

The 2021 shareholders' meeting minutes of Yuanta Futures Co., Ltd.

Meeting time: 9:00am on July 5 (Monday), 2021

Meeting place: 13F., No.27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City, (The Chinese National Futures Association Business Center)

Shareholding of the attending shareholders: 243,552,607 shares of the attending shareholders and by proxy, representing 83.99% of the total issuance of 289,976,288 shares.

Chairman: Director Tien-Fu Lin

Clerk: Ying-Ying Kuo

Attendees: Vice Chairman, Hsiao-Ling Chou; Director and President, Kuo-Tsun Hsu; Independent Director, Cho-Min Yu; Independent Director, Nai-Kuan Huang; Independent Director, Hui-Erh Yuan

PwC Taiwan CPA: Chiao-Sen Lo

Attorney Huai-Hsin Liang of Giant Era International Law Firm

I. Meeting commencement: Omitted.

II. Statement by the Chairman: Omitted

III. Reporting matters

1. Presenting the Company's 2020 Business Report. (Attachment One) -- Acknowledged by all present shareholders.

2. Audit Committee has the audit report for the Company's 2020 business report, financial statements, and statement of retained earnings presented for approval. (Attachment Two)

-- Acknowledged by all present shareholders.

3. Presenting the 2020 Employees' Remuneration Distribution. -- Acknowledged by all present shareholders.

IV. Acknowledgments

Proposal 1:

Subject: Acknowledging the Company's 2020 Business Report and Financial Statements. (The proposal was submitted by the Board of Directors)

Details: 1. The Company's 2020 consolidated financial statements and the individual financial statements were audited by CPA Chiao-Sen Lo and CPA Se-kai Lin of PwC Taiwan and were resolved for acceptance on the 41st Meeting of the 10th term Board of Directors (March 18, 2021). The audited financial statements and the business report were reviewed by the Audit Committee without any nonconformity identified and with a review report issued.

2. For details on the Business Report, Independent Auditor's Report, the consolidated financial statements and individual financial statements, please refer to Attachment 1 and Attachment 3.

3. The agenda has been proposed for acknowledgment.

Resolutions: This case was voted with 243,371,852 voting rights in favor, accounting for 99.92 % of the total voting rights of the balloting. There were 49,219 voting rights not in favor of the case. There were 131,455 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

Proposal 2:

Subject: Acknowledging the Company's 2020 Earnings Distribution. (The proposal was submitted by the Board of Directors)

Details: 1. The 2020 annual earnings distribution proposal was in compliance with the "Company Act" and the Company's "Articles of Incorporation"; also, it was resolved for acceptance on the 41st Meeting of the 10th Board of Directors (March 18, 2021). The annual earnings distribution proposal was reviewed by the Audit Committee without any nonconformity identified and with a review report issued.

2. The unappropriated earnings of the company at the beginning of 2020 was NT\$181,161,345 (the same currency applied hereinafter).

3. A 10% legal reserve should be appropriated in current period for an amount of NT\$111,466,662. Such amount is calculated in accordance with the provision stated in the Jin-Sun-Zi No. 10802432410 Letter of the MOEA, dated January 9, 2020, that is, the appropriation of legal reserve is based on the "net income plus the amount other than the net income that is included in the current unappropriated earnings." An amount of NT\$1,114,666,617 is the appropriation basis for the year of 2020, which is the net income of 2020, NT\$1,070,099,341, deducting the defined benefit plan actuarial net loss of NT\$10,846,368 and adding the net profit of equity instrument

measured at fair value through other comprehensive profit and loss for an amount of NT\$55,413,644.

4. The earnings available for distribution in the current period is NT\$970,341,432, which is mainly the unappropriated earnings, NT\$181,161,345, as stated in the preceding Paragraph (2), deducting the defined benefit plan actuarial net loss of NT\$10,846,368 in 2020 and adding the net profit of equity instrument measured at fair value through other comprehensive profit and loss for an amount of NT\$55,413,644; also, adding the net income of 2020, NT\$1,070,099,341, and deducting the legal reserve for an amount of NT\$111,466,662 as stated in the preceding Paragraph (3) and deducting the special reserve for an amount of NT\$214,019,868.
5. The company intends to distribute a cash dividend of NT\$811,933,606. The cash dividend per share is NT\$2.8 that is calculated according to the number of outstanding shares. The aforementioned earnings distribution is with the funds from the distributable earnings of the current year for an amount of NT\$789,180,087 plus the unappropriated earnings at the beginning of the year for an amount of NT\$22,753,519. Please refer to Attachment Four for further details regarding the earnings appropriation.
6. The cash dividends distributed to each shareholder are calculated and rounded up to dollar; also, the total amount of odd share less than NT\$1 shall be transferred to the company's Employee Welfare Committee with the postage and remittance fees paid by the shareholders.
7. For this earnings distribution proposal, if the company's number of outstanding shares is changed due to the actual business operation, amendments to the law, or the command of the competent authority, the (2021) regular shareholders' meeting is suggested to have the board of directors authorized to recalculate the cash dividend ratio based on the number of outstanding shares on the ex-dividend date.
8. Once the proposal is resolved by the shareholders' meeting, the board of directors shall be authorized to schedule the ex-dividend date, the payment day, and other related matters. The dividend distribution is based on the shareholder's shareholding ratio on the ex-dividend date.
9. The agenda has been proposed for acknowledgment.

