporary Motion
- vi. Adjournment

III. Reporting Matters

1. Reported issue: Presentation on the 2022 business report.
Details: Please refer to Attachment 1 of this handbook for the Company's 2022 business report (page 7 ~ 11).
2. Reported issue: The audit committee's review report on the 2022 financial statements.
Details: Please refer to Attachment 2 of this handbook for 2022 audit committee's review report (page 12).
3. Reported issue: Report on the distribution of employees' compensation and directors' remuneration in 2022.
Details: The 2022 profit before tax prior to deducting the compensation for employees and remuneration for directors was NT\$980,574,166. 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\$11,472,718 and remuneration to directors for an amount of NT\$11,472,718 were approved by the board meeting on March 13, 2023. The compensation and the remuneration are to be distributed in cash. The aforesaid amount each accounted for 1.17% of the Company's 2022 earning. Please refer to Attachment 3 of this handbook. (page 13)
4. Reported issue: Amendment to the Sustainable Development Best Practice Principles and the Sustainable Development Policy.
Details:
 - (1) The Company amended the Sustainable Development Best Practice Principles of the Company in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies attached in Taiwan Stock Exchange Order No. 11100243661. Please refer to Attachment 4 for the comparison table before and after amendment. (page 14 ~25)
 - (2) To comply with "Transition Strategies of Sustainable Development for Securities and Futures Sectors" from Financial Supervisory Commission, the Company amended the Sustainable Development Policy and set short/middle/long-term goals for sustainable development and ESG matters. Please refer to Attachment 5 for the comparison table before and after

amendment. (page 26 ~ 31)

IV. Recognition Matters

1. Subject: Adoption of the 2022 business report, consolidated and individual financial statements. (The proposal was submitted by the board of directors)

Details:

- (1) The Company's 2022 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 13, 2023). The audited financial statements and the business report were reviewed by the audit committee without any nonconformity identified and with a review report issued.
- (2) Please refer to Attachment 1 (page 6~ 10) and Attachment 6 (page 32 ~ 45) for 2022 business report, 2022 financial statements, and auditors' report.

Resolution:

2. Subject: Acknowledging the Company's 2022 earnings distribution. (The proposal was submitted by the board of directors)

Details:

- (1) The distributable net profit: NT\$871,011,809 equals the 2022 after-tax net profit of the Company: NT\$781,859,938 (1) plus unappropriated retained earnings in the beginning of term : NT\$917,073 and (2) plus the adjustment of undistributed earnings in this year: NT\$88,234,798. 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\$78,437,489.
 - B. The amount of special reserve is NT\$156,874,978.
 - C. 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\$635,521,504 (at NT\$3.02 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\$177,838. 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 is authorized by the shareholder meeting to deal with the relevant issue.

(3) Please refer to Attachment 7 for the 2022 earnings distribution proposal. (page 46)

Resolution:

V. Extemporary Motion

Adjournment

Capital Futures Corp.
2022 Business Report

I. Operating performance in 2022

In 2022, the global financial market experienced the Russo-Ukrainian War, significant increase in the prices of raw materials, inflation, and other problems, which caused implementation of contractionary monetary policy by various countries, thus there was a turbulence in the global financial market. The total volume of the Company's domestic futures brokerage business in 2022 was 62.09 million, with a market share of 8.07%, a slight increase as compared with 61.76 million in 2021, and the trading volume of its overseas futures business was about 10.07 million, with a market share of 20.6%, a significant increase of 33.2% as compared with 7.56 million in 2021. In 2022, the consolidated revenues were NT\$2,780,470 thousand, increasing 14% from the previous year, and the net income before and after tax were NT\$957,283 thousand and NT\$781,353 thousand, respectively increasing 59.57% and 59.68% from the previous year. In 2022, most developed countries entered rate hike cycle due to the pressure brought by inflation, which resulted in a significant increase in the Company's interest income as compared with 2021, and the Company's brokerage and proprietary trading businesses grew steadily due to the rising demands for hedging in the market in 2022, and its leveraged trading business increased significantly, which enabled Capital Futures to achieve outstanding results. Looking forward to 2023, the company's operating goals are also to develop diversified businesses and gain profits in a disperse way to create a multi-way-based profit-making mode to improve the company's overall performance.

Capital Futures has the vision of "becoming a digital financial company that touches customers the most", so it develops financial

technologies by taking “digital + human” as the core part, adheres to digital strategies by focusing on customer experience, and improves trading experience and increases investment information to achieve promotion and growth of businesses. For example: it develops the mobile APP “Mobile Winner” that meets the demands of professional investors to strive to create diversified smart trading services, allowing customers to have more flexible investment products to participate in international market, and lowering the transaction threshold for investors to achieve inclusive financing. 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. In terms of leveraged trading business, it has diversified products and smart tools and launches CFD transactions on foreign stocks and foreign indexes and other types of equity to enable the performance of leveraged trading to rank first in the industry.

In addition, Capital Futures has obtained three patents for the innovative technologies related to financial services and seven trademarks for its products, including the new patent for “Smart Push” which provides useful and real-time information that investors want. In 2022, with the joint efforts of its staff, Capital Futures won the “Green Digital Finance” and “Digital Innovation” Quality Awards of the Second Digital Finance Awards granted by Commercial Times.

In terms of ESG, Capital Futures has established an ESG Committee, with the president acting as its convener, to regularly review and evaluate the implementation and effectiveness of ESG-related matters, and report to the Board of Directors, to ensure to promote the implementation of sustainable development policies. In addition, Capital Futures has established a Treating Customer Fairly Committee, with the president acting as its convener and the supervisors from relevant units acting as its members, to be responsible for planning for, promoting and implementing the

principle of fair treatment, and report to the Board of Directors regularly, in order to implement the principle of fair treatment.

