

Stock Code: 6023



Yuanta Futures Co., Ltd.

(Originally: Polaris Futures)

2015 Annual General Meeting

Agenda

May 21, 2015

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Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)
2015 Annual General Meeting Procedures

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- VI. Discussions
- VII. Election-related Issues
- VIII. Other matters
- IX. Special Motions
- X. Dismissal

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)

2015 Annual General Meeting Agendas

- I. Time: 9am Thursday, May 21, 2015
- II. Venue: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City ,(The Chinese National Futures Association Business Center)
- III. Commence Meeting
- IV. Chairman Seats
- V. Chairman's Speech
- VI. Matters to be Reported
 - (1) Presenting the Company's 2014 Business Report.
 - (2) Audit Committee has the audit report for the Company's 2014 business report, financial statements, and statement of retained earnings presented for approval.
- VII. Acknowledgments
 - (1) Acknowledging the Company's 2014 Business Report and Financial Statements.
 - (2) Acknowledging the Company's 2014 Earnings Appropriation.
- VIII. Discussions
 - (1) The case of capital surplus allocation in cash.
 - (2) Partial amendments to the "Memorandum of Association".
 - (3) Partial amendments to the "Rules of Procedure for Shareholders Meetings".
 - (4) Partial amendments to the "Procedures for Election of Directors".
- IX. Election-related Issues
 - (1) Please proceed with the election of the Company's directors (including independent directors) for the 9th term.
- X. Other matters
 - (1) Relieving new Directors of any restrictions imposed in relation to Article 209 of The Company Act - "Prohibition against directors' involvements in competing businesses".
- XI. Special Motion
- XII. The meeting was adjourned

I. Reporting matters

1. Reported issue: Presenting the Company's 2014 Business Report.
Details: (1) Please refer to Attachment One for The Company's 2014 Business Report (pages 9~13 of this manual).
(2) The report is ready for review.
2. Report summary: Audit Committee has the audit report for the Company's 2014 business report, financial statements, and statement of retained earnings presented for approval.
Details: (1) The Company's 2014 financial statements and consolidated financial statements have been audited by its auditors. Audit Committees have finished reviewing the audited financial statements, the Business Report, and the Earnings Appropriation, and issued the Audit Committees' Review Report as shown in Attachment Two (page 14 of this manual).
(2) The report is ready for review.

II. Acknowledgments

1. Subject: Acknowledging the Company's 2014 Business Report and Financial Statements. (The proposal was submitted by the Board of Directors)
Details: (1) The Company's 2014 financial statements and the consolidated financial statements were audited by CPA Sekai Lin and CPA Xiou-Ling Li of PricewaterhouseCoopers and were resolved for acceptance on the 38th Meeting of the 8th Board of Directors (March 25, 2015). The audited financial statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
(2) For details on the Business Report, Independent Auditor's Report, the financial statements and consolidated financial statements, please refer to Attachments One, Three (pages 9~13 and pages 15 ~ 28 of this manual).
(3) The agenda has been proposed for acknowledgment.

Resolution:

2. Subject: Acknowledging the Company's 2014 Earnings Appropriation. (The proposal was submitted by the Board of Directors)
Details: (1) The 2014 annual earnings distribution proposal was in compliance with the Company Law and the Company's Memorandum of Association; also, it was resolved for acceptance on the 38th Meeting of the 8th Board of Directors (March 25, 2015). The annual earnings distribution proposal was reviewed by the Audit Committee without any nonconformity identified and with a review report issued.
(2) The beginning unappropriated earnings of the Company of NT\$716,601 (the same currency used in the financial reports) together with the defined benefit plan actuarial gains and losses of NT\$4,596,396 included in the retained earnings and the 2014 net income of NT\$870,604,709 for a grand total of NT\$875,917,706 is available for distribution.
(3) The earnings of this year are appropriated for legal reserve of NT\$87,060,471 and special reserve of NT\$174,120,942. The cash dividend this year is NT\$2.64 per share and for a grand total of NT\$613,209,400. The unappropriated earnings amounted to NT\$1,526,893 afterwards. Please refer to Attachment Four for further details regarding the earnings appropriation (page 29 of this manual).

- (4) The 2014 earnings shall be distributed in cash dividends equivalent to NT\$2.64 per share (calculated based on 232,276,288 ordinary shares issued, truncated to the nearest dollar; the Chairman will make arrangements to take up amounts less than \$1; postage and remittance charges are borne by shareholders). Once the proposal is passed during the annual general meeting, the Board of Directors will be authorized to set the base date for dividends and distribute proportionally according to the shareholders registry.
- (5) Should The Company buyback its shares, transfer treasury stocks to employees, encounter conversions of corporate bonds or engage in any transactions that affect the number of outstanding shares before the dividend base date, the Board of Directors shall be authorized to make the necessary changes with regards to dividend payout per shareholder.
- (6) The agenda has been proposed for acknowledgment.

Resolution:

III. Discussions

Proposal 1:

Subject: Distribution of cash dividend from the additional paid-in capital is proposed for discussion. (The proposal was submitted by the Board of Directors)

- Details: 1. It is processed in accordance with Article 241 of the Company Law and the Jin-Guan-Cheng-Chi-1010036548 Order dated August 14, 2012.
2. The Company is calculated with the consent of the competent authorities by having NT\$1,000,000,000 out of the additional paid-in capital – equity premium, NT\$1,600,143,900, resulting from merging Yuanta Futures Company on April 1, 2012 deducting the net income of NT\$58,069,072 attributed to Yuanta Futures Company before merger, resulting a net additional paid-in capital – equity premium of NT\$1,542,074,828 divided by the outstanding 232,276,288 shares on March 22, 2015 with cash dividend of NT\$4.305 per share distributed (the calculation is rounded up to dollar and the odd shares with less than NT\$1 distributed will be acquired by the investors designated by the Chairman). In addition, postage and banking charge is to be paid by the respective shareholder. The board of directors after being authorized in the shareholders’ meeting is to have the distribution executed proportionally to the shareholding documented in the shareholder registry on the base day determined by the board of directors.
 3. If the outstanding stock shares are affected that have caused changes to shareholder’s payout ratio due to the Company’s repurchasing shares, transferring treasury shares to employees, converting domestic convertible bonds into shares, and other factors before the payment date of cash dividend distribution from the additional paid-in capital, the board of directors is authorized to deal with the correction needed.
 4. The topic is ready for discussion.

Resolution:

Proposal 2:

Subject: Partial amendments to the Memorandum of Association. (The proposal was submitted by the Board of Directors)

- Details: 1. The Company’s Article of Incorporation is subject to amendment as follows in response to the Company’s name change, expanded scope of business, and adjustment of dividend distribution policy:
- (1) The Company’s name is to be changed as planned accordingly.

- (2) Add the new business of “leverage transaction merchant” and expand the scope of “leverage transaction merchant operation” in accordance with FSC.S&F.Tzi No. 1040000356 Letter dated January 28, 2015 by the Financial Supervisory Commission.
 - (3) The dividend distribution policy will be amended due to the replacement of the system of supervisor by the Audit Committee, the expectation of sustainable operation, and the enforcement of corporate governance.
2. Please refer to Attachment Five for the “Memorandum of Association” amendment outlines and the updated text enclosed. (page 30 ~ 31 this manual).
 3. The topic is ready for discussion.

Resolution:

Proposal 3:

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

- Details:
1. The Company’s “Rules of Procedure for Shareholders’ Meeting” clauses will be amended for strengthening the operation of the Shareholders’ Meeting and protecting shareholder’s equity in accordance with GTSM.Jen.Tzi No. 10400020852 Letter dated February 4, 2015 by the GTSM.
 2. Please refer to Attachment Six (Page 32~33 of this manual) for the “Rules of Procedure for Shareholders Meetings” amendment outlines.
 3. The topic is ready for discussion.

Resolution:

Proposal 4

Subject: Partial amendments to the “Procedures for Election of Directors”. (The proposal was submitted by the Board of Directors)

- Details:
1. The Company’s “Rules Governing the Election of Directors” clauses will be amended for the smooth election of directors in accordance with GTSM.Jen.Tzi No. 10400020852 Letter dated February 4, 2015 by the GTSM.
 2. Please refer to Attachment Seven (Page 34~36 of this manual) for the “Procedures for Election of Directors” amendment outlines.
 3. The topic is ready for discussion.

Resolution:

IV. Election-related Issues

Proposal 1:

Cause of action: Please proceed with the election of the Company’s directors (including independent directors) for the 9th term. (The proposal was submitted by the Board of Directors)

- Details:
1. The current term (8th) of the Company’s directors (including independent directors) will be ended on May 22, 2015 with an election to be held in the current shareholders’ meeting. There are 9 directors (including 3 independent directors) to be elected currently in accordance with Article 19 of the Articles of Incorporation.

2. The current (the 8th term) directors (including independent directors) of the Company will be dismissed after the reelection held in the shareholders' meeting. The directors for the 9th term are elected for a 3-year term from May 21, 2015 to May 20, 2018, and the directors can be reelected thereafter.
3. Please refer to Appendix 7 (Page 51~52 of this manual) for the Procedures for Election of Directors.
4. The list of the current directors (including independent directors) is as follows:

Name of the candidates for directors	Number of shares held	Education Background	Work Experience
Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu	Shareholding of Yuanta Financial Holdings: 159,467,282 shares	Yu Da High School of Commerce and Home Economics	<ol style="list-style-type: none"> 1. Chairman, Yuanta Futures Co., Ltd. 2. General Manager, Yuanta Securities Co., Ltd. 3. Vice Chairman, Yuanta Securities Finance Co., Ltd. 4. Director and General Manager, Fuh Hwa Securities Investment Trust Co., Ltd. 5. Director and Executive Vice President, Yuanta Core Pacific Securities Co., Ltd. 6. Chairman, Ding Fu Securities Co., Ltd. 7. Director, Yuanta Financial Holdings Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chou, Hsiao-Ling		MBA in Finance, National Taiwan University	<ol style="list-style-type: none"> 1. Director and General Manager, Yuanta Futures Co., Ltd. 2. Director and General Manager, Polaris Futures Co., Ltd. 3. Director and Vice President, Overseas Chinese Bank 4. General Manager of Brokerage Department, Polaris Securities Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Mr. Ho, Ming-Hong		MBA, University of Washington, USA Department of Finance, National Chengchi University;	<ol style="list-style-type: none"> 1. Chairman, Yuanta Securities Co., Ltd. 2. Chairman, Yuanta Futures Co., Ltd. 3. Director, Yuanta Commercial Bank Co., Ltd. 4. Director, Polaris Securities Co., Ltd. 5. Director and Supervisor, Taiwan Futures Exchange 6. The 2nd chairman, Chinese National Futures Association 7. Director, Waterland Financial Holding Co., Ltd. 8. Director, International Bills Finance Corp.
Yuanta Financial Holdings Co., Ltd. Representative: Ms. Sung, Shiao-Chin		MBA, Ming Chuan University	<ol style="list-style-type: none"> 1. Vice President, Treasury Dept, Yuanta Financial Holdings Co., Ltd. 2. Vice President, Yuanta Securities Co., Ltd. 3. Executive Vice President, Yuanta Futures Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Mr. Kung, Shao-Hsing		Department of Cooperative Economics, Tamkang University	<ol style="list-style-type: none"> 1. Executive Vice President, Yuanta Securities Co., Ltd. 2. Vice President, Yuanta Securities Co., Ltd.
Yuanta Financial Holdings Co., Ltd. Representative: Mr. Wang, Chun-Chien		Institute of System Engineering and Management, National Taipei University of Technology	<ol style="list-style-type: none"> 1. Chief Executive Officer, E-commerce Dept, Yuanta Financial Holdings Co., Ltd. 2. Senior Asst VP, China UnionPay 3. Product Manager and Business Director of MasterCard International Co. 4. Customer Management Manager of Hewlett-Packard Company