Resolutions: This case was voted with 243,313,572 voting rights in favor, accounting for 99.9 % of the total voting rights of the balloting. There were 104,200 voting rights not in favor of the case. There were 134,754 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

V. Discussions

Proposal 1:

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

- Details:
1. For the purpose of improving the company's dividend policy and protecting the shareholders' equity, and also considering the company's future operational needs and a sound financial structure, it is proposed to amend Subparagraph 1, Paragraph 4, Article 29 of the company's "Articles of Incorporation" in order to define that the annual dividend to be distributed should be an amount not less than 50% of the earnings available for distribution.
 2. Please refer to Attachment Five for the "Articles of Incorporation" amendment outlines and the updated text enclosed.
 3. Proposed for referendum

Note: According to the "Measures for Public Companies' Postponing Shareholders' Meetings in Response to the COVID-19 Pandemic" announced by the Financial Supervisory Commission, the regular shareholders' meeting has been postponed to July 5, 2021. The date revision in this proposal shall be based on the actual shareholders meeting date. Therefore, the date revision in Article 32 has been revised to July 5, 2021.

Resolutions: This case was voted with 243,339,883 voting rights in favor, accounting for 99.91 % of the total voting rights of the balloting. There were 68,809 voting rights not in favor of the case. There were 143,834 waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

Proposal 2:

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

- Details:
1. It is to be handled in accordance with Jin-Guan-Zheng-Jao-Zi No. 1090150567 Letter, dated January 21, 2021, of Financial Supervisory Commission and Jen-Quay-Jen-Zi No. 11000519042 Letter, dated February 9, 2021, of TPEX.
 2. For the purpose of improving corporate governance and safeguarding shareholders' equity, Article 3, 9, 13, and 14 of the company's "Rules of Procedures for Shareholders' Meeting" are amended by referring to the "Sample Template for ○○ Co., Ltd. Rules of Procedures for Shareholders' Meeting."
 3. Please refer to Attachment (Meeting Handbook) for the "Rules of Procedure for Shareholders Meetings" amendment outlines and the updated text enclosed.
 4. Proposed for referendum.

Resolutions: This case was voted with 243,341,263 voting rights in favor, accounting for 99.91 % of the total voting rights of the balloting. There were 64,429 voting right not in favor of the case. There were 146,834 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

Proposal 3:

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

- Details:
1. It is to be handled in accordance with Jin-Guan-Zheng-Far-Zi No. 1090338980 Letter, dated May 2, 2020, of Financial Supervisory Commission and Jen-Quay-Jen-Zi No. 10900582661 Letter, dated June 12, 2020, of TPEX.
 2. For the purpose of simplifying the director nomination procedures, Article 1-1, 2, 3, 4, 9, and 10 of the company's "Regulations Governing Election of Directors" are amended; also, Article 1-2, 2-1, and 8 are deleted, and the order of Article 11, 12, and 13 is reorganized with text revised accordingly by referring to the "Sample Template for ○○ Co., Ltd. Procedures for Election of Directors and Supervisors."
 3. Please refer to Attachment (Meeting Handbook) for the "Procedures for Election of Directors" amendment outlines and the updated text enclosed.
 4. Proposed for referendum.

Resolutions: This case was voted with 243,302,436 voting rights in favor, accounting for 99.89 % of the total voting rights of the balloting. There were 101,882 voting rights not in favor of the case. There were 148,208 waived/not voted and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.

VI. Elections

Subject: Please proceed with the election of the Company's directors (including independent directors) for the 11th term. (The proposal was submitted by the Board of Directors)

- Details:
1. The term of office of the (10th) directors (including independent directors) of the company will expire on May 23, 2021; therefore, the election of directors shall be held at the (2021) regular shareholders' meeting lawfully.
 2. The company has 7-11 directors (including 3 independent directors) selected in accordance with Article 19 of the company's "Articles of Incorporation." The company has 9 directors (including three independent directors) on the board currently. The company intends to maintain the same number of directors for the needs of business operation to serve the 11th term of office. The directors (including independent directors) of the 10th term will not be dismissed until the reelection at this regular shareholders' meeting is completed. The 11th term of office is for a period from May 28, 2021 to May 27, 2024, a 3-year office term; also, the directors can be elected for a second term.
 3. Please refer to Appendix (Meeting Handbook) for the Procedures for Election of Directors.
 4. The director (including independent directors) candidates list is resolved by the board of directors on April 7, 2021 as follows:

Name of the candidates for directors:	Number of shares held	Education Background	Work Experience
Yuanta Financial	Shareholding	Yu Da High	1. Chairman of Yuanta Futures Co., Ltd.