In terms of the Board of Directors, Capital Futures has seven directors (including three independent directors), all of whom have expertise relating to business management, finance, accounting, legal affairs, international market, leadership and decision-making in financial industry. Business supervision and management can be implemented by virtue of director’s rich financial experience, various business expertise and diversified backgrounds, which will facilitate the company to promote its overall development strategies, improve its business performance and corporate operating systems, and safeguard investors’ rights and interests. Capital Futures will adhere to ethical management, strengthen corporate governance, fully protect shareholders’ rights and interests, implement strict legal compliance and internal control and internal audit systems, and build a safe investment environment while pursuing long-term stable profits, and it is committed to implementation of sustainable development.

II.2022 income and profit analysis (Consolidated)

(Expressed in Thousands of New Taiwan Dollars)

Item	2022	2021
Income	2,780,470	2,438,961
Expenses	2,291,782	2,018,766
Non-operating income and expenses	468,595	179,706
Net income before taxes	957,283	599,901
Net income	781,353	489,323
Return on Equity (%)	11.97	7.73
Net profit margin (%)	28.10	20.06
Return on Asset (%)	1.62	1.05
Earnings per share after taxes (dollar)	3.72	2.33

III. Operating plans and development strategies for the future

Changes in global political and economic situation, energy shortage risks, global high inflation, climate and environmental changes and many other factors cause uncertainties for global economy and financial market, which may lead to increase in market

fluctuation and in the demands for hedging. In addition, with the development of financial technologies, promotion of digital businesses, information security and data sharing trends, it is estimated that exchange and investment will continue to be active in Taiwan and international futures markets, which will bring new business opportunities regarding the overall operating efficiency of futures industry.

The operating plans and development strategies of the Company in 2023 are as follows:

1. Brokerage businesses:

- (1) The Company will provide the investment information in global market through “Trader168”, the exclusive community platform of Capital Futures, and will guide and exchange information by making cooperation with ecosystem platforms and winners, and will become an “Investment Facebook” for customers to improve their global outlook and stickiness.
- (2) The Company will give full play to its digital marketing abilities, and improve its digital businesses by taking advantage of its investment and research resources.

2. Proprietary Trading business: The Company will continue to seek outstanding traders in the industry (including securities and futures), expand the number and scale of trading desks and diversify trading strategies and products, so as to achieve the goals of low risk and absolute return.

3. Leverage Transaction Merchants:

- (1) The Company will apply to competent authorities and central bank for approval on product recommendation and on futures and non- foreign exchange commodities recommendation to improve promotion of Omni-Channel.
- (2) The Company will continue to strive for approval on new CFD commodity trading, and will issue its exclusive products independently, to provide investors with more choices, so as to increase its trading volume.

4. Recruitment and training:

- (1) 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.

(2)The Company will use and cultivate mid-to-high-level talents, and provide education and training for supervisors, including improvement of digital skills and ESG culture.

5.ESG: The Company will perform various ESG work, complete its GHG inspection, and commit to the practice of sustainable development.

Chia, Chung-Tao
Chairman

Mao, Jen-Hua
President

Lin, Li-Juan
Accounting manager

Capital Futures Corp.
2022 Audit Committee's Review Report

The board of directors has prepared the 2022 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 the relevant regulations of the Securities and Exchange Act and the Company Act, and hereby present for your recognition.

Capital Futures Corp.
Chairman of Audit Committee

Chen, Kuo-Tay

March 13, 2023

Attachment 3

Distribution status of employees' compensation and directors' remuneration in 2022

1. The distribution of the compensation to employees for an amount of NT\$11,472,718 and the remuneration to directors for an amount of NT\$11,472,718 were resolved in the board meeting of the Company on March 13, 2023. Aforementioned compensation and remuneration will all be distributed in cash, and the amount respectively accounted for 1.17% of the Company's 2022 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	11,472,718	11,472,718	0	No difference
Remuneration to directors	11,472,718	11,472,718	0	No difference

Attachment 4

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

After the Amendment	Before the Amendment
<u>Article 27-1</u> <u>The company is advised to, through donation, sponsorship, investment, procurement, strategic collaboration, volunteering service or other support model etc., dedicate resources continuously to cultural and artistic activities or cultural and creative industries to promote culture development.</u>	

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.

Article 27-1

The company is advised to, through donation, sponsorship, investment, procurement, strategic collaboration, volunteering service or other support model etc., dedicate resources continuously to cultural and artistic activities or cultural and creative industries to promote culture 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.

Attachment 5

Comparison table for the Sustainable Development Policy
Before and After Amendment

Article After the Amendment	Article Before the Amendment
<p><u>Article 3</u></p> <p><u>For sustainable development and ESG matters, the Company’s short/middle/long-term goals are as follows:</u></p> <p><u>Short-term goals:</u></p> <p><u>1.To inspect GHG and evaluate risks and opportunities relevant to climate change.</u></p> <p><u>2.To create environments with equal opportunity in employment, and provide employees with sound payment system and benefits.</u></p> <p><u>3.To implement the regulation of information security by enhancing the management and surveillance of financial information security</u></p> <p><u>4.To enhance functions of the Board, and improve the information transparency.</u></p> <p><u>Middle-term goals:</u></p> <p><u>1.To achieve the goal of carbon emissions reduction by improving measures to save energy.</u></p> <p><u>2.To improve the community participation, take care of underprivileged groups, and push</u></p>	