Name of the candidates for independent directors	Number of shares held	Education Background	Work Experience
Mr. Lay, Kuen-Horn	0	MBA, National Taipei University	<ol style="list-style-type: none"> 1. Senior Secretary, Financial Supervisory Commission, Executive Yuan 2. Clerk, Team Leader, Deputy Section Chief of the Securities and Futures Bureau, Ministry of Finance
Mr. Huang, Jung-Hsien	0	<ol style="list-style-type: none"> 1. Department of Public Finance, National Chengchi University; 2. Certified Finance/Banking Personnel in the National Civil Service Senior Examination; 3. Certified in the “Pacific Rim Bankers Program (PRBP) – Course for Promoting Economic Development” hosted by the University of Washington (in Seattle); 4. Certified in the “Advanced Course for Business Management for International Finance/Banking Professionals” hosted by the Wharton School of Business, University of Pennsylvania. 	<ol style="list-style-type: none"> 1. Independent Director, Yuanta Securities Co., Ltd. 2. Independent Director, Yuanta Commercial Bank 3. Independent Director, Yuanta Securities Co., Ltd. 4. Director, Chairman of the Board, President of the Central Trust of China
Mr. Kuo, Tu-Mu	0	Doctor of Laws, National Chengchi University	<ol style="list-style-type: none"> 1. Independent Director, FX Hotels Group 2. Academic Vice Dean of Law School and Head of Finance & Law Department, Fu Jen Catholic University 3. Independent Director, First Securities Inc. 4. Director of Legal Affair, Financial Supervisory Commission, Executive Yuan 5. Director of Legal Affair, Securities and Futures Commission, Ministry of Finance

Results of the Election:

V. Other matters

Proposal 1:

Subject: Please discuss the proposal to release the Company's newly-elected directors from the "Non-competition Restrictions for Directors" prescribed in Article 209 of the Company Act. (The proposal was submitted by the board of directors.)

- Details: 1. Pursuant to Article 209 of the Company Act "If a director is engaged in activities which are within the business scope of the company, either for his/her own sake or on behalf of others, the director should explain to the shareholders' meeting the major contents of such activities and obtain approval accordingly."
2. For the newly elected directors (independent directors) who are subject to the non-compete clause of the Company Law Article 209, under the precondition of not-jeopardizing the interests of the Company, a proposal may be made in the shareholders' meeting to have the said non-compete clause against the newly elected directors (independent directors) lifted.
3. The directors (independent directors) on the list of the non-compete clause lifted are as follows.
- (1) The directors on the list of the non-compete clause lifted are as follows.

Name		Adjunct to the company	Current additional positions
Director	Yuanta Financial Holding Co., Ltd. Representative: Mr. Ho, Ming-Hong	Yuanta Securities Co., Ltd.	Chairman
Director	Yuanta Financial Holding Co., Ltd. Representative: Ms. Sung, Shiao-Chin	Yuanta Securities Co., Ltd.	Manager
Director	Yuanta Financial Holding Co., Ltd. Representative: Mr. Kung, Shao-Hsing	Yuanta Securities Co., Ltd.	Manager

- (2) The independent directors on the list of the non-compete clause lifted are as follows.

Name		Adjunct to the company	Current additional positions
Independent Director	Mr. Lay, Kuen-Horn	Yuanta Securities Co., Ltd.	Independent Director

Resolution:

VI. Extempore Motion

VII. The meeting was adjourned

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)
2014 Business Report

I. Market Overview

Looking back the global economy in 2014 driven by the US economic recovery, Europe and USA futures index soared to a new record high price, on the other hand, commodity futures price dropped after US Dollar index reached the record high in the recent years, of which, eight categories of futures commodities, including energy, precious metals, home metals, agricultural products, etc. are subject to commodity futures price adjustment. Apparently, the year of 2014 was indeed a year of volatility. Regarding the futures market in Taiwan, the Volatility Index (VIX) hit a historical low price (8.27) on June 24, 2014, followed by a rebound in the following months that was the highest point on October 16 and hit a new historical high price (16) on October 16. This feature caused the trading volume of Taiwan futures in the second half of 2014 higher than the first half of 2014.

In addition, there were several new products launched at Taiwan Futures Exchange in 2014, such as, Eurex/TAIFEX Link listed on EUREX for the first time on May 15 to make up the inadequate after-hour trade of Taiwan futures market and to help with the risk control of the domestic futures participants (either proprietary accounts or institution investor accounts) that was clearly helpful to market integrity. In addition, ETF proprietary futures was listed on Taiwan Futures Exchange on October 6 with the issuance subjects of Taiwan 50, NZF, and FB SSE that helped investors trade Taiwan stock and China stock through these commodities; also, China stock driven by the SH-HK connect provided the investors of Taiwan futures with more channels to enter the market. Therefore, Taiwan futures market performed brilliantly in 2014. Taiwan futures market trading volume was 202,410,000 transactions in 2014 with a daily volume of 816,000 transactions, representing a growth of 31.04% from the year of 2013. In terms of foreign commodities futures, the US Stock 6,431,400 transactions accounted for 45.69% ranks highest, followed by the Singapore Commodity 6,084,100 transactions accounted for 43.22%, other foreign commodities 1,560,900 transactions accounted for 11.09% for a grand total of 14,076,500 transactions, representing a growth of 9.49% from the year before.

Taiwan Futures Exchange for the purpose of increasing market efficiency had introduced two new trade systems in 2014 – “before-hour information disclosure” and “defined market order” that was officially online on May 12 to make trade information more transparent, offer more diversified orders, and provide traders with a better web browsing and quality service. In addition, the competent authorities had given permissions to banks in November 2014 to trade futures for the purpose of long-hedge; the Eurex/TAIFEX Link commodities were opened for trade in December, and insurance industry was included for foreign futures trade and exempted from applying for approval of subject in order to improve capital utilization efficiency and operating performance of banks and insurance companies, while improving the trading volume of institution investors in market.

II. Corporate governance

- The Company is the one and only future company in Taiwan to receive the highest “A++” rating in the 11th listed and over the counter company information disclosure assessment by the Securities and Futures Institute as the year before. It evidences the importance of realizing corporate governance to the Company in addition to deploying new business and promoting business.
- After the merger of Yuan Futures and Polaris Futures in April 2012, the Board of Directors had the “Audit Committee” setup to replace the functions of supervisors, to supervise the Company’s financial operations, internal control, regulatory compliance, and risk control for emphasizing an open and transparent management philosophy. The Audit Committee had convened 14 meetings in 2014.
- Through the “corporate governance system assessment” held by Taiwan Corporate Governance Association, examine the Company with the corporate governance assessment in response to the considerations of listing commitments and the Company’s long-term operation so to make the Company’s operating information more transparent, the internal controls better, and shareholder’s benefit maximized. The Company was, as well, officially accredited by the Taiwan Corporate Governance Association for both “CG6004” and “CG6006”,

III. Operating results

In 2014, the Company continued intensifying a variety of business management, including the efforts to boost the profitability of the shareholders’ equity, put into implementation thoroughly risk management, implement the targets of proprietary dealing and brokerage businesses which have been embodied through various business targets below:

- In terms of financial performance, the Company’s 2014 net income was NT\$871 million, the highest of the futures brokerage; also, the net EPS was NT\$3.75 and ROE after tax was 12.04%.
- Business performance: Futures brokerage market share is 18.51% with a turnover of more than 18,520,000 transactions; option brokerage market share is 10.15% with a turnover of more than 30,910,000 transactions; foreign futures market share is 24.11% with a turnover of 3,390,000 transactions; the market shares referred to above are ranked number one in market and significantly ahead of the industry.
- Awards: The Company was committed to provide high quality, branding, and excellent services to customers persistently with high transparent operation, sound financial performance, innovation and R&D capabilities, comprehensive risk control mechanism, strict corporate governance, and internal control. The Company’s performance had been well recognized in market in 2014:
 - (1) The Securities and Futures Institute – the 11th listed and over the counter company information disclosure assessment “A++” rating
 - (2) China Credit Information Service Ltd. - No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan
 - (3) The ROC Outstanding Enterprise Manager Association – the 16th Jinfeng Award Top-Ten Outstanding Enterprise
 - (4) ROC National Enterprise Competitiveness Development Association – the 11th National Brand Yushan Award Outstanding Enterprise
 - (5) General Chamber of Commerce of the Republic of China – the 68th ROC

Excellent Businessmen

(6) The Asset- 2014 The Asset Triple A Awards--Industry Leadership Award-- - Carolyn Chou, General Manager, Yuanta Futures

- The Company concluded a pre-tax net profit of NT\$999,491 thousand for 2014. A summary breakdown of revenues, expenses, and profitability is as follows:

(1) Changes in a variety of business lines (Expressed in Thousand NT Dollars)

Item	2014	2013	Difference	Variation
Operating gains	2,269,734	2,393,399	-123,665	-5.17%
Operating expenses	1,113,394	1,154,906	-41,512	-3.59%
Operating expenses	906,977	998,104	-91,127	-9.13%
Other profits and losses	750,128	535,811	214,317	40.00%
Earnings before tax	999,491	776,200	223,291	28.77%
Current period net profit	870,605	653,867	216,738	33.15%
Pre-tax EPS (NTD)	4.30	3.34	0.96	28.74%
Return on shareholders' equity	12.04%	9.59%	2.45%	25.55%

(2) Operating revenues and expenses: The Company's annual income in 2014 amounted to NT\$2,269,734 thousand, representing a decrease of NT\$123,665 thousand (5.17%) from the NT\$2,393,399 thousand of the year before, mainly due to the decrease in handling charge income as a result of price competition in the market and the decrease in trade as a result of low volatility. The Company's annual expenses amounted to NT\$2,020,371 thousand, representing a decrease of NT\$132,639 thousand (6.16%) from the NT\$2,153,010 thousand of the year before, mainly due to the decrease in revenue causing the respective operating expenses to go down. The 2014 net income before tax amounted to NT\$999,491 thousand, representing an increase of NT\$223,291 thousand (28.77%) from the NT\$776,200 thousand of the year before. The net income amounted to NT\$870,605 thousand, representing an increase of NT\$216,738 thousand (33.15%) from the NT\$653,867 thousand of the year before.

(3) Profitability: Return on net worth: the 2014 after-tax earnings of NT\$870,605 thousand and shareholders' equity of NT\$7,452,433 thousand represented a 12.04 % return on shareholders' equity. Compared to last year's after-tax earnings NT\$653,867 thousand, shareholders' equity NT\$7,005,065 thousand, and 9.59% return on shareholders' equity, returns had improved by 25.55%.

Net profit margin: the 2014 after-tax earnings of NT\$870,605 thousand and revenues totaling NT\$2,269,734 thousand represented a 38.36% net profit margin. Compared to last year's after-tax earnings NT\$653,867 thousand, revenues NT\$2,393,399 thousand, and 27.32% net profit margin, increased by 40.41%.

Pre-tax EPS: The Company concluded its 2014 pre-tax EPS at \$4.30, representing a 28.74 % increase from last year's \$3.34.

IV. Research and development:

The Company focuses on the optimization of asset allocation, the deployment of diversified strategy, and the establishment of metrics program. The deployment of diversified strategy is focusing on providing diversified products; also, providing domestic and foreign popular futures trading strategies to meet customers' demand for spot and futures; also, to increase business contribution. Looking forward to the future, the Company will work with the professionals of futures, consultation, and research; also, continue to link the world's eight major categories of assets and development strategy to provide diversified services for corporate and brokerage needs and to create R&D core value.