Name of the candidates for directors:	Number of shares held	Education Background	Work Experience
Holding Co., Ltd. Representative: Tien-Fu Lin	of Yuanta Financial Holdings: 192,167,005	School of Commerce and Home Economics	<ol style="list-style-type: none"> 2. Independent director of TTY Biopharm Company Limited 3. Director of Yuanta Financial Holding Co., Ltd. 4. Vice Chairman of Yuanta Securities Finance Co., Ltd. 5. President of Yuanta Securities Co., Ltd. 6. Director and Executive Vice President of Yuanta Core Pacific Securities Co., Ltd. 7. Director and President of Fuh Hwa Securities Investment Trust Co., Ltd. 8. Chairman of Ding Fu Securities Co., Ltd.
Yuanta Financial Holding Co., Ltd. Representative: Hsiao-Ling Chou		MBA in Finance, National Taiwan University	<ol style="list-style-type: none"> 1. Vice Chairman of Yuanta Futures Co., Ltd. 2. Director of Taiwan Futures Exchange 3. Independent director of Luo Lih Fen Holdings Co., Ltd. 4. Vice Chairman of Yuanta Futures Co., Ltd. 5. Director and President of Polaris Futures Co., Ltd. 6. Director and Vice President of Oversea-Chinese Banking Corporation Limited 7. President of Brokerage Department, Polaris Securities Co., Ltd.
Yuanta Financial Holding Co., Ltd. Representative: Hsien-Tao Chiu		Business Administration Dept., Southwestern University	<ol style="list-style-type: none"> 1. Director of Yuanta Futures Co., Ltd. 2. Director of Yuanta Financial Holding Co., Ltd. 3. Director of Yuanta Commercial Banking Corporation 4. Director of Yuanta Securities Co., Ltd. 5. Chairman of Yue Ho Automobile Co., Ltd. 6. Chairman of Taichung Commercial Bank Securities Co., Ltd. 7. Managing Director of Yuanta Commercial Bank Co., Ltd. 8. Director of Asia-Pacific Investment Trust
Yuanta Financial Holding Co., Ltd. Representative: Yueh-Tsang Li		Department of Sociology, Toyo University	<ol style="list-style-type: none"> 1. Director of Yuanta Futures Co., Ltd. 2. Director of Yuanta Financial Holding Co., Ltd. 3. Director of Yuanta Securities Co., Ltd. 4. Director of Yuanta Core Pacific Securities Co., Ltd. 5. Chairman of Yuantong Investment Co., Ltd. 6. Chairman of Tiffit Securities Co., Ltd. 7. Director of Yuan Kun Construction Co., Ltd.
Yuanta Financial Holding Co., Ltd. Representative: Kuo-Tsun Hsu		MBA in Finance, National Taiwan University	<ol style="list-style-type: none"> 1. Director and President of Yuanta Futures Co., Ltd. 2. Vice President of Polaris Futures Co., Ltd.
Yuanta Financial Holding Co., Ltd. Representative: Mei-Ling Kuo		MBA, National Chengchi University	<ol style="list-style-type: none"> 1. Director of Yuanta Futures Co., Ltd. 2. Chief Executive Officer, Digital financial Dept, Yuanta Financial Holdings Co., Ltd 3. Executive Vice President, Yuanta Securities 4. Director of Yuanta Securities Co., Ltd. 5. Executive Vice President of Capital Securities Corporation 6. Manager of Syscom Computer Engineering Company

Independent Director Name of the candidates	Number of shares held	Education Background	Work Experience
Yu-Chun Wu	0	MBA, National Taipei University	<ol style="list-style-type: none"> 1. Independent Director of Yuanta Securities Co., Ltd. 2. Independent Director of Taiwan Mask Corporation 3. Director of Browave Corporation 4. Independent Director of Chun Zu Machinery Industry Co., Ltd. 5. Director of the Securities and Futures Bureau of the Financial Supervisory Commission R.O.C. (Taiwan) 6. President of GreTai Securities Market
Nai-Kuan Huang	0	PhD in Engineering, USC	<ol style="list-style-type: none"> 1. Independent director of Yuanta Futures Co., Ltd. 2. Director of Everlasting Digital ESG Co., Ltd. 3. Director of Rfic Technology Corporation 4. Vice President and Chief Information Officer of Taiwan Stock Exchange Corporation 5. Chairman of Taiwan Ratings Corp. 6. Sr. Executive Vice President and Public Welfare Supervisor, Taiwan Futures Exchange 7. Chairman of TAIWAN-CA. Inc.
Hui-Erh Yuan	0	<ol style="list-style-type: none"> 1. Master of Accounting, University of Central Missouri 2. Master of Business Administration, University of Illinois, USA 	<ol style="list-style-type: none"> 1. Independent director of Yuanta Futures Co., Ltd. 2. Independent Director of Coaster International Co., Ltd. (British Cayman Islands) 3. PWC Partnership Accountant 4. Chairman of PwC Taiwan 5. Director of the Taipei Certified Public Accountants Association of the Republic of China 6. Director of Sheng Yen Education Foundation 7. Supervisor of Dharma Drum Mountain Buddhist Foundation

Note: According to the “Measures for Public Companies’ Postponing Shareholders’ Meetings in Response to the COVID-19 Pandemic” announced by the Financial Supervisory Commission, the regular shareholders’ meeting has been postponed; therefore, the office term of the newly elected directors shall be started on the actual shareholders’ meeting date. Therefore, the office term of the newly elected directors shall be started on the actual shareholders’ meeting date, that is, the office term is from July 5, 2021 to July 4, 2024.

Result of election: As illustrated below:

Title	Account No. (ID No.)	Name of the elected	Elected shareholding (including number of electronic voting rights)
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Tien-Fu Lin	340,800,474
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Hsiao-Ling Chou	266,823,568
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Hsien-Tao Chiu	181,488,307

Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Yueh-Tsang Li	180,396,604
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Kuo-Tsun Hsu	179,420,818
Director	12169	Yuanta Financial Holdings Co., Ltd. Representative: Mei-Ling Kuo	178,460,485
Independent Director	C10*****61	Yu-Chun Wu	250,459,740
Independent Director	A10*****38	Nai-Kuan Huang	177,573,132
Independent Director	B22*****61	Hui-Erh Yuan	175,078,145

VII. Other items

Subject: Please referendum 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:
- Pursuant to Article 209, Paragraph 1 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."
 - For the newly elected directors (including independent directors) who are subject to the non-compete clause of the Company Act Article 209, under the precondition of not-jeopardizing the interests of the Company, a proposal may be made in the shareholders' meeting to have the said non-compete clause against the newly elected directors (including independent directors) lifted.
 - The directors (independent directors) on the list of the non-compete clause lifted are as follows.
 - 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: Hsien-Tao Chiu	Yuanta Securities Co., Ltd.	Director
Director	Yuanta Financial Holding Co., Ltd. Representative: Yueh-Tsang Li	Yuanta Securities Co., Ltd.	Director
Director	Yuanta Financial Holding Co., Ltd. Representative: Mei-Ling Kuo	Yuanta Securities Co., Ltd.	Manager

- 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	Yu-Chun Wu	Yuanta Securities Co., Ltd.	Independent Director

Resolutions: This case was voted with 242,580,034 voting rights in favor, accounting for 99.6 % of the total voting rights of the balloting. There were 166,821 voting rights not in favor of the case. There were 805,671

waived/not voted and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.