<p><u>various public welfare activities.</u></p> <p>3.<u>To introduce international standards for information security and obtain relevant verifications.</u></p> <p>4.<u>To push responsible investment; to include ESG issues in analysis and decision-making process of investment and risk control.</u></p> <p><u>Long-term goals:</u></p> <p>1.<u>To achieve zero carbon emission by implementing strategies in response to energy saving and climate-changing risks.</u></p> <p>2.<u>To implement the spirit of sustainable development and issue sustainability-related financial products.</u></p>	
<p>Article <u>4</u> (Omitted)</p>	<p>Article <u>3</u> (Omitted)</p>
<p>Article <u>5</u> (Omitted)</p>	<p>Article <u>4</u> (Omitted)</p>
<p>Article <u>6</u> (Omitted)</p>	<p>Article <u>5</u> (Omitted)</p>

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 For sustainable development and ESG matters, the Company's short/middle/long-term goals are as follows:

Short-term goals:

1. To inspect GHG and evaluate risks and opportunities relevant to climate change.
2. To create environments with equal opportunity in employment, and provide employees with sound payment system and benefits.
3. To implement the regulation of information security by enhancing the management and surveillance of financial information security
4. To enhance functions of the Board, and improve the information transparency.

Middle-term goals:

1. To achieve the goal of carbon emissions reduction by improving

measures to save energy.

- 2.To improve the community participation, take care of underprivileged groups, and push various public welfare activities.
- 3.To introduce international standards for information security and to obtain relevant verifications.
- 4.To push responsible investment; to include ESG issues in analysis and decision-making process of investment and risk control.

Long-term goals:

- 1.To achieve zero carbon emission by implementing strategies in reponse energy saving and climate-changing risks.
- 2.To implement the spirit of sustainable development and issue sustainability-related financial products.

Article 4 The Company's President is responsible for enacting and promoting the Group's related matters in the scope of sustainable development.

Article 5 The Company will produce sustainability reports, disclose the status of its implementation of the sustainable development policy, and upload on its official website.

Article 6 This Principles will take effect after approval in the board meeting and the same shall apply to any amendment thereto.

2022 Independent Auditors' Report

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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters 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 13, 2023