- (1) Strategic trading and development: The Research Department of Yuanta Futures will utilize the big data of the futures market to perform data quantification, in addition to the original focuses on optimal asset allocation, diversified and strategic deployment, and quantitative program setup. The deployment of diversified strategy is focusing on providing diversified products; also, providing domestic and foreign popular futures trading strategies to meet customers' demand for spot and futures. In addition, the focus in 2015 will be on the development of the option strategic trading modules, of which, in addition to focusing on single buyer, seller, or spread, the option strategy will be reviewed comprehensively; also, different risk-return module will be recommended to each customer.
- (2) Diversified research reports: The Research Department of Yuanta Futures will continue to provide information of mobile phone APP integrated with commodity prices in 2015 as that of in 2014; also, to provide the respective research reports in response to market demand (Singapore A50 Futures Daily \ Weekly; S&P500 options prices bi-weekly; foreign futures - eight categories quarterly report). The Company will continue to link the eight categories of assets and development strategy globally in 2015 in order to provide diversified services for the needs of institution investors and brokers and to assume a leading role in the industrial research.

V. Future operating plans and development strategies

Looking forward to 2015, the Company will, as always, try to render best investors-friendly services with development toward an omnifarious and comprehensive futures house. Meanwhile, we shall try to expand market shares and boost proprietary dealing performances. For 2015, we shall put forth maximum possible efforts toward the focuses below:

- (1) Secure market share of brokerage business: Create market differentiation services and enhance globalized operational capacity. Develop foreign futures 8-category commodities research report and 24hr APP message broadcasting service and marketing activities in various forms by creating international affairs issues; also, inject futures consulting and futures economic resources to construct a complete business value chain and to develop value-added services.
- (2) Actively expand IB foreign futures trading volume: Assist the IB locations to develop foreign futures business along with the lifting of regulations by the competent authorities. Provide excellent service of global boundary-free investment and no-time-different finance to investors around the clock based on the unity of securities and futures "24hr global operations center" concept.

- (3) Strengthen trade personnel management: Continue to strengthen trade risk management mechanisms, develop diversified global quantitative strategy, increase low-risk and high-return market strategy deployment, and recruit talents from campus for short-swing day trade and quantitative R&D based on an innovative trade personnel recruitment model.
- (4) Increase customer's AUM (asset under management) margin: Continue to expand the scale of customer's margin, enhance financial management efficiency comprehensively, improve customer margin spread profit, and provide foreign institution investors, domestic financial institution investors, and large-scale institution investors with a friendly investment environment with a stable and profound financial image.
- (5) Continue to launch new products in compliance with the policy of Taiwan Futures Exchange: Fully support Taiwan Futures Exchange to promote new products, such as, "Taiwan Futures Exchange authorizes Eurex Exchange to trade Taiwan futures and the 1-day futures contract of Taiwan stock option" and "ETF stock and futures" business for a win-win situation.
- (6) Continue to improve the Company's operation and management system: Integrate and optimize regulatory compliance, internal control and audit, corporate governance, and risk management structure in order to reduce operational risk.
- (7) Apply for leveraged trading to expand business territory: Expect to have leveraged trading setup in the second half of the year in order to add the relevant business services of long-term contracts, option contracts, swap contracts, and spread contracts; also, to provide general customers and professional institution investors with diversified profits and hedging channels by offering a structured contract combined with fixed-income products.
- (8) Promote Asian Cup deployment and plan: Support the Asian Cup development strategy to seek and invest securities companies in Asia that are with economies of scale and niche, at the same time, the Company will exercise the competitive advantage of experience in futures brokerage and through the IT R&D advantage to construct a profound security and future unity trading platform and aim to become the best futures company in Asia.

Looking forward toward future, we at the Company shall continually without interruption boost our competitive edge in the brokerage channels, IT platforms, IB services, juristic (corporate) person businesses and risk control through faithful, prominent, steadfast and innovative strategies. We shall richly cultivate Taiwan, take firm command of the niche to integrate both sides of Taiwan Strait, i.e., Taiwan and China plus Hong Kong and reach out to all markets, both at home and the world over, in the futures horizons. Within the progress scheduled and the scope of laws and ordinances concerned permitted by the competent authorities of the government, we shall strike for new fountainheads of profits and growth and fulfill the long-programmed Greater Region of China blueprints through our consistent powers of enforcement.

Chairman:

General Manager:

Accounting Supervisor:

Yuanta Futures Co., Ltd.

Audit Committees' Review Report

For the Company's 2014 consolidated financial statements, financial statements and the 2014 business report and statement of retained earnings presented by the board of directors, in which, the financial statements were audited by CPA Sekai Lin and CPA Xiou-Ling Li of PricewaterhouseCoopers with an adjusted unqualified opinion stated in the independent auditor's report.

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

Best regards

The 2015 Annual General Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.

Convener Kuen-Horn Lay

March 25, 2015

Attachment Three

Audit Committees' Review Report

(2015) Cai-Shen-Bao-Zi No. 14003074

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

We have audited the accompanying proprietary balance sheet of Yuanta Futures Co., Ltd. (formerly, Polaris Futures Co.) as of December 31, 2014 and 2013 and the related proprietary statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the "Rules Governing the Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yuanta Futures Co., Ltd. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

PwC Taiwan

Ms. Lin, Sekai

CPA

Ms. Li, Xiou-Ling

Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval Document No.:

Jin-Guan-Cheng-6-0960072936

Jin-Guan-Cheng-6-0960038033

March 25, 2015

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures Co., Ltd.)
Individual Balance Sheet
December 31, 2014 and 2013

Unit: NTD thousand

Assets	Additional notes	December 31, 2014		December 31, 2013		
		Amount	%	Amount	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 5,474,176	15	\$ 5,041,864	14
112000	Financial assets at fair value through profit or loss- current	6(2) and 11	123,052	-	10,059	-
113400	Available-for-sale financial assets - current	6 (4)	52,151	-	28,440	-
114070	Customers' margin accounts	6(3) and 7	30,083,366	80	29,912,214	81
114080	Futures trading margin receivable		16	-	-	-
114110	Notes receivables		-	-	162	-
114130	Accounts receivable		9,735	-	2,923	-
114140	Accounts receivable - related parties	7	4,982	-	2,944	-
114150	Prepayments		4,125	-	7,680	-
114170	Other receivable		37,207	-	30,566	-
114180	Other receivables - related parties	7	7,775	-	65,484	-
114600	Current Income Tax Asset		453	-	366	-
119000	Other current assets		5	-	16	-
110000	Total of Current Assets		<u>35,797,043</u>	<u>95</u>	<u>35,102,718</u>	<u>95</u>
Non-Current assets						
123400	Available-for-sale financial assets - non-current	6 (4)	899,218	2	911,235	2
124100	Investments accounted for by the equity method	6 (5)	219,949	1	232,320	1
125000	Property and equipment	6 (8)	79,803	-	116,594	-
127000	Intangible assets	6 (9)	34,522	-	40,694	-
128000	Deferred income tax assets	6 (25)	7,461	-	8,436	-
129010	Business guaranty bond	6(6) and 7	185,000	1	185,000	1
129020	Settlement / clearance fund	6 (7)	479,669	1	490,030	1
129030	Guarantee deposits paid	7	9,768	-	12,147	-
129040	Deferred expenses		-	-	1,199	-
129130	Prepayment for equipment purchase		7,919	-	3,891	-
120000	Total of Non-Current Assets		<u>1,923,309</u>	<u>5</u>	<u>2,001,546</u>	<u>5</u>
906001	Total assets		<u>\$ 37,720,352</u>	<u>100</u>	<u>\$ 37,104,264</u>	<u>100</u>

(Continued next page)

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures Co., Ltd.)
Individual Balance Sheet
December 31, 2014 and 2013

Unit: NTD thousand

Liabilities and equity	Additional notes	December 31, 2014		December 31, 2013		
		Amount	%	Amount	%	
Current liabilities						
212000	Financial liabilities at fair value through profit or loss- current	11	\$ 5,989	-	\$ 1,178	-
214080	Futures traders' equity	6(3) and 7	29,930,972	79	29,823,326	80
214130	Accounts payable		92,968	-	47,771	-
214140	Accounts payable - related parties	7	25,285	-	16,750	-
214160	Agency Receipts		4,950	-	3,496	-
214170	Other payable		143,007	1	143,602	1
214180	Other payables - related parties	7	466	-	183	-
214600	Current Income Tax Liability		17,493	-	14,331	-
219000	Other current liabilities		7,948	-	5,774	-
210000	Total of current liabilities		<u>30,229,078</u>	<u>80</u>	<u>30,056,411</u>	<u>81</u>
Non-current liabilities						
225100	Liabilities reserve- non-current	6 (10)	34,133	-	40,830	-
228000	Deferred income tax liabilities	6 (25)	4,708	-	1,958	-
220000	Total of non-current liabilities		<u>38,841</u>	<u>-</u>	<u>42,788</u>	<u>-</u>
906003	Total liabilities		<u>30,267,919</u>	<u>80</u>	<u>30,099,199</u>	<u>81</u>
Share capital						
		6 (11)				
301010	Ordinary shares capital		2,322,763	6	2,322,763	6
Capital reserve						
		6 (12)				
302000	Capital reserve		1,940,976	5	1,940,976	5
Retained earnings						
304010	Legal earnings reserve	6 (14)	474,475	1	409,088	1
304020	Special earnings reserve	6 (13)	1,200,965	3	1,090,016	3
304040	Undistributed earnings	6 (14)	875,919	3	657,865	2
Other equity						
		6 (15)				
305000	Other equity		637,335	2	584,357	2
906004	Total equity		<u>7,452,433</u>	<u>20</u>	<u>7,005,065</u>	<u>19</u>
906002	Total liabilities and equity		<u>\$ 37,720,352</u>	<u>100</u>	<u>\$ 37,104,264</u>	<u>100</u>

Please refer to the notes enclosed in the proprietary financial reports that are an integral part of the proprietary financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures Co., Ltd.)
Individual comprehensive income statements
January 1 to December 31 2014 and 2013

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2014		2013		
		Amount	%	Amount	%	
Revenue						
401000	Brokerage commission	6(16) and 7	\$ 2,049,079	90	\$ 2,173,606	91
410000	Net loss on disposal of operating securities	6(17)	(13,051)	-	-	-
421300	Dividend income		10,137	1	-	-
421500	Net profit of securities trade measured at the fair value through profit or loss		4,076	-	-	-
424200	security commission earned	7	3,588	-	2,679	-
424300	Settlement and clearance fees	6(18) and 7	97,032	4	77,220	3
424400	Net gains in the derivative financial instruments	6(2) (19)	111,567	5	125,584	5
424800	Management fee income		52	-	445	-
424900	Consultancy fee income		7,077	-	11,458	1
428000	Other operating revenue		177	-	2,407	-
400000	Total revenues		<u>2,269,734</u>	<u>100</u>	<u>2,393,399</u>	<u>100</u>
Expense						
501000	Brokerage commission expenses	6(20)	(351,358)	(15)	(344,115)	(14)
502000	Proprietary trade service charge	6(20)	(11,153)	(1)	(18,524)	(1)
521200	Financial costs		(15,158)	(1)	(21,467)	(1)
524100	Futures commission expenses	6(21) and 7	(412,989)	(18)	(462,230)	(19)
524300	Clearance and settlement service expenses		(322,736)	(14)	(308,570)	(13)
531000	Employee Benefit expenses	6(23)	(481,387)	(21)	(507,238)	(21)
532000	Depreciation and amortization expenses	6(22)	(68,678)	(3)	(86,508)	(4)
533000	Other operating expenses	6(22) and 7	(356,912)	(16)	(404,358)	(17)
500000	Total Expense		<u>(2,020,371)</u>	<u>(89)</u>	<u>(2,153,010)</u>	<u>(90)</u>
Operating profit						
601100	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	(23,400)	(1)	(11,155)	(1)
602000	Other profits and losses	6(24)	773,528	34	546,966	23
902001	Earnings before tax		999,491	44	776,200	32
701000	Income tax expense	6(25)	(128,886)	(6)	(122,333)	(5)
902005	Current period net profit		<u>870,605</u>	<u>38</u>	<u>653,867</u>	<u>27</u>
Other general gains and losses						
805120	Exchange differences arising from translating the financial statements of foreign operations	6(15)	11,029	1	5,670	-
805150	Unrealized gain of available-for-sale financial assets	6(4) (15)	41,949	2	132,949	6
805180	Actuarial net gains on defined benefits	6(10)	5,538	-	2,402	-
805300	Income tax relating to the composition of other general gains and losses expenses	6(25)	(941)	-	(408)	-
Other comprehensive income (post-tax profit or loss)						
Total comprehensive income for the period						
			<u>\$ 928,180</u>	<u>41</u>	<u>\$ 794,480</u>	<u>33</u>
Earnings per ordinary share						
Base earnings per share		6(26)	\$ 3.75		\$ 2.82	
Diluted earnings per share			\$ 3.75		\$ 2.81	