VIII. Extempore Motion: None

IX. Meeting adjourned (9:42am)

Chairman: Tien-Fu Lin

Clerk: Ying-Ying Kuo

* The purpose of the meeting is documented in the minutes of the general shareholders' meeting. The agenda and procedures of the meeting are taped in video and audio form.

Yuanta Futures Co., Ltd.

2020 Business Report

I. Market Overview

The outbreak of the COVID-19 pandemic in 2020 affected the global situation severely and caused fluctuations to most futures commodities. In retrospect of the year, the FITX volatility was 24.92%, which was a significant increase from the 10.71% in 2019. As a result, the total trading volume of Taiwan Futures Exchange had gone up significantly to 341 million units compared with that of last year, a record high. Of which, the night trading volume reached 85.4 million units, accounting for 33% of the daily trading volume of the same commodity. A record high of more than 1 million units traded per day for 4 consecutive days from March 12 to March 17 was achieved. Apparently, the overall financial turmoil has greatly increased the demand for hedging. Furthermore, the active spot market transactions have driven the substantial growth of individual futures; therefore, the total stock options (including ETF options) in this year is 27.01 million units, representing a growth of 27% from the 21.22 million units in last year, which is an important factor for the trading volume in Taiwan's futures market to reach a record high. In terms of the new futures accounts opened, there are 85,984 accounts opened by natural persons with a total of 1.96 million accounts in service, representing an increase of 4.6% from that of last year, which helps the market grow.

Regarding the performance of futures, in terms of energy: Due to the impact of the COVID-19 pandemic, the international demand for crude oil dropped sharply causing the intermediate crude oil of West Texas (USA) to crash, bringing about an unprecedented negative oil price phenomenon. Recently, with the vaccine for COVID-19 having been successfully developed and the election of the new US President Biden, these two great pieces of news are a benefit of pandemic control and have caused the oil prices to rise continuously and to reach US\$50 per barrel. In terms of metal futures: The supply of metals was insufficient due to the outbreak of the pandemic, added with soaring logistics costs, causing the price of copper, nickel and zinc to go up by an average of more than 25% this year. The price of copper was once close to US\$8,000, a record high in 7 years. In terms of precious metals, the price of gold had once reached the record high due to the global stimulus policy, low interest rate, and expectation of inflation. The mid-term and long-term outlook is still positive. In addition, in terms of agricultural futures, affected by natural disasters and human errors in this year, the price of soybean, wheat, and corn is soaring, for example, soybean and corn futures are affected by factors, such as, abnormal drought in South America and imbalance of supply and demand of soybeans in the Sino-US trade war. So, an outstanding performance has been achieved in 2021 so far.

The Company has spared no effort in strengthening a variety of business management, including notably the efforts to maximize shareholders' equity and profitability which have been manifested through various business performance objectives: In terms of financial performance, in 2020 our net profit after tax came to NT\$1,070 million, coming out first amidst all futures houses, with earnings per share (EPS) after tax coming to NT\$4.23 and post-tax ROE at 10.33%.

In terms of business performance, the market share of futures brokerage is 26.88%, and the market share of stock option brokerage is 16.30%. The said two market shares are significantly ahead of the industry, ranking first in the market.

In 2020, the company continued to integrate the department of law compliance, risk management, information, settlement, and auditing; established a solid line of control and defense across departments; comprehensively reviewed the company's internal policies and risk control measures; and strengthened relevant personnel's recognition and culture of risk control, anti-money laundering, and countering the financing of terrorism in order to substantiate the goal of customer risk management and stable operation effectively.

II. Corporate governance

- (I) Participated in the “Corporate Governance Evaluation” held by the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) and the Company had been ranked in the top-5% of the listed companies for 6 consecutive years. It was indeed a true recognition on the Company’s continuing commitment to protect the rights of shareholders and the pursuit of sustainable development of the Company based on the principle of ethical corporate management.
- (II) After 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 15 meetings in 2020.
- (III) In order to implement the Fair Dealing Principle, the Company completed the Fair Dealing Committee Organization and Operation Rules and set up the Fair Dealing Committee on October 4, 2019. The general manager served as the chairman of the Committee with a dedicated unit set up to supervise the promotion and implementation of the Fair Dealing Principle, and also to implement various actions to optimize the fair dealing according to the resolutions and instructions of the board of directors in order to enhance the protection of consumers’ rights.

III. Operating results

In 2020, 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:

- (I) In terms of financial performance, the Company’s 2020 net income was NT\$1,070 million, the highest of the futures brokerage; also, the net EPS was NT\$4.23 and ROE after tax was 10.33%.
- (II) In terms of business performance: the market share of futures brokerage was 26.88%, with a turnover of more than 74.81 million units, the market share of option brokerage was 16.30% with a turnover of more than 65.94 million units, and the market share of foreign futures was 25.57% with a turnover of 10.05 million units, which was a slight decline compared with the year of 2019, but was ranked first place in the market as well, and outperformed peers significantly.
- (III) Credits and honors: As a leading futures brand in Taiwan, apart from providing investors with the best platform service for futures transaction through transparent operations and scrupulous governance and internal control, taking into account R & D capabilities and innovation, we adhere to our core value to become a benchmarking brand in Asia-Pacific’s financial market.