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 Originally Issued in Chinese)
CAPITAL FUTURES CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		Liabilities and Equity	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:					Current liabilities:				
111100 Cash and cash equivalents (Note 6(6))	\$ 5,156,882	10	\$ 5,348,044	12	211100 Short-term borrowings (Note 6(6))	-	-	100,784	-
112000 Financial assets at fair value through profit or loss-current (Note 6(6))	574,391	1	357,902	1	212000 Financial liabilities at fair value through profit or loss-current (Note 6(6))	844,885	2	67,806	-
112500 Financial assets at fair value through other comprehensive income-current (Note 6(6))	45,689	-	23,268	-	214000 Futures traders' equity (Note 6(6))	41,887,125	82	39,205,280	84
114010 Bonds purchased under resale agreements (Note 6(6))	45,166	-	84,013	-	214100 Leverage contract trading - customer's equity	849,887	2	650,830	2
114070 Customers margin account (Note 6(6))	41,252,623	83	39,255,077	84	214130 Accounts payable	52,349	-	45,693	-
114090 Receivable - futures margin (Note 6(6))	7	-	-	-	214140 Accounts payable-related parties (Note 7)	12,761	-	11,448	-
114100 Security borrowing collateral price	473,245	1	-	-	214150 Advance receipts	2,215	-	3,252	-
114120 Security borrowing margin	888,437	2	-	-	214160 Receipts under custody	5,196	-	4,920	-
114130 Accounts receivable	10,352	-	18,034	-	214170 Other payables	23,095	-	18,080	-
114140 Accounts receivable-related parties (Note 7)	884	-	3,011	-	214600 Other payable-related parties (Note 7)	4,620	-	1,293	-
114150 Prepayments	39,688	-	7,803	-	215000 Current income tax liabilities	82,848	-	38,213	-
114170 Other receivables	207,742	-	409,498	1	216000 Provisions-current	6,039	-	5,618	-
114180 Other receivable-related parties (Note 7)	7,414	-	4,181	-	216000 Lease liabilities-current (Note 6(3))	20,616	-	24,112	-
114300 Leverage contract trading-customer's margin accounts	856,021	2	624,322	1	219000 Other current liabilities	13,751	-	9,768	-
114600 Current income tax assets	-	-	233	-	Non-current liabilities:				
114710 Non-current assets classified as held for sale (Note 6(6))	-	-	50,112	-	226000 Lease liabilities-non-current (Note 6(3))	16,540	-	23,017	-
119000 Other current assets	-	-	2	-	228000 Deferred income tax liabilities (Note 6(2))	37,828	-	16,324	-
	<u>46,535,671</u>	<u>99</u>	<u>46,090,407</u>	<u>99</u>		<u>54,368</u>	<u>-</u>	<u>39,341</u>	<u>-</u>
Non-current assets:					Total liabilities:	<u>43,259,855</u>	<u>86</u>	<u>40,333,458</u>	<u>86</u>
123200 Financial assets at fair value through other comprehensive income-non-current (Note 6(6))	1,263	-	1,381	-	Equity attributable to owners of parent:				
125000 Property and equipment (Note 6(6))	42,724	-	47,372	-	501010 Common stock (Note 6(6))	2,104,376	4	2,104,376	5
125300 Right-of-use assets (Note 6(6))	56,948	-	47,057	-	502000 Capital surplus (Note 6(6))	1,665,251	3	1,665,621	4
127000 Intangible assets (Note 6(1))	61,640	-	70,381	-	504010 Legal reserve	678,939	2	626,805	1
129000 Other non-current assets	385,123	1	350,538	-	504020 Special reserve	1,579,617	3	1,446,574	3
	<u>507,697</u>	<u>1</u>	<u>517,129</u>	<u>1</u>	504040 Unappropriated earnings (Note 6(2))	785,292	2	522,796	1
					506000 Other equity	(20,087)	-	(115,809)	-
					Total equity attributable to owners of parent	<u>6,383,138</u>	<u>14</u>	<u>6,248,854</u>	<u>14</u>
					506000 Non-controlling interests	2,125	-	25,734	-
					Total equity	<u>6,385,263</u>	<u>14</u>	<u>6,274,588</u>	<u>14</u>
Total assets	<u>\$ 50,043,668</u>	<u>100</u>	<u>\$ 46,607,536</u>	<u>100</u>	Total liabilities and equity	<u>\$ 50,043,668</u>	<u>100</u>	<u>\$ 46,607,536</u>	<u>100</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 Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
Income:				
401000 Brokerage fee revenue (Note 6(p))	\$ 1,996,416	72	1,780,477	73
410000 Net gains (losses) on sale of trading securities	(7,830)	-	54,337	2
421300 Dividend revenue	4,589	-	11,420	-
421500 Net gains (losses) on measurement of trading securities at fair value through profit or loss	1,006	-	(11,346)	-
421600 Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	11,210	-	6,531	-
421610 Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	19,315	1	-	-
424100 Futures commission revenue (Note 6(p))	310,640	11	327,809	13
424200 Securities commission revenue	14,304	1	27,770	1
424400 Net gains (losses) on derivative instruments- futures (Note 6(p))	223,939	8	110,119	5
424500 Net gains (losses) on derivative instruments - OTC (Note 6(p))	169,949	6	91,820	4
424800 Management fee revenue	685	-	2,349	-
424900 Consulting fee revenue	13,916	-	18,404	1
428000 Other operating revenue	22,331	1	19,271	1
	<u>2,780,470</u>	<u>100</u>	<u>2,438,961</u>	<u>100</u>
Expenses:				
501000 Brokerage fees	329,139	12	346,549	14
502000 Brokerage fees - proprietary trading	13,031	1	2,172	-
521200 Financial costs	17,489	1	5,247	-
521640 Loss from securities borrowing transactions	190	-	-	-
425300 Expected credit impairment losses and reversal gains (Note 6(q))	473	-	(236)	-
524100 Futures commission expenses (Note 6(p))	560,937	20	489,551	20
524300 Clearing and settlement expenses	207,540	7	193,739	8
528000 Other operating expenditure	7,624	-	5,558	-
531000 Employee benefit expenses (Note 6(p))	602,909	22	498,853	20
532000 Depreciation and amortization expenses (Note 6(p))	61,714	2	72,625	3
533000 Other operating expenses (Note 6(p))	490,716	18	404,708	17
	<u>2,291,782</u>	<u>83</u>	<u>2,018,766</u>	<u>82</u>
	<u>488,688</u>	<u>17</u>	<u>420,195</u>	<u>18</u>
Net operating income				
Non-operating income and expenses:				
601000 Shares of profit of associates and joint ventures under equity method (Note 6(3))	-	-	894	-
602000 Other gains and losses (Note 6(p))	468,595	17	178,812	7
	<u>468,595</u>	<u>17</u>	<u>179,706</u>	<u>7</u>
902001 Net income before income tax	957,283	34	599,901	25
701000 Less: Income tax expenses (Note 6(m))	175,930	6	110,578	5
Net income	<u>781,353</u>	<u>28</u>	<u>489,323</u>	<u>20</u>
Other comprehensive income:				
805500 Components that may not be reclassified subsequently to profit or loss:				
805510 Actuarial gain (loss) on defined benefit plans (Note 6(l))	2,515	-	1,159	-
805540 Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(11,175)	-	31,396	1
805599 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<u>(8,660)</u>	<u>-</u>	<u>32,555</u>	<u>1</u>
805600 Components that may be reclassified subsequently to profit or loss:				
805610 Exchange differences on translation of foreign operations	94,946	3	(28,303)	(1)
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	-
	<u>94,946</u>	<u>3</u>	<u>(30,846)</u>	<u>(1)</u>
Subtotal of components that may be reclassified subsequently to profit or loss				
	<u>94,946</u>	<u>3</u>	<u>(30,846)</u>	<u>(1)</u>
805000 Other comprehensive income	86,286	3	1,709	-
Total comprehensive income	<u>\$ 867,639</u>	<u>31</u>	<u>491,032</u>	<u>20</u>
Net income attributable to:				
913100 Shareholders of the parent	\$ 781,860	28	490,039	20
913200 Non-controlling interests	(507)	-	(716)	-
	<u>\$ 781,353</u>	<u>28</u>	<u>489,323</u>	<u>20</u>
Comprehensive income attributable to:				
914100 Shareholders of the parent	\$ 867,965	31	492,593	20
914200 Non-controlling interests	(326)	-	(1,561)	-
	<u>\$ 867,639</u>	<u>31</u>	<u>491,032</u>	<u>20</u>
975000 Basic earnings per share (Dollar) (Note 6(o))	\$ 3.72		\$ 2.33	
985000 Diluted earnings per share (Dollar) (Note 6(o))	\$ 3.71		\$ 2.33	