Please refer to the notes enclosed in the proprietary financial reports that are an integral part of the proprietary financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures Co., Ltd.)
Individual statement of changes in equity
January 1 to December 31 2014 and 2013

Unit: NTD thousand

	Additional notes	Capital reserve			Retained earnings			Other equity		Total equity
		Ordinary shares capital	Share Premium	Consolidated Premium Amount	Legal earnings reserve	Special earnings reserve	Undistributed earnings	Exchange differences arising from translating the financial statements of foreign operations	Unrealized gains or losses on financial asset available for sale	
<u>2013</u>										
Balance at January 1, 2013	6 (11)	\$ 2,322,763	\$ 1,952,712	\$ 46,333	\$ 356,697	\$ 977,083	\$ 525,033	(\$ 17,984)	\$ 463,722	\$ 6,626,359
Dividend allocation and distribution for 2012 (Note 1)	6 (14)									
Legal earnings reserve		-	-	-	52,391	-	(52,391)	-	-	-
Special earnings reserve		-	-	-	-	112,933	(112,933)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(357,705)	-	-	(357,705)
Other capital										
Cash dividend from capital surplus		-	(58,069)	-	-	-	-	-	-	(58,069)
2013 net profit		-	-	-	-	-	653,867	-	-	653,867
2013 Other comprehensive profit	6 (4) (15)	-	-	-	-	-	1,994	5,670	132,949	140,613
Balance at December 31, 2013		<u>\$ 2,322,763</u>	<u>\$ 1,894,643</u>	<u>\$ 46,333</u>	<u>\$ 409,088</u>	<u>\$ 1,090,016</u>	<u>\$ 657,865</u>	<u>(\$ 12,314)</u>	<u>\$ 596,671</u>	<u>\$ 7,005,065</u>
<u>2014</u>										
Balance at January 1, 2014	6 (11)	\$ 2,322,763	\$ 1,894,643	\$ 46,333	\$ 409,088	\$ 1,090,016	\$ 657,865	(\$ 12,314)	\$ 596,671	\$ 7,005,065
Dividend allocation and distribution for 2013 (Note 2)	6 (14)									
Legal earnings reserve		-	-	-	65,387	-	(65,387)	-	-	-
Special earnings reserve		-	-	-	-	130,774	(130,774)	-	-	-
Reversal of Special earnings reserve		-	-	-	-	(19,825)	19,825	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(480,812)	-	-	(480,812)
2014 net profit		-	-	-	-	-	870,605	-	-	870,605
2014 Other comprehensive profit	6 (4) (15)	-	-	-	-	-	4,597	11,029	41,949	57,575
Balance at December 31, 2014		<u>\$ 2,322,763</u>	<u>\$ 1,894,643</u>	<u>\$ 46,333</u>	<u>\$ 474,475</u>	<u>\$ 1,200,965</u>	<u>\$ 875,919</u>	<u>(\$ 1,285)</u>	<u>\$ 638,620</u>	<u>\$ 7,452,433</u>

Note 1: Employee bonus of NT\$3,035 and remuneration for directors and supervisors of NT\$500 has been deducted from the comprehensive income statements of 2012.

Note 2: Employee bonus of NT\$2,935 and remuneration for directors and supervisors of NT\$500 has been deducted from the comprehensive income statements of 2013.

Please refer to the notes enclosed in the proprietary financial reports that are an integral part of the proprietary financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures Co., Ltd.)
Individual Cash Flow Statement
January 1 to December 31 2014 and 2013

	Additional notes	2014	Unit: NTD thousand 2013
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 999,491	\$ 776,200
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6 (22)	57,827	67,214
Amortizations	6 (22)	10,851	19,294
Interest income	6 (24)	(411,576)	(397,823)
Interest expenses		15,158	21,467
Gains from disposal of financial assets available for sale	6 (24)	(278,912)	3,421
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6 (5)	23,400	11,155
Gains from disposal of property or equipment		(85)	-
Prepaid equipment amount recognized as expense		96	-
Dividend income		(38,548)	(58,959)
<u>Changes in assets/liabilities relating to operating activities</u>			
<u>Net changes in assets relating to operating activities</u>			
Financial assets at fair value through profit or loss- current		(112,993)	21,561
Customers' margin accounts		(171,152)	2,310,389
Futures trading margin receivable		(16)	25
Notes receivables		162	(162)
Accounts receivable		(6,812)	971
Accounts receivable - related parties		(2,038)	9,558
Prepayments		3,555	170
Other receivable		(269)	24,851
Other receivables - related parties		59,859	(55,680)
Other current assets		11	4
<u>Net changes in liabilities relating to operating activities</u>			
Financial liabilities at fair value through profit or loss- current		4,811	(9,134)
Futures traders' equity		107,646	(2,283,072)
Accounts payable		45,197	(18,688)
Accounts payable - related parties		8,535	(7,673)
Agency Receipts		1,454	(1,919)
Other payable		3,523	40,768
Other payables - related parties		86	183
Other current liabilities		2,174	774
Liabilities reserve- non-current		(1,159)	2,307
<u>Net cash provided by operating activities</u>			
Interest received		320,276	477,202
Income tax paid		403,054	395,052
Dividends received		(123,027)	(121,255)
Interest paid		38,548	58,959
Net cash inflow from operating activities		(19,079)	(23,506)
		<u>619,772</u>	<u>786,452</u>
<u>Cash flow from investing activities</u>			
Acquisition of available-for-sale financial assets		(50,362)	(40,116)
Proceeds from disposal of financial assets available for sale		359,529	116,955
Decrease in investments accounted for by the equity method		-	58,243
Purchase of property and equipment	6 (8)	(12,235)	(27,382)
Proceeds from disposal of property or equipment		450	-
Increase in intangible assets	6 (9)	(1,400)	(1,184)
Decrease in business guaranty bond		-	10,000
Decrease (Increase) in settlement / clearance fund		10,361	(162,932)
Decrease in Guarantee deposits paid		2,379	3,464
Increase in installment on equipment		(13,865)	(11,128)
Net cash inflow (outflow) from investing activities		<u>294,857</u>	<u>(54,080)</u>
<u>Cash flow from financing activities</u>			
Cash dividend distribution	6 (14)	(480,812)	(470,979)
Net cash outflow from financing activities		(480,812)	(470,979)
Impact of change in exchange rate on cash and cash equivalent		(1,505)	(624)
Increase in cash and cash equivalents for the current period		432,312	260,769
Opening balance of cash and cash equivalents		5,041,864	4,781,095
Closing balance of cash and cash equivalents		<u>\$ 5,474,176</u>	<u>\$ 5,041,864</u>

Please refer to the notes enclosed in the proprietary financial reports that are an integral part of the proprietary financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Auditor's Report

(2015) Cai-Shen-Bao-Zi No. 14003076

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

We have audited the accompanying consolidated balance sheets of Yuanta Futures Co., Ltd. and its subsidiaries (formerly Polaris Futures Co., Ltd. and subsidiaries) as of December 31, 2014 and 2013, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the "Rules Governing the Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Yuanta Futures Co. Ltd. and subsidiaries as of December 31, 2014 and 2013, the financial performance and their cash flows for the January 1 to December 31, 2014 and 2013, in conformity with the "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" and "International Financial Reporting Standards", "International Accounting Standards", interpretations and public announcements of interpretations endorsed by the Financial Supervisory Commission of the Republic of China.

Yuanta Futures Co., Ltd. has compiled its 2014 and 2013 individual financial statements, for which we issued unqualified opinion.

PwC Taiwan

Ms. Lin, Sekai

CPA

Ms. Li, Xiou-Ling

Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan
Approval Document No.:
Jin-Guan-Cheng-6-0960072936
Jin-Guan-Cheng-6-0960038033

March 25, 2015

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated Balance Sheet
December 31, 2014 and 2013

		December 31, 2014		Unit: NTD thousand December 31, 2013		
Assets	Additional notes	Amount	%	Amount	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 5,644,233	15	\$ 5,222,284	14
112000	Financial assets at fair value through profit or loss- current	6(2) and 11	123,052	-	10,059	-
113400	Available-for-sale financial assets - current	6 (4)	52,151	-	28,440	-
113500	Held-to-maturity financial assets-current	6 (5)	30,614	-	29,644	-
114070	Customers' margin accounts	6(3) and 7	30,087,385	80	29,973,105	81
114080	Futures trading margin receivable		16	-	-	-
114110	Notes receivables		-	-	162	-
114130	Accounts receivable		9,735	-	2,923	-
114140	Accounts receivable - related parties	7	4,982	-	2,944	-
114150	Prepayments		4,642	-	10,880	-
114170	Other receivable		38,838	-	31,762	-
114180	Other receivables - related parties	7	7,776	-	65,486	-
114600	Current Income Tax Asset		453	-	366	-
119000	Other current assets		5	-	16	-
110000	Total of Current Assets		<u>36,003,882</u>	<u>95</u>	<u>35,378,071</u>	<u>95</u>
Non-Current assets						
123400	Available-for-sale financial assets - non-current	6 (4)	899,218	3	911,235	3
124100	Investments accounted for by the equity method	6 (6)	9,326	-	10,564	-
125000	Property and equipment	6 (9)	80,954	-	120,415	-
127000	Intangible assets	6 (10)	41,599	-	40,694	-
128000	Deferred income tax assets	6 (26)	7,461	-	8,436	-
129010	Business guaranty bond	6(7) and 7	185,000	1	185,000	1
129020	Settlement / clearance fund	6 (8)	479,669	1	490,030	1
129030	Guarantee deposits paid	7	10,961	-	13,065	-
129040	Deferred expenses		-	-	1,199	-
129130	Prepayment for equipment purchase		7,919	-	7,811	-
120000	Total of Non-Current Assets		<u>1,722,107</u>	<u>5</u>	<u>1,788,449</u>	<u>5</u>
906001	Total assets		<u>\$ 37,725,989</u>	<u>100</u>	<u>\$ 37,166,520</u>	<u>100</u>

(Continued next page)

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated Balance Sheet
December 31, 2014 and 2013

		December 31, 2014		Unit: NTD thousand December 31, 2013	
Liabilities and equity	Additional notes	Amount	%	Amount	%
Current liabilities					
212000	Financial liabilities at fair value through profit or loss-current	\$ 5,989	-	\$ 1,178	-
214080	Futures traders' equity	29,934,989	79	29,884,112	81
214130	Accounts payable	92,968	-	47,771	-
214140	Accounts payable - related parties	25,285	-	16,750	-
214160	Agency Receipts	4,974	-	3,529	-
214170	Other payable	144,603	1	145,039	-
214180	Other payables - related parties	466	-	183	-
214600	Current Income Tax Liability	17,493	-	14,331	-
219000	Other current liabilities	7,948	-	5,774	-
210000	Total of current liabilities	<u>30,234,715</u>	<u>80</u>	<u>30,118,667</u>	<u>81</u>
Non-current liabilities					
225100	Liabilities reserve- non-current	34,133	-	40,830	-
228000	Deferred income tax liabilities	4,708	-	1,958	-
220000	Total of non-current liabilities	<u>38,841</u>	<u>-</u>	<u>42,788</u>	<u>-</u>
906003	Total liabilities	<u>30,273,556</u>	<u>80</u>	<u>30,161,455</u>	<u>81</u>
Attributable to owners of the parent company					
Share capital					
301010	Ordinary shares capital	2,322,763	6	2,322,763	6
Capital reserve					
302000	Capital reserve	1,940,976	5	1,940,976	5
Retained earnings					
304010	Legal earnings reserve	474,475	1	409,088	1
304020	Special earnings reserve	1,200,965	3	1,090,016	3
304040	Undistributed earnings	875,919	3	657,865	2
Other equity					
305000	Other equity	637,335	2	584,357	2
906004	Total equity	<u>7,452,433</u>	<u>20</u>	<u>7,005,065</u>	<u>19</u>
906002	Total liabilities and equity	<u>\$ 37,725,989</u>	<u>100</u>	<u>\$ 37,166,520</u>	<u>100</u>