Credits and honors in 2020:

1. Awarded with the honor of the 6th corporate governance “OTC company top five-percent performance.”
2. FOW futures and stock options professional magazine “Futures Merchant of the Year.”
3. No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan.
4. Ranked 7th place in the Little Giant List of the “Excellence in Corporate Social Responsibility Award” – the one and only futures merchant on the list.
5. Awarded with the “Best Brokerage House of the year” by The Asset magazine.
6. The Asset Magazine awarded the “ESG Corporate Awards Gold Medal.”
7. Awarded with first place in the category of futures commission merchant trade volume of the 6th “Futures Diamond Award” held by Taiwan Futures Exchange.
8. Awarded with the 16th National Brand Yushan Award – Most Popular Brand, Outstanding Business Leader, Best Product Category – Consultant Smart Product, Best Product Category – Bull and Bear Rights, Best Product Category – Price Difference Contract, a total of 5 awards.

- (IV) The Company’s 2020 income and expense and profitability analysis as follows:

(Unit NTD thousand)

Item	2020	2019	Difference	Variation
Operating gains	3,877,625	2,918,325	959,300	32.87%
Earnings before tax	1,325,580	1,410,012	-84,432	-5.99%
Current period net profit	1,070,099	1,135,799	-65,700	-5.78%
Net worth (NT\$100mn)	118.59	88.56	30.03	33.91%
After-tax EPS (NTD)	4.23	4.89	-0.66	-13.50%
Return on shareholders' equity	10.33%	13.30%	-2.97%	-22.33%

IV. Research and development

The Research Department of the company will uphold the spirit demonstrated in 2020 to refine the research report. The content is presented in interlaced graphics and text to improve the legibility and diversity of the report. In addition, in response to the trend of integrating futures and industry, the Research Department has invested more resources in the industrial legal person project briefing, which includes the industrial legal person's demand for strategic hedging and various forward-looking analyses; also, the company intends to provide more services in response to the needs of various industries.

As a leading futures company, in addition to strictly controlling customer transaction risks, in order to more accurately grasp the overview of customer transactions, the company continues to use the accumulated risk management technology and expertise to develop financial technology products and services, to closely integrate resources, and to develop new types of business.

V. Future operating plans and development strategies

In the prospects of 2021, the company will secure the leading position in the futures industry continuously base on the business strategy of "innovation and sustainability, cross-border navigation." In terms of innovation, we will strengthen the risk control mechanism, and strengthen the digital financial experience at the same time; optimize the account opening process, and develop the subscription economy that allows traders to have a more convenient, stable, and fast trading environment. In terms of sustainable operation, the company is committed to the development of green products and the promotion of green research report, and makes "customer reassuring, shareholder relaxing, and employee happy" as the goal of corporate governance. A cross-border operation is to serve the real economy, meet the risk hedging and transaction needs of the majority of industrial legal person customers. Furthermore, the Company develops a cross-border B2B brokerage business, leads the industry, expands the momentum of business growth, and works towards the ranks of international futures merchants in 2021.

In 2021, the operating plans of Yuanta Futures are highlighted below:

- (I) Strive to develop domestic and foreign futures and stock option brokerage market share and increase gross margin.
- (II) Develop domestic and foreign corporate brokerage business.
- (III) Take advantage of the competitive advantages to strengthen the brand image of Yuanta Stock Options.
- (IV) Continue the financial digital technology development and optimize risk control effectiveness.
- (V) Substantiate the responsibility for corporate sustainability and create a benchmark for sustainable operations.

Chairman:

President:

Accounting Supervisor:

Yuanta Futures Co., Ltd.
Audit Committees' Review Report

For the Company's 2020 consolidated financial statements, financial statements and the 2020 business report and statement of retained earnings presented by the board of directors, in which, the financial statements were audited by CPA Chiao-Sen Lo and CPA Hsiu-Ling Li of 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 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please bring attention to the presentation.

Best regards

The 2021 Shareholders' Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.
Convener Cho-Min Yu

March 18, 2021

Attachment 3

Auditor's Report

(2021) Cai-Shen-Bao-Zi No. 20003672

To Yuanta Futures Co., Ltd.:

Audit opinion

We have audited the accompanying proprietary consolidated balance sheet of Yuanta Futures Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019 and the related consolidated statements of income, of changes in shareholders' equity and of cash flows and Notes to consolidated financial statement (including significant accounting policies) for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yuanta Futures and its subsidiaries as of December 31, 2020 and 2019, 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 Statements by Futures Commission Merchants," "Regulations Governing the Preparation of Financial Reports by Securities Firms," and International Financial Reporting Standards (IFRS) that was recognized by the Financial Supervisory Commission, International Accounting Standards, Interpretations, and Notices (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC) and Interpretative Announcement (SIC).

Basis of an audit opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. The responsibilities of the independent auditor under these standards will be further explained in the paragraph of independent auditor's responsibility for consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Yuanta Futures and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and with other responsibilities of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China performed. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The "key audit matters" means that the independent auditor has used their professional judgment to audit the most important matters on the 2020 consolidated financial statements of Yuanta Futures and its subsidiaries. The key audit matters have been responded to in the process of auditing the consolidated financial statements as a whole and forming an audit opinion; therefore, the independent auditor does not express an opinion on these matters separately.