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchanges differences on translation of foreign operations	Other equity			
	Retained earnings									
							Unrealized gains (losses) from financial assets measured at fair value	Equity related to non-current assets classified as held for sale		
Common stocks										
2,104,376	1,873,595	584,638	1,380,666	633,635	49,159	(89,933)	2,916	6,339,658	27,335	6,366,993
-	-	-	-	-	-	-	-	49,159	(845)	48,314
-	-	-	-	-	-	-	-	-	8,709	8,709
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	2,554	2,554
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	492,393	492,393
Balance at January 1, 2021										
1,873,595	584,638	1,380,666	633,635	49,159	(89,933)	2,916	-	6,339,658	27,335	6,366,993
-	-	-	-	-	-	-	-	49,159	(845)	48,314
-	-	-	-	-	-	-	-	-	8,709	8,709
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	2,554	2,554
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	492,393	492,393
Legal reserve										
62,145	-	-	-	(62,145)	-	-	-	-	-	-
62,145	-	-	-	(62,145)	-	-	-	-	-	-
Special reserves for the contra equity account										
(393,518)	-	-	-	(393,518)	-	-	-	-	-	(393,518)
(393,518)	-	-	-	(393,518)	-	-	-	-	-	(393,518)
Other changes in capital surplus										
(41,617)	-	-	-	(41,617)	-	-	-	-	-	-
(41,617)	-	-	-	(41,617)	-	-	-	-	-	-
Right of redemption options exercised										
(210,437)	-	-	-	-	-	-	-	-	-	(210,437)
62	-	-	-	-	-	-	-	-	-	62
62	-	-	-	-	-	-	-	-	-	62
Disposal of subsidiaries or investments accounted for as discontinued operations designated at fair value through other comprehensive income										
30,164	-	-	-	30,164	-	-	(30,164)	-	-	-
30,164	-	-	-	30,164	-	-	(30,164)	-	-	-
Balance at December 31, 2021										
1,663,621	624,803	1,446,574	522,796	781,860	(117,825)	4,148	(1,129)	6,248,344	25,734	6,274,098
781,860	-	-	-	781,860	-	-	-	781,860	(507)	781,353
-	-	-	-	-	-	-	-	-	181	181
-	-	-	-	-	-	-	-	-	86,256	86,256
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	897,953	897,953
Balance at December 31, 2022										
1,663,351	678,939	1,579,617	785,292	(33,646)	(7,037)	-	-	6,783,388	33,283	6,783,531
785,292	-	-	-	785,292	-	-	-	785,292	(507)	784,785
-	-	-	-	-	-	-	-	-	181	181
-	-	-	-	-	-	-	-	-	86,256	86,256
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	897,953	897,953
Legal reserve										
52,136	-	-	-	(52,136)	-	-	-	-	-	-
52,136	-	-	-	(52,136)	-	-	-	-	-	-
Special reserves for the contra equity account										
104,273	-	-	-	(104,273)	-	-	-	-	-	-
104,273	-	-	-	(104,273)	-	-	-	-	-	-
Other changes in capital surplus										
(38,770)	-	-	-	(38,770)	-	-	-	-	-	(38,770)
(38,770)	-	-	-	(38,770)	-	-	-	-	-	(38,770)
Disposal of subsidiaries or investments accounted for using equity method										
(370)	-	-	-	(370)	-	-	-	-	-	(370)
(370)	-	-	-	(370)	-	-	-	-	-	(370)
Difference between consideration and carrying amount of subsidiaries acquired										
(370)	-	-	-	(370)	-	-	-	-	-	(370)
(370)	-	-	-	(370)	-	-	-	-	-	(370)
Balance at December 31, 2022										
1,663,351	678,939	1,579,617	785,292	(33,646)	(7,037)	-	-	6,783,388	33,283	6,783,531
785,292	-	-	-	785,292	-	-	-	785,292	(507)	784,785
-	-	-	-	-	-	-	-	-	181	181
-	-	-	-	-	-	-	-	-	86,256	86,256
-	-	-	-	-	-	-	-	-	(1,249)	(1,249)
-	-	-	-	-	-	-	-	-	897,953	897,953

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 Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 957,283	599,901
Adjustments:		
Adjustments to reconcile:		
Depreciation expenses	55,078	63,543
Amortization expenses	6,636	9,082
Expected credit impairment losses and reversal gains	473	(236)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(21,004)	16,632
Interest expenses	17,489	5,247
Interest income (including financial income)	(423,407)	(173,949)
Dividend revenues	(5,116)	(13,962)
Shares of profit of associates and joint ventures under equity method	-	(394)
Losses on disposal of property and equipment	10	65
Loss on lease modification	675	1,018
Impairment losses	4,802	4,951
Losses on disposal of Joint Ventures	1,210	-
Total adjustments to reconcile	(363,154)	(88,483)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss	(215,200)	76,081
Decrease in bond purchased under resale agreements	40,847	160,517
Increase in customer margin accounts	(1,997,548)	(80,877)
Decrease in receivable-futures margin	257	236
Increase in leverage contract trading - customer's margin accounts	(231,789)	(271,270)
Increase in security borrowing margin	(868,437)	-
Increase in security borrowing collateral price	(473,545)	-
Decrease in accounts receivable	7,482	113,741
Decrease (increase) in accounts receivable - related parties	2,127	(276)
Increase in prepayments	(31,883)	(524)
Increase in net defined benefit asset	(5,580)	-
Decrease (increase) in other receivables	233,561	(337,027)
Increase in other receivables - related parties	(3,223)	(344)
Decrease in other current assets	2	3
Increase in clearing and settlement fund	(5,697)	(12,278)
Increase in refundable deposits	(772)	(603)
Increase in financial liabilities at fair value through profit or loss	796,394	6,457
Increase in futures traders' equity	1,881,108	64,291
Increase in leverage contract trading - customer's equity	219,057	278,774
Increase (decrease) in accounts payable	6,656	(91,288)
Increase (decrease) in accounts payable - related parties	1,313	(3,231)
Decrease in advance receipts	(1,037)	(521)
Increase (decrease) in receipts under custody	276	(158)
Increase (decrease) in other payables	86,190	(6,887)
Increase (decrease) in other payables - related parties	3,327	(3,588)
Increase in provisions for liabilities	421	41
Increase (decrease) in other current liabilities	3,983	(5,480)
Decrease in other non-current liabilities	-	(7,129)
Total changes in operating assets and liabilities	(551,692)	(121,340)
Total adjustments	(914,846)	(209,823)
Cash inflow generated from operations	42,437	390,078
Interest received	391,508	178,352
Dividends received	5,182	13,848
Interest paid	(16,790)	(5,240)
Income taxes paid	(109,691)	(133,050)
Net cash flows from operating activities	312,646	443,968
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(26,275)	(316,995)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	439,095
Proceeds from disposal of non-current assets classified as held for sale	51,031	-
Acquisition of property and equipment	(21,742)	(15,593)
Acquisition of intangible assets	(2,291)	(5,136)
Net cash flows from investing activities	723	101,371
Cash flows from (used in) financing activities:		
Cash dividends paid	(336,700)	(603,955)
Increase (decrease) in short-term loans	(109,784)	109,784
Acquisition of ownership interests in subsidiaries	(23,653)	-
Payments of lease liabilities	(28,231)	(33,270)
Proceeds from right of inclusion options exercised	-	62
Net cash flows used in financing activities	(498,368)	(527,379)
Effect of exchange rate changes on cash and cash equivalents:	93,837	(29,929)
Net decrease in cash and cash equivalents:	(91,162)	(11,949)
Cash and cash equivalents at beginning of period	5,248,044	5,259,993
Cash and cash equivalents at end of period	\$ 5,156,882	5,248,044