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated comprehensive income statements
January 1 to December 31 2014 and 2013

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2014		2013		
		Amount	%	Amount	%	
Revenue						
401000	Brokerage commission	6(17) and 7	\$ 2,052,421	90	\$ 2,176,024	91
410000	Net loss on disposal of operating securities	6 (18)	(13,051)	-	-	-
421300	Dividend income		10,137	1	-	-
421500	Net loss of securities trade measured at the fair value through profit or loss		4,076	-	-	-
424200	security commission earned	7	3,588	-	2,679	-
424300	Settlement and clearance fees	6(19) and 7	97,032	4	77,220	3
424400	Net gains in the derivative financial instruments	6 (2) (20)	111,567	5	125,584	5
424800	Management fee income		52	-	445	-
424900	Consultancy fee income		7,077	-	11,458	1
428000	Other operating revenue		1,135	-	3,349	-
400000	Total revenues		<u>2,274,034</u>	<u>100</u>	<u>2,396,759</u>	<u>100</u>
Expense						
501000	Brokerage commission expenses	6 (21)	(351,358)	(15)	(344,115)	(14)
502000	Proprietary trade service charge	6 (21)	(11,153)	(1)	(18,524)	(1)
521200	Financial costs		(15,158)	(1)	(21,467)	(1)
524100	Futures commission expenses	6(22) and 7	(413,141)	(18)	(462,377)	(19)
524300	Clearance and settlement service expenses		(322,736)	(14)	(308,570)	(13)
531000	Employee Benefit expenses	6 (24)	(492,176)	(22)	(515,608)	(22)
532000	Depreciation and amortization expenses	6 (23)	(72,903)	(3)	(87,306)	(4)
533000	Other operating expenses	6 (23)	(368,086)	(16)	(412,813)	(17)
500000	Total Expense		<u>(2,046,711)</u>	<u>(90)</u>	<u>(2,170,780)</u>	<u>(91)</u>
Operating profit						
601000	Share of profit of associates and joint ventures accounted for under equity method	6 (6)	(1,238)	-	(4,150)	-
602000	Other profits and losses	6 (25)	<u>773,406</u>	<u>34</u>	<u>554,371</u>	<u>23</u>
902001	Earnings before tax		<u>999,491</u>	<u>44</u>	<u>776,200</u>	<u>32</u>
701000	Income tax expense	6 (26)	(128,886)	(6)	(122,333)	(5)
902005	Current period net profit		<u>870,605</u>	<u>38</u>	<u>653,867</u>	<u>27</u>

(Continued next page)

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated comprehensive income statements
January 1 to December 31 2014 and 2013

Unit: NTD thousand
(except EPS in NTD)
2013

Item	Additional notes	2014		2013	
		Amount	%	Amount	%
Other general gains and losses					
805120	Exchange differences arising from translating the financial statements of foreign operations	6 (16)			
		\$ 11,029	1	\$ 5,670	-
805150	Unrealized gain of available-for-sale financial assets	6 (4) (16)			
		41,949	2	132,949	6
805180	Actuarial net gains on defined benefits	6 (11)			
		5,538	-	2,402	-
805300	Income tax relating to the composition of other general gains and losses expenses	6 (26)			
		(941)	-	(408)	-
Other comprehensive income (post-tax profit or loss)					
		57,575	3	140,613	6
Total comprehensive income for the period					
		\$ 928,180	41	\$ 794,480	33
Profit attributable to:					
	Owners of parent	\$ 870,605	38	\$ 653,867	27
Total comprehensive income attributable to:					
	Owners of parent	\$ 928,180	41	\$ 794,480	33
Earnings per ordinary share 6 (27)					
	Base earnings per share	\$	3.75	\$	2.82
	Diluted earnings per share	\$	3.75	\$	2.81

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated statement of changes in equity
January 1 to December 31 2014 and 2013

Unit: NTD thousand

	Additional notes	Attributable to owners of the parent company								Total equity
		Capital reserve			Retained earnings			Other equity		
		Ordinary shares capital	Capital reserves - share premium	Capital reserves - gains on consolidation	Legal earnings reserve	Special earnings reserve	Undistributed earnings	Exchange differences arising from translating the financial statements of foreign operations	Unrealized gains or losses on financial asset available for sale	
<u>2013</u>										
Balance at January 1, 2013	6 (12)	\$ 2,322,763	\$ 1,952,712	\$ 46,333	\$ 356,697	\$ 977,083	\$ 525,033	(\$ 17,984)	\$ 463,722	\$ 6,626,359
Dividend allocation and distribution for 2012 (Note 1)	6 (15)									
Legal earnings reserve		-	-	-	52,391	-	(52,391)	-	-	-
Special earnings reserve		-	-	-	-	112,933	(112,933)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(357,705)	-	-	(357,705)
Other capital										
Cash dividend from capital surplus		-	(58,069)	-	-	-	-	-	-	(58,069)
2013 net profit		-	-	-	-	-	653,867	-	-	653,867
2014 Other comprehensive profit	6 (4) (16)	-	-	-	-	-	1,994	5,670	132,949	140,613
Balance at December 31, 2013		<u>\$ 2,322,763</u>	<u>\$ 1,894,643</u>	<u>\$ 46,333</u>	<u>\$ 409,088</u>	<u>\$ 1,090,016</u>	<u>\$ 657,865</u>	<u>(\$ 12,314)</u>	<u>\$ 596,671</u>	<u>\$ 7,005,065</u>
<u>2014</u>										
Balance at January 1, 2014	6 (12)	\$ 2,322,763	\$ 1,894,643	\$ 46,333	\$ 409,088	\$ 1,090,016	\$ 657,865	(\$ 12,314)	\$ 596,671	\$ 7,005,065
Dividend allocation and distribution for 2013 (Note 2)	6 (15)									
Legal earnings reserve		-	-	-	65,387	-	(65,387)	-	-	-
Special earnings reserve		-	-	-	-	130,774	(130,774)	-	-	-
Reversal of Special earnings reserve		-	-	-	-	(19,825)	19,825	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(480,812)	-	-	(480,812)
2014 net profit		-	-	-	-	-	870,605	-	-	870,605
2014 Other comprehensive profit	6 (4) (16)	-	-	-	-	-	4,597	11,029	41,949	57,575
Balance at December 31, 2014		<u>\$ 2,322,763</u>	<u>\$ 1,894,643</u>	<u>\$ 46,333</u>	<u>\$ 474,475</u>	<u>\$ 1,200,965</u>	<u>\$ 875,919</u>	<u>(\$ 1,285)</u>	<u>\$ 638,620</u>	<u>\$ 7,452,433</u>

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated cash flow statement
January 1 to December 31 2014 and 2013

Unit: NTD thousand

	Additional notes	2014	2013
<u>Cash flow from operating activities</u>			
Consolidated pre-tax net profit		\$ 999,491	\$ 776,200
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6 (23)	59,330	68,012
Amortizations	6 (23)	13,573	19,294
Interest income	6 (25)	(416,406)	(402,550)
Interest expenses		15,158	21,467
Losses (gains) from disposal of financial assets available for sale	6 (25)	(278,912)	3,421
Share of profit of associates and joint ventures accounted for under equity method		1,238	4,150
Losses from disposal of property or equipment		1,618	-
Prepaid equipment amount recognized as expense		96	-
Dividend income		(38,548)	(58,959)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss- current		(112,993)	21,561
Customers' margin accounts		(114,280)	2,249,644
Futures trading margin receivable		(16)	25
Notes receivables		162	(162)
Accounts receivable		(6,812)	991
Accounts receivable - related parties		(2,038)	9,558
Prepayments		6,238	(2,983)
Other receivable		(271)	24,833
Other receivables - related parties		59,859	(55,682)
Other current assets		11	4
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss- current		4,811	(9,134)
Futures traders' equity		50,877	(2,222,432)
Accounts payable		45,197	(18,688)
Accounts payable - related parties		8,535	(7,673)
Agency Receipts		1,445	(1,886)
Other payable		3,682	41,921
Other payables - related parties		86	183
Other current liabilities		2,174	774
Liabilities reserve- non-current		(1,159)	2,307
Net cash provided by operating activities		302,146	464,196
Interest received		407,398	399,237
Income tax paid		(123,027)	(121,255)
Dividends received		38,548	58,959
Interest paid		(19,079)	(23,506)
Net cash inflow from operating activities		605,986	777,631

(Continued next page)

Yuanta Futures Co., Ltd. and its subsidiaries
(Originally: Polaris Futures Co., Ltd. and Its Subsidiaries)
Consolidated cash flow statement
January 1 to December 31 2014 and 2013

Unit: NTD thousand

	<u>Additional notes</u>	<u>2014</u>	<u>2013</u>
<u>Cash flow from investing activities</u>			
Acquisition of available-for-sale financial assets		(\$ 50,362)	(\$ 40,116)
Proceeds from disposal of financial assets available for sale		359,529	116,955
Decrease (increase) in held-to-maturity financial assets		162	(29,215)
Decrease (increase) in investments accounted for by the equity method		-	58,243
Purchase of property and equipment	6 (9)	(12,674)	(31,278)
Proceeds from disposal of property or equipment		450	-
Increase in intangible assets	6 (10)	(1,400)	(1,184)
Decrease in business guaranty bond		-	10,000
Decrease (Increase) in settlement / clearance fund		10,361	(162,932)
Decrease in Guarantee deposits paid		2,104	2,705
Increase in installment on equipment		(19,744)	(15,048)
Net cash inflow (outflow) from investing activities		<u>288,426</u>	<u>(91,870)</u>
<u>Cash flow from financing activities</u>			
Cash dividend distribution	6 (15)	(480,812)	(470,979)
Net cash outflow from financing activities		<u>(480,812)</u>	<u>(470,979)</u>
Impact of change in exchange rate on cash and cash equivalent		<u>8,349</u>	<u>4,587</u>
Increase in cash and cash equivalents for the current period		421,949	219,369
Opening balance of cash and cash equivalents		<u>5,222,284</u>	<u>5,002,915</u>
Closing balance of cash and cash equivalents		<u>\$ 5,644,233</u>	<u>\$ 5,222,284</u>

Please refer to the notes enclosed in the consolidated financial reports that are an integral part of the consolidated financial statements.