The key audit matters (KAMs) of the 2020 consolidated reports of Yuanta Futures Co., Ltd. and subsidiaries are as follows:

Fair Value Evaluation of Unlisted and Non-OTC Shares

Description of the matter

Please refer to note 4 (8) to the consolidated financial statements for the accounting policy on unlisted and non-OTC company shares (financial assets measured at fair value through other comprehensive income). For the uncertainty of accounting estimates and assumptions of the fair value of unlisted and non-OTC company shares, please refer to note 5 (2) to the consolidated financial statements. For the accounting subjects of unlisted or non-OTC company shares, please refer to note 6(5) to the consolidated financial statements. As of December 31, 2020, the book value of unlisted and non-OTC shares of "financial assets measured at fair value through other comprehensive income" was NT\$1,514,827 thousand.

Yuanta Futures Co., Ltd. holds unlisted and non-OTC shares of "financial assets measured at fair value through other comprehensive income." Because the financial instrument is not quoted in the active market, to estimate the fair value, the management adopts the market price method as the evaluation method which involves multiple assumptions and significant unobservable input values, including the evaluation method, decisions on similar and comparable companies, the P/E ratio and liquidity discount. Since the model and parameters used in the evaluation method involve professional judgment and estimation by the management, the accounting judgment and estimation are highly uncertain; therefore, we listed the evaluation of the fair value of unlisted

shares as a key audit item in 2020.

The responsive auditing process

For the key audit item above, we used the work of evaluation experts to assist in the evaluation of the reasonableness of the evaluation information, assumptions and input values used by the management and discussed with the management. The corresponding procedures implemented are summarized as follows:

1. Obtained and studied the evaluation procedures for unlisted and non-OTC securities of Yuanta Futures Co., Ltd.
2. Evaluated that the evaluation method used by the management is the commonly used value evaluation method.
3. Evaluated the rationality of the comparable companies selected by the management based on the market price method.
4. Spot checked the input values of the P/E ratio and liquidity discount used in the evaluation method, and reviewed the relevant information and supporting documents.

Other matters - individual financial report

Yuanta Futures Co., Ltd. has compiled its 2020 and 2019 individual financial statements, for which we issued unqualified opinion.

The responsibility of the management and management units to the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Statements by Futures Commission Merchants,” “Regulations Governing the Preparation of Financial Reports by Securities Firms,” and International Financial Reporting Standards (IFRS) that was recognized by the Financial Supervisory Commission, International Accounting Standards, Interpretations, and Notices (IFRS), International Accounting Standards (IAS), Interpretation (IFRIC) and Interpretative Announcement (SIC); also, maintain the necessary internal controls related to the consolidated financial statements in order to ensure that the consolidated financial statements are free of any material misstatement arising from fraud or errors.

While preparing the consolidated financial statements, the management’s responsibility also includes assessing the continuing operation of Yuanta Futures and its subsidiaries, the disclosure of the relevant matters, and the adoption of the accounting base for continuing operation, unless the management intends to liquidate Yuanta Futures and its subsidiaries or cease the business operation, or there is lack of any alternative except for liquidation or suspension.

The governance units (including the Audit Committee) of Yuanta Futures are responsible for supervising the financial reporting process.

The responsibilities of the independent auditor to the consolidated financial statements

The purpose of the independent auditor’s auditing the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement arising from fraud or errors and with an audit report issued. Reasonable assurance means a high degree of assurance. However, the audit conducted in accordance with generally accepted auditing standards of the R.O.C. does not guarantee having any material misstatement in the individual financial statements detected. Material misstatement could arise from fraud or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the users of the consolidated financial statements, it is considered significant.

The independent auditor when conducting the audit in accordance with generally accepted auditing standards of the R.O.C. exercises professional judgment and maintains professional skepticism. The independent auditor also performs the following tasks:

1. Identify and evaluate the risk of material misstatement arising from fraud or errors of the consolidated financial statements; design and implement proper responsive measures to the risk assessed; also, obtain sufficient and adequate audit evidences for forming an audit opinion. The risk of fraud may involve conspiracy, forgery, deliberate omission, false declaration, or violating internal control; therefore, the risk of material misstatement arising from the undetected fraud is higher than that caused

by errors.

2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Yuanta Futures and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Base on the audit evidence obtained to make conclusions on the suitability of the accounting base for continuing operation base adopted by the management and whether or not the events or circumstances causing significant doubts to the continuing operation ability of Yuanta Futures and its subsidiaries are with significant uncertainties. If the independent auditor believes that such events or circumstances are with significant uncertainties, it is necessary to remind the users of the consolidated financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the independent auditor is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Yuanta Futures and its subsidiaries to continue operating.
5. Assess the overall expression, structure, and content of the consolidated financial statements (including the relevant notes) and whether or not the relevant transactions and events in the consolidated financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidence on the individual financial information of Yuanta Futures and its subsidiaries in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

The matters communicated by the independent auditor to the governing unit include the scope and timing of the planned audit, and the significant findings (including the major nonconformities of internal controls identified in the auditing process).

The independent auditor has provided the declaration of independence of the CPA Firm personnel subject to the Code of Ethics to the governing unit; also, it has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditor.