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Capital Futures Corporation

Opinion

We have audited the financial statements of Capital Futures Corporation (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021 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, 2022 and 2021, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 13, 2023

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
111100 Cash and cash equivalents (Note 6(1))	\$ 4,513,256	10	4,746,387	11	212000 Financial liabilities at fair value through profit or loss - current (Note 6(b))	844,885	2	67,806
112000 Financial assets at fair value through profit or loss - current (Note 6(1))	574,711	1	359,721	1	214000 Finances traded equity (Note 6(2))	38,496,045	81	37,735,043
113200 Financial assets at fair value through other comprehensive income - current (Note 6(b))	43,686	-	38,268	-	214100 Leverage contract trading - customers' equity	849,887	2	630,630
114010 Bonds purchased under resale agreements (Note 6(b))	-	-	-	-	214130 Accounts payable	50,890	-	44,316
114070 Customers margin accounts (Note 6(2))	43,166	-	84,013	-	214140 Accounts payable - related parties (Note 7)	12,761	-	11,448
114080 Reservable - futures margin (Note 6(b))	38,527,278	81	37,754,551	84	214150 Advance receipts	2,215	-	3,352
114090 Security borrowing collateral price	473,545	1	-	-	214160 Receipts under custody	5,149	-	4,877
114100 Security borrowing margin	868,437	2	-	-	214170 Other payables	205,506	1	133,988
114130 Accounts receivable	10,362	-	17,847	-	214180 Other payables - related parties (Note 7)	10,826	-	9,314
114140 Accounts receivable - related parties (Note 7)	884	-	3,011	-	214600 Current income tax liabilities	82,827	-	38,213
114150 Prepayments	35,111	-	3,282	-	215100 Provisions - current	6,039	-	5,618
114170 Other receivables	42,743	-	9,586	-	216000 Lease liabilities - current (Note 6(1))	15,019	-	18,164
114180 Other receivables - related parties (Note 7)	7,291	-	3,846	-	219000 Other current liabilities	13,751	-	9,768
114300 Leverage contract trading - customers' margin accounts	856,021	2	624,232	1				
114710 Non-current assets classified as held for sale (Note 6(1))	-	-	50,112	-	Non-current liabilities:			
119000 Other current assets	45,996,498	97	43,681,868	97	226000 Lease liabilities - non-current (Note 6(1))	10,315	-	12,611
					228000 Deferred income tax liabilities (Note 6(1))	37,828	-	16,524
Non-current assets:								
123200 Financial assets at fair value through other comprehensive income - non-current (Note 6(1))	1,265	-	1,581	-	906003 Total liabilities	40,643,903	86	38,731,332
124100 Investments under equity method (Note 6(1))	983,309	2	862,458	2	301010 Common stock (Note 6(1))	2,104,376	4	2,104,376
125000 Property and equipment (Note 6(2))	36,012	-	36,558	-	304010 Capital surplus (Note 6(1))	1,663,251	4	1,665,621
128000 Right-of-use assets (Note 6(1))	25,162	-	30,552	-	304010 Legal reserve	678,939	1	626,803
127000 Intangible assets (Note 6(1))	48,030	-	52,084	-	304040 Special reserve	1,579,617	3	1,446,574
129000 Other non-current assets	333,017	1	314,632	1	305000 Unappropriated earnings (Note 6(1))	785,292	2	522,796
	1,428,793	3	1,397,878	3	906004 Other equity	(30,087)	-	(115,800)
Total assets	\$ 47,425,291	100	44,979,246	100	Total equity	6,781,388	14	6,248,864
					906001 Total liabilities and equity	\$ 47,425,291	100	44,979,246