Chairman: Mr. Lin, Tien-Fu General Manager: Ms. Chou, Hsiao-Ling Accounting Supervisor: Mr. Chou, Yu-Cheng

Attachment Four

**Yuanta Futures Co., Ltd.
The 2014 Statement of Retained Earnings**

Unit: NTD

Item	Amount
I. Amount available for distribution:	
Opening undistributed earnings	\$ 716,601
Add: The 2014 Net income	870,604,709
Add: Defined benefit actuarial gains and recognized as retained earnings	4,596,396
Distributable earnings for the year	\$ 875,917,706
II. Distribution within the year:	
Legal earnings reserve (10%)	\$ 87,060,471
Special earnings reserve (20%)	174,120,942
Cash dividend to shareholders (\$2.64 per share)	613,209,400
Closing undistributed earnings	\$ 1,526,893
Additional notes:	
Employees' bonuses	\$ 2,889,803
Directors' and Supervisors' remuneration	700,000

Chairman:

General Manager:

Accounting Supervisor:

Attachment Five

Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)

Amendments to the Memorandum of Association

Name change	Current name	Description
Memorandum of Association for Yuanta Futures Co., Ltd.	Memorandum of Association for Yuanta <u>Polaris</u> Futures Co., Ltd.	In response to the name change of the Company, “Yuanta Polaris Futures Co., Ltd.” is renamed as “Yuanta Futures Co. Ltd.” accordingly.
Amendments	Current existing clauses	Description
One The company is incorporated according to The Company Act, and is named Yuanta Futures Co., Ltd.	One The company is incorporated according to The Company Act, and is named Yuanta <u>Polaris</u> Futures Co., Ltd.	The Company’s name has been changed accordingly in response to the name change.
Section 2 The Company's industry classifications are: H401011 Futures Merchant. H405011 Futures Consultation Services. H304011 Security-investing Advices. H407011 Futures Management. H301011 Securities Brokerage. H310011 Futures Introducing Broker. H404011 Leverage Transaction Merchants.	Section 2 The Company's industry classifications are: H401011 Futures Merchant. H405011 Futures Consultation Services. H304011 Security-investing Advices. H407011 Futures Management. H301011 Securities Brokerage. H310011 Futures Introducing Broker.	The Company has new businesses added and current business scope expanded in accordance with FSC.S&F.Tzi No. 1040000356 Letter dated January 28, 2015 by the Financial Supervisory Commission.
Article 2-1 The Company's business activities are: 1. Securities brokerage. 2. Proprietary futures trading. 3. Futures consultation services. 4. Securities investment advice. 5. Futures management. 6. Proprietary trading of securities listed on Taiwan Stock Exchange. 7. Proprietary trading of securities within business premise. 8. Futures introducing agency. 9. <u>Leverage Transaction Merchants.</u> 10. Other business functions approved by the competent authority.	Article 2-1 The Company's business activities are: 1. Securities brokerage. 2. Proprietary futures trading. 3. Futures consultation services. 4. Securities investment advice. 5. Futures management. 6. Proprietary trading of securities listed on Taiwan Stock Exchange. 7. Proprietary trading of securities within business premise. 8. Futures introducing agency. 9. Other business functions approved by the competent authority.	The cause for amendment is same as the explanation given in Article 2; therefore, additional business is regulated as Article 9 with the original Article 9 prioritized as Article 10.

Amendments	Current existing clauses	Description
<p>Article 29 The Company's annual surpluses are first subject to taxation and reimbursement of losses made in previous years; the remainder is then subject to a 10% provision for legal earnings reserve, and a 20% provision for special earnings reserves. The remaining balance, plus any undistributed earnings carried from previous years, shall be distributed as follows unless retained for business needs:</p> <ol style="list-style-type: none"> 1. Employees' bonuses totaling 0.01% ~ 5%. 2. The remaining balance to be distributed to ordinary shareholders as cash dividends. <p>(Omitted)</p>	<p>Article 29 The Company's annual surpluses are first subject to taxation and reimbursement of losses made in previous years; the remainder is then subject to a 10% provision for legal earnings reserve, and a 20% provision for special earnings reserves. The remaining balance, plus any undistributed earnings carried from previous years, shall be distributed as follows unless retained for business needs:</p> <ol style="list-style-type: none"> 1. <u>Directors' and Supervisors' remuneration totaling 0.1% ~ 1%.</u> 2. Employees' bonuses totaling 0.01% ~ 5%. 3. The remaining balance to be distributed to ordinary shareholders as cash dividends. <p>(Omitted)</p>	<p>Since the Audit Committee now replaces the Company's supervisor system; also, for the considerations of sustainable operation and enhancing corporate governance, no remuneration to directors and supervisors is appropriated; therefore, Article 1 Section 1 is deleted accordingly.</p>
<p>Article 32 The Company's Memorandum of Association was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; <u>the 24th amendment was completed on 〇〇.〇〇, 2015</u> and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.</p>	<p>Article 32 The Company's Memorandum of Association was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014 and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.</p>	<p>The current amendment and date is detailed.</p>

**Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)**

The “Rules of Procedure for Shareholders Meetings” amendment outlines

Amendments	Current existing clauses	Description
<p>Article 1 For the purpose of establishing the Company’s shareholder’s meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 5 of the Company’s “Corporate Governance Best-Practice Principles” for compliance.</p>	<p>Article 1 For the purpose of establishing the Company’s shareholder’s meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 12 of the Company’s “Corporate Governance Best-Practice Principles” for compliance.</p>	<p>In response to the “Corporate Governance Best-Practice Principles for Futures Commission Merchants,” the sequence of the article is hereby re-prioritized.</p>
<p>Article 3 Section 1 ~ Section 3 (omitted)</p> <p>Director appointment or dismissal, Memorandum of Association amendment, company dissolution, merger, spins-off, or the matters stated in Article 185 Sections 1 of the Company Law and Article 26-1 and Article 43-6 of the Securities and Exchange Act, and <u>Article 56-1 and Article 60-2 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”</u> should be cited in the reason for convening the meeting instead of in the motion.</p> <p>Omitted hereinafter</p>	<p>Article 3 Section 1 ~ Section 3 (omitted)</p> <p>Director appointment or dismissal, Memorandum of Association amendment, company dissolution, merger, spins-off, or the matters stated in Article 185 Sections 1 of the Company Law and Article 26-1 and Article 43-6 of the Securities and Exchange Act should be cited in the reason for convening the meeting instead of in the motion.</p> <p>Omitted hereinafter</p>	<p>Section 4 of this Article is hereby amended in accordance with Article 56-1 and Article 60-2 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.”</p>
<p>Article 6 Section 1, Section 2 (omitted)</p> <p>The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders’ meeting with the evidence of the attendance card, attendance register, or other attendance documents. <u>The Company may not demand the attending shareholders to present any additional identification documents</u>; the proxy solicitors should bring proof of identity with them for examination.</p>	<p>Article 6 Section 1, Section 2 (omitted)</p> <p>The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders’ meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination.</p>	<p>Section 3 of this Article is hereby amended in accordance with Article 6 Section 1 of the “Corporate Governance Best-Practice Principles for Listed and OTC Companies.”</p>

Amendments	Current existing clauses	Description
Omitted hereinafter	Omitted hereinafter	
<p>Article 7 Section 1, Section 2 (omitted)</p> <p><u>The Chairman shall personally preside the Shareholders’ meeting that is convened by the Board of Directors; also, a majority of the Board of Directors and at least one member of each functional committee should attend the meeting with the attendance recorded in the minutes of meeting.</u></p> <p>Omitted hereinafter</p>	<p>Article 7 Section 1, Section 2 (omitted)</p> <p>It is preferable if there is a majority of the board directors <u>attending</u> the shareholders’ meeting that is convened by the board of directors.</p> <p>Omitted hereinafter</p>	<p>Section 3 of this Article is hereby amended in accordance with Article 6 Section 2 of the “Corporate Governance Best-Practice Principles for Listed and OTC Companies.”</p>
<p>Article 13 Section 1 ~ Section 4 (omitted)</p> <p>Unless otherwise provided in the Company Law and the Company’s Memorandum of Association, the proposal is passed in the meeting by the shareholders represented a majority of the balloting rights. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting. <u>The result of the votes of approval, objection, or waiver casted by shareholders will be posted on the MOPS (Market Observation Post System) at the end of the shareholders’ meeting.</u></p> <p>Omitted hereinafter</p>	<p>Article 13 Section 1 ~ Section 4 (omitted)</p> <p>Unless otherwise provided in the Company Law and the Company’s Memorandum of Association, the proposal is passed in the meeting by the shareholders represented a majority of the balloting rights. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting <u>and the ballots will be casted on a case-by-case basis.</u></p> <p>Omitted hereinafter</p>	<p>Section 5 of this Article is hereby amended in accordance with Article 7 Section 3 of the “Corporate Governance Best-Practice Principles for Listed and OTC Companies” <u>in order to have the result of the votes of approval, objection, or waiver casted by shareholders posted on the MOPS (Market Observation Post System) at the end of the shareholders’ meeting.</u></p>

Attachment Seven

**Yuanta Futures Co., Ltd.
(Originally: Polaris Futures)**

Procedures for Election of Directors amendment outlines

Amendments	Current existing clauses	Description
<p>Article 2 The election of the Company’s directors (including independent directors) should be held with the considerations of the overall configuration of the Board <u>and the diversification of the Board members; also, diversified guidelines should be formulated in accordance with the operation, business patterns, and development needs, which should include but not limited to the standards with the following two aspects:</u></p> <p><u>1. Basic conditions and values:</u> <u>Gender, age, nationality, and culture.</u></p> <p><u>2. Professional knowledge and skills:</u> <u>Professional background (such as, law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.</u></p> <p><u>Board members should possess the necessary knowledge, skills, and literacy for performing duties, which include:</u></p> <p><u>1. Operating judgment</u> <u>2. Accounting and financial analysis</u> <u>3. Management capability</u> <u>4. Crisis management capabilities</u> <u>5. Industry knowledge</u> <u>6. International market viewpoint</u> <u>7. Leadership</u> <u>8. Decision-making ability</u></p> <p><u>The majority of the board directors may not be with a relationship of spouse or second cousin.</u></p> <p><u>The Board of Directors shall base on the results of the performance evaluation to consider the adjustment of the Board members.</u></p> <p><u>The directors (including independent directors) of the Company should be elected in accordance with the nomination system and procedure defined in Article 192 of the Company</u></p>	<p>Article 2 The election of the Company’s directors (including independent directors) should be held with the considerations of the overall configuration of the Board <u>and should be processed in accordance with the candidate nomination system and procedure defined in Article 192-1 of the Company Law.</u></p> <p><u>Newly added Section</u></p> <p><u>Newly added Section</u></p> <p><u>Newly added Section</u></p> <p><u>Newly added Section</u></p>	<p>1. Section 1 of this Article is hereby amended; also, the last section of Section 1 is included in Section 5 in accordance with Article 20 Section 3 of the “Corporate Governance Best-Practice Principles for Listed and OTC Companies” regarding the diversified culture of the Board. Section 2 and Section 3 are added additionally.</p> <p>2. Section 4 of this Article is hereby added in accordance with Article 37 of the “Corporate Governance Best-Practice Principles for Listed and OTC Companies” regarding the performance evaluation of the Board.</p> <p>3. Section 5 of</p>

Amendments	Current existing clauses	Description
<p><u>Law. While reviewing the qualification, experience and education, and conducts defined in the Company Law Article 30 of the candidates for directors (including independent directors), the Company may not demand any additional supporting documents of qualification from the candidates; also, the review results should be presented to the shareholders for reference in order to elect competent directors (including independent directors).</u></p> <p><u>If the dismissal of any director for any reason causes the board with less than five directors in service, an election of directors should be held in the most recent shareholders' meeting. However, if the vacancy of board director is one thirds of the chairs designated, the Company shall have an extraordinary shareholders' meeting held within 60 days from the date of the event occurred.</u></p> <p><u>If the number of independent directors does not meet the requirements of the proviso in Article 142, Section 1 of Securities Exchange Act, the relevant provisions of Taiwan Stock Exchange "Corporation Rules Governing Review of Listings, or the Standards for Determining Unsuitability for GTSM Listing under Article 10, Section 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM" Section 8, an election of directors should be held in the most recent shareholders' meeting. When all independent directors were dismissed, the Company shall have an extraordinary shareholders' meeting held within 60 days from the date of the event occurred.</u></p>	<p><u>Newly added Section</u></p> <p><u>Newly added Section</u></p>	<p>this Article is hereby added and the amendment is added in the last section of Section 1 in accordance with Article 22 and Article 42 of the "Corporate Governance Best-Practice Principles for Listed and OTC Companies" regarding the candidate nomination system for the election of directors.</p> <p>4. Section 6 and Section 7 are added in accordance with the election for the vacancy of directors and independent directors defined in Article 21 and Article 24 of the "Corporate Governance Best-Practice Principles for Listed and OTC Companies" and by referring to the Sample Template for ○○ Company "Rules of</p>