The independent auditor has based on the communications with the governing unit to determine the key audit matters to be performed on the 2020 consolidated financial statements of Yuanta Futures and its subsidiaries. The independent auditor shall state the key audit matters in the audit report except for the specific matters prohibited by law from being disclosed, or, in rare cases; the independent auditor decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

PwC Taiwan

Chiao-Sen Lo

CPA

Hsiu-Ling Li

To Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1070323061

Former Securities and Futures Bureau, Financial Supervisory Commission,
Executive Yuan

Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0960038033

March 18, 2021

Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019

Unit: NTD thousand

Assets	Additional notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 7,189,210	8	\$ 5,224,945	7
112000	Financial assets at fair value through profit or loss- current	6(2), 7 and 11	935,945	1	316,294	1
113200	Financial assets at fair value through other comprehensive income- current	6(5)	655,432	1	581,447	1
114070	Customers' margin accounts	6(3) and 7	84,071,446	87	64,708,416	87
114100	Securities Based Lending (SBL)		169,187	-	45,844	-
114130	Accounts receivable		199,609	-	55,995	-
114140	Accounts receivable - related parties	7	3,569	-	2,377	-
114150	Prepayments		9,919	-	7,356	-
114170	Other receivable		20,324	-	31,441	-
114180	Other receivables - related parties	7	6,711	-	12,412	-
114300	Special account for leverage bond contract transaction customer margin	7	294,448	-	258,250	-
114600	Current Income Tax Asset		341	-	341	-
119000	Other current assets		29,815	-	18	-
110000	Total of Current Assets		<u>93,585,956</u>	<u>97</u>	<u>71,245,136</u>	<u>96</u>
Non-Current assets						
123200	Financial assets at fair value through other comprehensive income- non-current	6(5)	1,618,523	2	1,518,539	2
125000	Property and equipment	6(9)	618,532	1	597,740	1
125800	Right-of-use assets	6(10)	213,221	-	67,790	-
127000	Intangible assets	6(11)	42,169	-	41,049	-
128000	Deferred income tax assets	6(30)	43,647	-	25,074	-
129010	Business guaranty bond	6(7), 7 and 8	145,516	-	145,799	-
129020	Settlement / clearance fund	6(8)	548,092	-	535,686	1
129030	Refundable deposits	7	44,148	-	38,487	-
129130	Prepayment for equipment purchase		73,982	-	66,503	-
129990	Other non-current assets- Other		8,417	-	2,086	-
120000	Total of Non-Current Assets		<u>3,356,247</u>	<u>3</u>	<u>3,038,753</u>	<u>4</u>
906001	Total assets		<u>\$ 96,942,203</u>	<u>100</u>	<u>\$ 74,283,889</u>	<u>100</u>

(Continued on next page)

Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019

Unit: NTD thousand

Liabilities and equity	Additional notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current liabilities						
212000	Financial liabilities at fair value through profit or loss- current	6(2) and 11	\$ 220,993	-	\$ 72,099	-
214080	Futures traders' equity	6(3) and 7	83,763,813	87	64,525,451	87
214100	Rights & interest for leverage bond contract transaction traders		243,573	-	225,185	-
214130	Accounts payable		157,911	-	104,614	-
214140	Accounts payable - related parties	7	23,586	-	14,505	-
214160	Agency Receipts		9,614	-	6,322	-
214170	Other payable		247,707	1	252,319	1
214180	Other payables - related parties	7	225	-	1,296	-
214600	Current Income Tax Liability		93,913	-	72,463	-
216000	Lease liabilities-current	7	50,089	-	36,089	-
219000	Other current liabilities	6 (12)	20,538	-	15,718	-
210000	Total of current liabilities		<u>84,831,962</u>	<u>88</u>	<u>65,326,061</u>	<u>88</u>
Non-current liabilities						
226000	Lease liabilities-non-current	7	169,772	-	31,884	-
229000	Other non-current liabilities	6 (13)	81,907	-	69,807	-
220000	Total of non-current liabilities		<u>251,679</u>	<u>-</u>	<u>101,691</u>	<u>-</u>
906003	Total liabilities		<u>85,083,641</u>	<u>88</u>	<u>65,427,752</u>	<u>88</u>
Attributable to owners of the parent company						
Share capital						
301010	Ordinary shares capital	6 (15)	2,899,763	3	2,322,763	3
Capital reserve						
302000	Capital reserve	6 (16)	3,070,484	3	940,976	1
Retained earnings						
304010	Legal earnings reserve	6 (18)	1,021,010	1	907,430	1
304020	Special earnings reserve	6 (17) (18)	2,294,034	2	2,074,901	3
304040	Undistributed earnings	6 (18)	1,295,828	1	1,313,798	2
Other equity						
305000	Other equity	6 (19)	1,277,443	2	1,296,269	2
906004	Total equity		<u>11,858,562</u>	<u>12</u>	<u>8,856,137</u>	<u>12</u>
906002	Total liabilities and equity		<u>\$ 96,942,203</u>	<u>100</u>	<u>\$ 74,283,889</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: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated comprehensive income statements
January 1 to December 31, 2020 and 2019