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
Income:				
401000 Brokerage fee revenue (Note 6(o))	\$ 2,128,288	82	1,897,947	86
410000 Net gains (losses) on sale of trading securities	(7,830)	-	38,867	2
421300 Dividend revenue	4,589	-	9,769	1
421500 Net gains (losses) on measurement of trading securities at fair value through profit or loss	1,031	-	283	-
421600 Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	11,210	-	6,531	-
421610 Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	19,315	1	-	-
424200 Securities commission revenue	14,122	1	27,152	1
424400 Net gains (losses) on derivative instruments- futures (Note 6(o))	224,289	9	112,827	5
424500 Net gains (losses) on derivative instrument - OTC (Note 6(o))	169,949	7	91,820	4
424600 Management fee revenue	663	-	2,349	-
424900 Consulting fee revenue	13,916	-	18,404	1
428000 Other operating revenue(losses)	\$ 641	-	(4,324)	-
	<u>2,387,605</u>	<u>100</u>	<u>2,201,615</u>	<u>100</u>
Expenses:				
501000 Brokerage fees	297,580	12	285,626	13
502000 Brokerage fees - proprietary trading	13,031	1	2,172	-
521200 Financial costs	23,795	1	4,996	-
521640 Loss from securities borrowing transactions	190	-	-	-
425300 Expected credit impairment losses and reversal gains (Note 6(g))	(264)	-	(236)	-
524100 Futures commissions expenses (Note 6(o))	477,280	18	393,650	18
524300 Clearing and settlement expenses	207,540	8	193,739	9
528000 Other operating expenditure	7,624	-	5,558	-
531000 Employee benefit expenses (Note 6(o))	551,714	21	440,355	20
532000 Depreciation and amortization expenses (Note 6(o))	49,517	2	55,153	3
533000 Other operating expenses (Note 6(o))	457,079	18	357,869	16
	<u>2,085,086</u>	<u>81</u>	<u>1,738,882</u>	<u>79</u>
Net operating income	<u>302,519</u>	<u>19</u>	<u>462,733</u>	<u>21</u>
Non-operating income and expenses:				
601100 Shares of profit of associates and joint ventures under equity method (Note 6(d))	4,803	-	(31,754)	(2)
602000 Other gains and losses (Note 6(o))	450,307	18	169,638	8
	<u>455,110</u>	<u>18</u>	<u>137,884</u>	<u>6</u>
902001 Net income before income tax	957,629	37	600,617	27
701000 Less: Income tax expenses (Note 6(l))	175,769	7	110,378	5
Net income	<u>781,860</u>	<u>30</u>	<u>490,239</u>	<u>22</u>
805000 Other comprehensive income:				
805500 Components that may not be reclassified subsequently to profit or loss:				
805510 Actuarial gain (loss) on defined benefit plans (Note 6(k))	2,515	-	1,159	-
805540 Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(11,175)	-	31,396	2
805599 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Subtotal of component that may not be reclassified subsequently into profit or loss	<u>(8,660)</u>	<u>-</u>	<u>32,555</u>	<u>2</u>
805600 Components that may be reclassified subsequently to profit or loss:				
805610 Exchange differences on translation of foreign operations	94,562	4	(27,358)	(1)
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	203	-	(100)	-
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	-
Subtotal of component that may be reclassified subsequently to profit or loss	<u>94,765</u>	<u>4</u>	<u>(30,001)</u>	<u>(1)</u>
805000 Other comprehensive income	<u>86,105</u>	<u>4</u>	<u>2,554</u>	<u>1</u>
902006 Total comprehensive income	<u>\$ 867,965</u>	<u>34</u>	<u>492,793</u>	<u>23</u>
975000 Basic earnings: per share (Dollar) (Note 6(a))			<u>3.72</u>	<u>2.33</u>
985000 Diluted earnings: per share (Dollar) (Note 6(a))			<u>\$ 3.71</u>	<u>2.33</u>

See accompanying notes to financial statements.

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

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Stock		Retained earnings		Other equity		Total equity	
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2021	2,104,376	1,673,996	584,653	1,280,666	623,030	(89,953)	6,350,664	-
Net income for the year ended December 31, 2021	-	-	-	-	490,030	-	490,030	-
Other comprehensive income	-	-	-	-	1,159	(27,872)	1,154	(2,139)
Total comprehensive income	-	-	-	-	491,189	(27,872)	463,317	(2,139)
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	62,145	-	(62,145)	-	-	-
Cash dividends for the current equity account	-	-	-	124,291	(124,291)	-	-	-
Other changes in capital surplus	-	-	-	41,017	(936,518)	-	-	(936,518)
Cash dividends from capital surplus	-	-	-	-	(41,017)	-	-	-
Right of inclusion options exercised	-	(210,437)	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	62	-	-	30,164	-	62	(210,437)
Balance at December 31, 2021	2,104,376	1,663,621	626,803	1,446,574	522,796	(117,825)	6,246,364	(2,139)
Net income for the year ended December 31, 2022	-	-	-	-	781,899	-	781,899	-
Other comprehensive income	-	-	-	-	4,582	94,765	4,582	(11,175)
Total comprehensive income	-	-	-	-	786,481	94,765	881,246	(11,175)
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	52,136	-	(52,136)	-	-	-
Cash dividends	-	-	-	104,273	(104,273)	-	-	-
Special reserve for the current equity account	-	-	-	38,770	(336,700)	-	-	(336,700)
Disposal of subsidiaries or investments accounted for using equity method	-	(370)	-	-	-	-	-	2,139
Disposals of investment in subsidiaries and carrying amount of subsidiaries acquired	-	(370)	-	-	-	-	-	2,139
Balance at December 31, 2022	2,104,376	1,663,251	678,939	1,579,617	785,292	(23,060)	6,781,528	(7,027)

See accompanying notes to financial statements.