Amendments	Current existing clauses	Description
		Procedure for Shareholders' Meetings" Article 6.
<p>Article 3 The Company's election of directors should be handled in accordance with the single name cumulative suffrage <u>system</u>. The voter's name can be replaced with the attendance card number printed on the ballot. Unless otherwise provided by law, each stock share contains the suffrage equivalent to the number of directors to be elected, which can be <u>distributed</u> to one or more than one candidate.</p>	<p>Article 3 The Company's election of directors should be handled in accordance with the single name cumulative suffrage <u>method</u>. The voter's name can be replaced with the attendance card number printed on the ballot. Unless otherwise provided by law, each stock share contains the suffrage equivalent to the number of directors to be elected, which can be <u>casted</u> to one or more than one candidate.</p>	Text is adjusted for clarification.
<p>Article 7 Ballot boxes should be prepared for the election of directors by the board of directors; also, the ballot boxes are to be inspected by the ballot inspectors in public before voting. The results of the vote should be announced in the meeting immediately.</p>	<p>Article 7 Ballot boxes should be prepared <u>separately</u> for the election of directors by the board of directors; also, the ballot boxes are to be inspected by the ballot inspectors in public before voting. The results of the vote should be announced in the meeting immediately.</p>	Text is adjusted for clarification in response to the need of the process.
<p>Article 10 The ballot inspectors are to monitor the vote count and the Chairman is to announce the results of the vote in the meeting immediately, <u>including the list of the elected directors and the respective number of voting rights</u>. <u>The ballots of the election referred to above should be sealed, signed, and reserved by the controller of ballot for safekeeping for at least one year.</u> <u>However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.</u></p>	<p>Article 10 The ballot inspectors are to monitor the vote count and the Chairman is to announce the results of the vote in the meeting immediately and to announce the list of the elected directors.</p>	Amend the text of this Article and add Section 2 regarding the reservation of ballots for circumspection by referring to the Sample Template for ○○ Company "Rules of Procedure for Shareholders' Meetings" Article 14.

Appendix 1

Current and minimum number of shares held by Directors and Supervisors

- I. The Company has a paid-up capital of \$2,322,762,880, issued in 232,276,288 ordinary shares.
- II. According to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shareholding of the Company’s board directors is 12,000,000 shares. The Company has an Audit Committee established; therefore, there is no requirement on the minimum shareholding of the supervisors.
- III. As at the book closure date of this annual general meeting (March 23, 2015), the shareholders registry showed total shares held by Directors at 159,467,282, of which have complied with Article 26 of The Securities Exchange Act. The details are as follows:

As of the latest ownership transfer date on March 22, 2015

Title	Name	Number of shares held (shares)	Shareholding percentage (%)
Chairman	Yuanta Financial Holding Co., Ltd. Representative: Mr. Lin, Tien-Fu	159,467,282	68.65%
Director	Yuanta Financial Holding Co., Ltd. Representative: Ms. Chou, Hsiao-Ling		
Director	Yuanta Financial Holding Co., Ltd. Representative: Mr. Ho, Ming-Hong		
Director	Yuanta Financial Holding Co., Ltd. Representative: Mr. Chen, Hsiu-Wei		
Director	Yuanta Financial Holding Co., Ltd. Representative: Ms. Sung, Shiao-Chin		
Director	Yuanta Financial Holding Co., Ltd. Representative: Mr. Yu, Yao-Tin		
Independent Director	Mr. Huang, Jung-Hsien	0	0
Independent Director	Mr. Yeh, Shao-Wee	0	0
Independent Director	Mr. Lay, Kuen-Horn	0	0
Total Directors' shareholding		159,467,282	68.65%

Appendix 2

Employees' bonus and remuneration to Directors

(I) Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting:

The Company did not release its financial forecasts for 2014, hence not applicable.

(II) Employees' bonuses and remuneration to directors

1. Information relating to employees' bonus and remuneration to Directors addressed in the Memorandum of Association:

The Company's annual surpluses are first subject to taxation and reimbursement of losses made in previous years; the remainder is then subject to a 10% provision for legal earnings reserve, and a 20% provision for special earnings reserves. The remaining balance, plus any undistributed earnings carried from previous years, shall be distributed as follows unless retained for business needs:

(1) Directors' remuneration totaling 0.1% ~ 1%.

(2) Employees' bonuses totaling 0.01% ~ 5%.

2. Employees' bonuses proposed by the Board of Directors:

The Company concluded a surplus in 2014, for which the Board of Directors has resolved on March 25, 2015 to distribute in the following manner:

Item	Distribution proposed by the Board of Directors
(1) Distribution (unit: NTD)	
Employees' cash bonus	\$ 2,889,803
Remuneration to directors	\$700,000
(2) Earnings per share: (unit: NTD)	
Earnings per share	\$ 3.75

3. Employees' bonus and Directors' remuneration made in the previous year:

Item	Amount resolved during the shareholders meeting and the Board of Directors meeting
(1) Distribution (unit: NTD)	
Employees' cash bonus	\$ 2,934,820
Remuneration to directors	\$500,000
(2) Earnings per share: (unit: NTD)	
Earnings per share	\$ 2.82

4. All information pertaining employees' bonus and remuneration to Directors has been disclosed on the Market Observation Post System. To inquire, please access <http://mops.twse.com.tw/mops/web/index> and click "Shareholders meeting and Dividends", followed by "AGM and Dividends - Proposed by the Board of Directors" or "AGM and Dividends - Resolved during the AGM"; input the proper search criteria (which is The Company's stock code: 6023)

(III) Differences between the estimated and the actual amount of employees' bonus or Directors' remuneration; and the causes and solutions for such differences: no difference.

Appendix 3

Nomination by the Shareholders' Meeting

- I. Explanatory Notes regarding the Nomination of Directors:
1. According to Article 192-1 of the Company Act, shareholders holding more than 1% of the total outstanding shares may nominate candidates for directors to the Company in writing. The number of candidates nominated, however, shall not exceed the number of directors to be elected.
 2. The Company has accepted shareholders' nomination for this year's annual general meeting between March 8, 2015 and March 17, 2015. This information has been published on the Market Observation Post System.
 3. The Company has the list of nominees for directors forwarded to the board of directors for review and with the lists of qualified candidates and unqualified candidates prepared separately as follows:

Nominee Name	Number of shares held	Education Background	Work Experience	The reasons for not including the nominees in the candidate list:
Yu, ○-Yi	103,000	Taoyuan Innovation Institute of Technology (Originally: Nanya Institute of Technology)	Yuanta Securities (1997/6-2009/6)	<ol style="list-style-type: none">1. The nominator is with less than 1% shareholding.2. The proof of experience is not enclosed.

Appendix 4

Information relating to shareholders meeting agendas

- I. Shareholders meeting agendas
 1. According to Article 172-1 of The Company Act, shareholders who own more than 1% of The Company's outstanding shares are entitled to submit one agenda for discussion during the annual general meeting. The submission must be made in writing and is limited to 300 words.
 2. The Company has accepted shareholders' proposed agendas for this year's annual general meeting between March 8, 2015 and March 17, 2015. This information has been published on the Market Observation Post System.
 3. The Company received no proposals from existing shareholders during that period.

Appendix 5

Yuanta Futures Co., Ltd. (Originally: Polaris Futures)

The Company's Memorandum of Association (Before amendments)

Chapter 1 General Principles

- Article 1 The company is incorporated according to The Company Act, and is named Yuanta Futures Co., Ltd.
- Article 2 The Company's industry classifications are:
H401011 Futures Merchant.
H405011 Futures Consultation Services.
H304011 Security-investing Advices.
H407011 Futures Management.
H301011 Securities Brokerage.
H310011 Futures Introducing Broker.
- Article 2-1 The Company's business activities are:
I. Futures brokerage.
II. Proprietary futures trading.
III. Futures consultation services.
IV. Securities investment advice.
V. Futures brokerage.
VI. Proprietary trading of securities listed on Taiwan Stock Exchange.
VII. Proprietary trading of securities within business premise.
VIII. Futures introducing agency.
IX. Other business functions approved by the competent authority.
- Article 3 The Company is headquartered in Taipei City, the Republic of China, and may have branches or offices set up elsewhere at home or abroad as necessary as resolved by the board of directors, subject to approval by the competent authority.
- Article 4 Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act.

Chapter 2 Share capital

- Article 5 The Company's authorized capital is NTD2.5 billion, which can be raised in multiple issues at NT\$10 per share.
- Article 6 The Company issues its shares in non-tangible forms, and shall register them to the Central Securities Depository.
- Article 7 Shareholders must provide their names and residential or registered addresses, along with their signature specimen cards, to The Company. This information shall be registered into the shareholders registry.
- Article 8 (Deleted)
- Article 9 The company's share administration practices shall comply with "Printing Specifications for the Certificates of Publicly Traded Shares".
- Article 10 The company's shareholders' registry will be closed within 60 days before the annual general meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the base date for distributing dividends or other entitlements.
- Article 11 All other matters relating to share administration shall comply with The Company Act and other relevant regulations.

Chapter 3 Shareholders Meetings

- Article 12 The Company holds two types of shareholders meetings:
I. The annual general meeting is held at least once a year, and within six months

after the end of an accounting period unless otherwise permitted by The Company Act.

II. Extraordinary shareholders meetings may be held whenever necessary, subject to compliance with the relevant laws.

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

Article 14 All company shareholders are entitled to one vote for every share held, except for the circumstances described in Article 179 of The Company Act where shareholders cannot exercise their voting rights.

Article 15 If a shareholder is unable to attend the shareholders meeting in person, a proxy can be appointed by completing The Company's proxy form and by specifying the scope of delegated authority. Unless otherwise regulated by The Company Act, shareholders must delegate their proxies in compliance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies". The above mentioned proxy form must be delivered at least 5 days before the shareholders meeting. If duplicate forms are received, the one submitted earlier shall prevail. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.

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

Article 17 Except otherwise regulated by The Company Act, a shareholders meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting.

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

Chapter 4 The Board of Directors, Directors and Managers

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

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

The Directors (including independent directors) elections were held in accordance

with a nomination system. Shareholders who are with over 1% shareholding and the board of directors may propose the list of nominees for directors for the review of the board of directors and with the qualified candidates presented in the shareholders' meeting to be elected by the shareholders.

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

Article 20 The Board of Directors exercises the following authorities:

- I. Approval of The Company's business strategies and plans.
- II. Approves The Company's budgets and reviews period-end closing.
- III. Approval of The Company's foundation rules.
- IV. Approval of major policies within The Company.
- V. Decides the increase/decrease of raised capital, and certifies the issuance of share certificates.
- VI. Drafts The Company's earnings appropriation proposals.
- VII. Resolves The Company's corporate bond issuance.
- VIII. Decisions regarding buybacks of The Company's shares.
- IX. Appoints The Company's managers and finance, accounting, risk management, legal & compliance, and internal audit executives.
- X. Approves the acquisition or disposal of major assets.
- XI. Sets the dates for The Company's annual general meetings or extraordinary shareholders meetings.
- XII. Approves managers' performance and remuneration standards, and the remuneration to individual directors.

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

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

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

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

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

Article 22 Unless otherwise regulated by The Company Act, all resolutions to Board of Directors meeting agendas must be discussed among more than half of all directors, and agreed by more than half of all directors present at the meeting. The meeting minutes must be signed or stamped by the meeting chairman and the recorder, and distributed to all Directors within 20 days after the meeting. This document shall also be included as part of the company's key files and kept properly over the company's existence.

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

- Article 23 If a Director is unable to attend the Board of Directors meeting in person, another director can be appointed as proxy, subject to compliance with Article 205 of The Company. The proxy arrangement must be supported by a proxy form. If the Board of Directors meeting proceeds by way of video conferencing, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.
- Article 24 (Deleted)
- Article 25 The Company has the “Audit Committee” composed by all the independent directors in accordance with Article 14.4 of the Securities and Exchange Act. The size, terms, responsibilities, authorities, and meeting rules relating to the Audit Committee shall comply with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and be governed under a separate set of Audit Committee Foundation Rules.
- Article 26 The Company employs one General Manager and several managers; the appointment, dismissal, and remuneration of whom shall comply with Article 29 of The Company Act. The General Manager and managers must carry out corporate operations according to the Board of Directors' resolutions and the relevant laws.
- Article 27 As a guideline, salaries to the Chairman and Vice Chairman shall be set between 50% to 200% of the General Manager's salary. The actual sum is subject to the Board of Directors' approval. Other remunerations and benefits to the Chairman and the Vice Chairman shall be granted according to The Company's relevant policies or in reference to industry peers. The Board of Directors is authorized to determine the level of compensation for Chairman's/Vice Chairman's resignation based on their participation and contribution to The Company, and in reference to industry peers. The Board of Directors is authorized to determine Independent Directors' remuneration in reference to industry peers. However, they are not entitled to earnings distributions under Article 29.
- Article 27-1 The Company may acquire liability insurance for board directors in accordance with the resolutions reached by the Board of Directors.

Chapter 5 Accounting

- Article 28 The Company's fiscal year is from January 1 to December 31. The Board of Directors shall have the following statements prepared at the end of the fiscal year and presented in the shareholders' meeting for acceptance in accordance with the governing procedures:
- I. Business Report.
 - II. Financial statements.
 - III. Earnings distribution or loss reimbursement proposal.
- Article 29 The Company's annual surpluses are first subject to taxation and reimbursement of losses made in previous years; the remainder is then subject to a 10% provision for legal earnings reserve, and a 20% provision for special earnings reserves. The remaining balance, plus any undistributed earnings carried from previous years, shall be distributed as follows unless retained for business needs:
- I. Directors' and Supervisors' remuneration totaling 0.1% ~ 1%.
 - II. Employees' bonuses totaling 0.01% ~ 5%.
 - III. The remaining balance to be distributed to ordinary shareholders as cash dividends.
- The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:

- I. The amount distributed as dividends must not be lower than 50% of distributable earnings.
- II. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.

Chapter 6 Additional Rules

- Article 30 The Board of Directors is authorized to determine The Company's foundation rules and levels of authority.
- Article 31 Any matters that are not addressed in the Memorandum of Association shall be governed by The Company Act and the relevant regulations.
- Article 32 The Company's Memorandum of Association was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014 and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.

Appendix 6

Yuanta Futures Co., Ltd. (Originally: Polaris Futures) Shareholders Meeting Rules (Before amendments)

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

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

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

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

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

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

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

- Article 1 For the purpose of establishing the Company's shareholder's meeting governance system, developing monitoring functions, and enhancing the management mechanism, the Rules are stipulated in accordance with Article 12 of the Company's "Corporate Governance Best-Practice Principles" for compliance.
- Article 2 The Company's "Shareholders Meeting Rules' Meetings," unless otherwise provided by the law and regulations or Memorandum of Association, should be processed in accordance with the Rules.
- Article 3 The Company's shareholders' meetings, unless otherwise provided by the law and regulations, should be convened by the Board of Directors.
The preparation and upload of the Company's notice of shareholders' meeting and Agenda Handbook is processed in accordance with the Company Law, Securities and Exchange Act, Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbook of Public Companies, and the regulations published by the competent authorities.
The notice and announcement of convening the board meeting can be made electronically with the consent of the counterparty.
Director appointment or dismissal, Memorandum of Association amendment, company dissolution, merger, spins-off, or the matters stated in Article 185 Sections 1 of the Company Law and Article 26-1 and Article 43-6 of the Securities and Exchange Act should be cited in the reason for convening the meeting instead of in the motion.
Shareholders with over 1% shareholding of the shares issued may have proposals presented in writing to the Company's General Shareholders' Meeting. However, it is limited to one proposal and the more than one proposals presented will not be discussed in the meeting. The board of directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 Section 4 of the Company Law included for discussion.
The Company should have the shareholders proposals, admission place, and admission period published prior to the stock transfer cut-off date before the shareholders' meeting; the admission period shall not be less than 10 days.
The shareholder's proposal is limited to 300 words' otherwise it will not be included for discussion. The proposing shareholders must attend the shareholders' meeting in person or by proxy to participate in the proposal discussion.
The Company shall have the processing result presented in the shareholders' meeting before the meeting convening date and have the proposals in compliance with this clause included in the notice of meeting. The board of directors is to give the reason why the shareholder's proposal is not included for discussion in shareholders' meeting.
- Article 4 Shareholders may issue a proxy printed by the Company with the scope of authorization defined to attend the shareholders' meeting.

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

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

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

Article 6 The Company shall have the admission time, admission place, and other related matters set forth in the notice of meeting.

The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it.

The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination.

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

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

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

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

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

It is preferable if there is a majority of the board directors attending the shareholders' meeting that is convened by the board of directors.

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

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

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

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

Article 9

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

The chairman should announce the commencement of the meeting as soon as it is due. However, if the attendees represented less than half of all outstanding shares, the meeting chairman may announce to postpone the meeting up to two times, for a period totaling no more than one hour. The Chairman may announce the meeting is adjourned if there remain insufficient shareholders who represent two thirds of shareholding to attend the meeting after two meetings postponed.

A pseudo-resolution could be reached in accordance with Article 175 Section 1 of the Company Law if there remain insufficient attendees to attend the meeting after two meetings postponed that represents more than one thirds of shareholding. The shareholders should be notified about the pseudo-resolution reached and the shareholders' meeting will be convened again within one month.

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

Article 10

If the shareholders' meeting is convened by the board of directors, its agenda is set by the board of directors. The meeting is conducted in accordance with the agenda and it may not be changed without the resolutions reached in the shareholders' meeting.

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

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

The Chairman must give the proposal or the amendment and motion proposed by the shareholders an opportunity to be explained and discussed sufficiently until it is ready for balloting and then stop the discussion for balloting.

Article 11

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

Shareholders who submit Speak Request Forms without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.

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

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

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

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

Article 12 The balloting of the shareholders' meeting is based on the shareholding represented. For the resolutions of the shareholders' meeting reached, the shareholding of the shareholders without balloting right is excluded from the count of the outstanding shares.

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

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

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

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

Voting rights can be exercised in writing or through the electronic method. Instructions for exercising voting rights in writing or through the electronic form must be clearly stated on the shareholders meeting advice. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.

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

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

Unless otherwise provided in the Company Law and the Company's Memorandum of Association, the proposal is passed in the meeting by the shareholders represented a majority of the balloting rights. The Chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting.

If none is replied, the agenda is considered to have passed unanimously in favor. If objections are raised, the agenda shall be voted according to the rules outlined above. For the proposal with an amendment or alternative put to vote, the Chairman is to have it prioritized for balloting with the original bill enclosed. If any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

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

The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately

- Article 14 at the meeting, including statistical weights, and it should be documented for record. The election of directors in the shareholders' meeting must be processed in accordance with the Company's election procedures and the election result must be announced immediately, including the list of the elected directors and the election weights.
- The ballots of the election referred to above should be sealed, signed, and reserved by the controller of ballot for safekeeping for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above mentioned documents must be retained until the end of the litigation.
- Article 15 The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting for the signature or seal of the Chairman. The minutes of meeting must be distributed to the shareholders in 20 days. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically.
- The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS.
- The minutes must detail the date and venue of the meeting, the meeting chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained indefinitely.
- Any resolutions involving the chairman asking for objections from shareholders and receiving none in return must be remarked as "Passed without objections from any shareholders present in the meeting". If shareholders did raise any objections, then the resolution must be remarked to have passed through voting, with details on the number of passing votes.
- Article 16 The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and has it disclosed openly at the meeting venue on the meeting date.
- If the resolutions reached in the shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall within the prescribed time have the material information uploaded to the MOPS.
- Article 17 The service personnel for the shareholders' meeting shall wear identification badges or armbands.
- The meeting chairman may instruct picketers or security staffs to help maintain order in the meeting. While maintaining order in the meeting, all picketers or security staffs must wear arm badges which identify their roles as "Picketeer".
- If the meeting venue is equipped with speakerphones, the Chairman may stop the shareholders who do not use the device provided by the Company from speaking.
- The Chairman may command the marshals or security guards to escort the shareholders to leave the meeting venue if they are in violation of the rules of procedure, disobey the Chairman, and interfere with the meeting proceeding.
- Article 18 The Chairman at his/her discretion may announce the meeting in recess; also, may announce to have the meeting suspended due to force majeure and announce the time for the meeting to resume.
- If the venue of shareholders' meeting is not available before the end of the procedures (including motions), the shareholders' meeting may resolved to find another venue to continue the meeting.
- A resolution of having the meeting postponed or continued can be reached within 5 days in the shareholders' meeting in accordance with Article 182 of the Company Law.
- Article 19 These rules will be implemented after being approved in the shareholders' meeting, same as the amendment.

Appendix 7

Yuanta Futures Co., Ltd. (Originally: Polaris Futures) Procedures for Election of Directors (Before amendments)

Resolved in the shareholders' meeting on June 7, 2005
Amended and resolved in the shareholders' meeting on March 22, 2007
Amended and resolved in the shareholders' meeting on June 2, 2009
Amended and resolved in the shareholders' meeting on May 23, 2012
Amended and resolved in the shareholders' meeting on May 20, 2014

Article 1

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

Article 1-1

The qualification and appointment of the Company's independent directors should be processed in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Article 1-2

(Deleted)

Article 2

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

Article 3

The Company's election of directors should be handled in accordance with the single name cumulative suffrage system. The voter's name can be replaced with the attendance card number printed on the ballot. Unless otherwise provided by law, each stock share contains the suffrage equivalent to the number of directors to be elected, which can be distributed to one or more than one candidate.

Article 4

The Company's directors are elected as independent directors and non-independent directors in that order in accordance with the number of chairs designated in the Articles of Incorporation and the electoral votes from top down. If there are two or more candidates received the same votes of suffrage resulting more candidates elected than the chairs designated, the candidates who received the same votes of suffrage are to take a draw for a solution; also, the Chairman is to take a draw on behalf of the absentees.

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

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

Article 5

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

electronic form.

Article 6

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

Article 7

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

Article 8

If the candidates are shareholders, the voters must detail the account name and shareholder account number of the candidate in the “candidate” column on the ballot. If the candidates are not shareholders, the name and ID Card number of the candidates must be detailed. If the candidate is a government agency or institution shareholder, the candidate column on the ballot must be detailed with the name of the government agency or institution shareholder, or it can be the name of the government agency or institution shareholder and their representatives. If there is more than one representative appointed, the name of all the representatives must be listed separately.

Article 9

Ballots are invalid in any of the following circumstances:

- (I) Votes that do not comply with the “Rules for the Election of Directors and Supervisors.”
- (II) Blank ballots that are casted in the ballot box.
- (III) Unidentifiable ballot due to illegible or incomplete corrections.
- (IV) The shareholder’s account name and number of the candidate who is a shareholder differs from the Shareholder Registry, or, the name and ID Card number of the candidate who is not a shareholder is found with nonconformity.
- (V) There are more than two candidates indicated on one ballot.
- (VI) Ballot contains not only the candidate’s name, (account name), shareholder account number or ID Card number but also other unauthorized information.
- (VII) The name of the candidate is same as other shareholder but failed to state the candidate’s shareholder account number or ID Card number for identification.
- (VIII) Failed to comply with Article 8.

Article 10

The ballot inspectors are to monitor the vote count and the Chairman is to announce the results of the vote in the meeting immediately and to announce the list of the elected directors.

Article 11

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

Article 12

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

Article 13

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