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

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flow from (used in) operating activities:		
Net income before income tax	\$ 957,629	600,617
Adjustments:		
Adjustments to reconcile:		
Depreciation expense	43,172	46,367
Amortization expense	6,345	8,786
Expected credit impairment reversal gains	(264)	(236)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(21,029)	2,147
Interest expense	23,795	4,996
Interest income (including financial income)	(409,651)	(172,216)
Dividend revenue	(5,116)	(12,311)
Share of profit of associates and joint ventures under equity method	(4,803)	31,754
Losses on lease modification	-	1,018
Losses on disposal of Joint Venture	1,210	-
Total adjustments to reconcile	(366,341)	(89,695)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	(216,276)	(28,189)
Decrease in bond purchased under resale agreements	40,647	160,517
Decrease (increase) in customer margin accounts	(772,727)	471,502
Decrease in receivable-futures margin	257	236
Increase in leverage contract trading - customer's margin accounts	(231,789)	(271,270)
Increase in security borrowing margin	(868,437)	-
Increase in security borrowing collateral price	(473,545)	-
Decrease in accounts receivable	7,485	113,480
Decrease (increase) in accounts receivable - related parties	2,127	(332)
Decrease (increase) in prepayments	(16,949)	48
Decrease (increase) in other receivables	(4,118)	3,972
Increase in other receivables - related parties	(3,437)	(8)
Increase in net defined benefit assets	(5,580)	-
Decrease in other current assets	2	3
Decrease (increase) in clearing and settlement fund	(10,440)	2,902
Decrease in refundable deposits	150	712
Increase in financial liabilities at fair value through profit or loss	796,394	6,534
Increase (decrease) in futures trader's equity	761,002	(465,863)
Increase in leverage contract trading - customer's equity	219,057	278,774
Increase (decrease) in accounts payable	6,574	(91,868)
Increase (decrease) in accounts payable - related parties	1,313	(3,231)
Decrease in advance receipts	(1,037)	(521)
Increase (decrease) in receipts under custody	272	(155)
Increase (decrease) in other payables	80,783	(1,960)
Increase (decrease) in other payables - related parties	316	(4,308)
Increase in provisions for liabilities	421	41
Increase (decrease) in other current liabilities	3,983	(5,480)
Decrease in other non-current liabilities	-	(7,129)
Total changes in operating assets and liabilities	(698,232)	158,407
Total adjustment	(1,064,373)	68,712
Cash inflow (outflow) generated from operations	(106,949)	669,329
Interest received	380,548	176,153
Dividends received	5,182	12,197
Interest paid	(21,780)	(5,018)
Income taxes paid	(109,691)	(133,050)
Net cash flow from operating activities	147,313	719,611
Cash flow from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(26,275)	(316,995)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	439,095
Acquisition of investments accounted for using equity method	(23,653)	-
Proceeds from disposal of non-current assets classified as held for sale	51,031	-
Acquisition of property and equipment	(20,724)	(9,597)
Acquisition of intangible assets	(2,291)	(5,133)
Net cash flow from (used in) investing activities	(21,912)	107,370
Cash flow from (used in) financing activities:		
Cash dividends paid	(336,700)	(603,955)
Payments of lease liabilities	(21,834)	(23,320)
Proceeds from right of inclusion options exercised	-	62
Net cash flow used in financing activities	(358,534)	(627,213)
Net increase (decrease) in cash and cash equivalents	(233,131)	199,768
Cash and cash equivalents at beginning of period	4,746,387	4,546,619
Cash and cash equivalents at end of period	\$ 4,513,256	4,746,387

See accompanying notes to financial statements.

Capital Futures Corp. 2022 Earnings Distribution Proposal

Unit: NTD

No.	Items	Amount	Remark
1.	Beginning balance of unappropriated retained earnings	917,073	
2.	Add : Actuarial gains on defined benefit plan included in retained earnings	2,514,952	
3.	Add : Reversal of Special reserve appropriated due to other reduction of shareholders' equity occurred	85,719,846	
4.	Add: Net profit after tax	781,859,938	
5.	Distributable net profit	871,011,809	
6.	Less: 10% legal reserve	78,437,489	(2+3+4)*10%
7.	Less: 20% special reserve	156,874,978	(2+3+4)*20%
	Distributable items:		
	Less: Dividend to shareholders		
8.	Cash dividends on common shares (NT\$3.02 per share)	635,521,504	
9.	Ending balance of unappropriated retained earnings	177,838	

Note 1: Principle of profit distribution means that the profit from the current year should be distributed with priority.

Note 2: The cash dividend on common shares (NT\$3.02 per share) is calculated by 210,437,584 of outstanding common shares.

Note 3: In accordance with the ruling letter No. Jing-Shang-Zi 10802432410 dated January 9, 2020 issued by the Ministry of Economic Affairs, the legal reserve shall be set aside from "the sum of i) net income for the period and ii) items, other than net income for the period, included in the undistributed earnings of the current year".

Note 4: No.9 Ending balance of unappropriated retained earnings is the amount resolved after the shareholders meeting.

Chairman:

Chia, Chung-Tao

President:

Mao, Jen-Hua

Accounting manager:

Lin, Li-Juan

VI. Appendix

Appendix 1

Capital Futures Corp. Articles of Association

- 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 June 21, 2022.

Appendix 2

Capital Futures Corp. Rules of Procedure for Shareholders Meetings

- 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 postponed 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.

Appendix 3

Capital Futures Corp. Details of All Directors' Shareholding

1. The Company has issued 210,437,584 ordinary shares as of April 2, 2023.
The legally required minimum shareholding for the Company's directors: 12,000,000 shares.¹
2. As of the book closure date (April 2, 2023) 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 2, 2023

Title	Name	Shareholding as of book-close date	Percentage
Chairman	Capital Securities Corporation Representative: Chia, Chung-Tao	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.