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2020		2019		
		Amount	%	Amount	%	
Revenue						
401000	Brokerage commission	6(20) and 7	\$ 3,636,279	94	\$ 2,737,896	94
410000	Operating gain on sale of securities	6 (2) (21)	35,220	1	9,646	-
421300	Dividend income	6(2) and 7	2,087	-	4,768	-
421500	Net profit of securities trade measured at the fair value through profit or loss	6 (2)	1,897	-	8,272	-
421600	SBL and reverse sell margin-trading-short - net loss	6 (2)	(3,862)	-	(12,813)	-
421610	Net Losses on Measurement at Fair Value through Profit or Loss for Securities Held for Operations	6 (2)	(19,447)	1	(16,273)	-
424200	security commission earned	7	7,972	-	3,419	-
424300	Settlement and clearance fees	6(22) and 7	73,190	2	67,101	2
424400	Net gains in the derivative financial instruments	6 (2) (23)	142,039	4	95,757	3
424900	Consultancy fee income	7	13,487	-	11,766	1
425100	Exclusion of net loss of financial assets measured at cost after amortization	6 (6)	-	-	(8)	-
428000	Other operating revenue (loss)	7	(11,237)	-	8,794	-
400000	Total revenues		<u>3,877,625</u>	<u>100</u>	<u>2,918,325</u>	<u>100</u>
Expense						
501000	Brokerage commission expenses	6 (24)	(745,408)	(19)	(485,615)	(17)
502000	Proprietary trade service commission expenses	6 (24)	(6,368)	-	(4,725)	-
521200	Financial costs	7	(20,951)	(1)	(81,451)	(3)
425300	Expected credit reversal benefit (impairment loss)		(34,492)	(1)	2,780	-
524100	Futures commission expenses	6(25) and 7	(745,895)	(19)	(632,586)	(22)
524300	Clearance and settlement service expenses	6 (26)	(561,880)	(14)	(380,488)	(13)
528000	Other operating expenses		(3,468)	-	1,204	-
531000	Employee Benefit expenses	6 (28)	(718,088)	(19)	(679,184)	(23)
532000	Depreciation and amortization expenses	6 (27)	(115,205)	(3)	(89,016)	(3)
533000	Other operating expenses	6(27) and 7	(452,629)	(12)	(423,749)	(14)
500000	Total Expense		<u>(3,404,384)</u>	<u>(88)</u>	<u>(2,775,238)</u>	<u>(95)</u>
Operating profit						
602000	Other profits and losses	6(2) (29) and 7	852,339	22	1,266,925	43
902001	Earnings before tax		1,325,580	34	1,410,012	48
701000	Income tax expense	6 (30)	(255,481)	(7)	(274,213)	(9)
902005	Current period net profit		<u>\$ 1,070,099</u>	<u>27</u>	<u>\$ 1,135,799</u>	<u>39</u>

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Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated comprehensive income statements
January 1 to December 31, 2020 and 2019

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2020		2019	
		Amount	%	Amount	%
Other comprehensive income					
Items that are not reclassified as profit and loss:					
805510	Defined benefit plan revaluation amount and volume 6 (13)	(\$ 13,558)	-	\$ 4,511	-
805540	Unrealized valuation gains of equity instruments investments in financial assets measured at FVTOCI 6 (5) (19)	80,198	2	166,209	6
805599	Income tax related to accounts being reclassified 6 (30)	2,712	-	(902)	-
Accounts to be reclassified to profit or loss subsequently:					
805610	Exchange differences arising from translating the financial statements of foreign operations 6 (19)	(43,610)	(1)	(19,657)	(1)
805000	Other comprehensive income (post-tax profit or loss)	<u>\$ 25,742</u>	<u>1</u>	<u>\$ 150,161</u>	<u>5</u>
902006	Total comprehensive income for the period	<u>\$ 1,095,841</u>	<u>28</u>	<u>\$ 1,285,960</u>	<u>44</u>
Profit attributable to:					
	Owners of parent	<u>\$ 1,070,099</u>	<u>27</u>	<u>\$ 1,135,799</u>	<u>39</u>
Total comprehensive income attributable to					
	Owners of parent	<u>\$ 1,095,841</u>	<u>28</u>	<u>\$ 1,285,960</u>	<u>44</u>
Earnings per ordinary share					
	Basic and diluted earnings per share 6 (31)	<u>\$ 4.23</u>		<u>\$ 4.89</u>	

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated statement of changes in equity
January 1 to December 31, 2020 and 2019

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 gain (loss) on financial assets at fair value through other comprehensive income	
<u>2019</u>										
Balance at January 1, 2019		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 807,426	\$ 1,875,370	\$ 1,093,522	(\$ 1,7188)	\$ 1,182,211	\$ 8,220,550
2019 net profit		-	-	-	-	-	1,135,799	-	-	1,135,799
Other comprehensive income	6 (5) (19)	-	-	-	-	-	3,609	(19,657)	166,209	150,161
Other comprehensive income for 2019		-	-	-	-	-	3,609	(19,657)	166,209	150,161
Total comprehensive income for the period		-	-	-	-	-	1,139,408	(19,657)	166,209	1,285,960
Dividend allocation and distribution for 2018										
Legal earnings reserve		-	-	-	100,004	-	(100,004)	-	-	-
Special earnings reserve		-	-	-	-	199,531	(199,531)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(650,373)	-	-	(650,373)
Disposal of equity instruments measured at FVTOCI	6 (5) (19)	-	-	-	-	-	30,776	-	(30,776)	-
Balance at 31 December, 2019		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 907,430	\$ 2,074,901	\$ 1,313,798	(\$ 21,3755)	\$ 1,317,644	\$ 8,856,137
<u>2020</u>										
Balance at January 1, 2020		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 907,430	\$ 2,074,901	\$ 1,313,798	(\$ 21,3755)	\$ 1,317,644	\$ 8,856,137
2020 net profit		-	-	-	-	-	1,070,099	-	-	1,070,099
Other comprehensive income for 2020	6 (5) (19)	-	-	-	-	-	(10,846)	(43,610)	80,198	25,742
Total comprehensive income for the period		-	-	-	-	-	1,059,253	(43,610)	80,198	1,095,841
Dividend allocation and distribution for 2019										
Legal earnings reserve		-	-	-	113,580	-	(113,580)	-	-	-
Special earnings reserve		-	-	-	-	219,133	(219,133)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(799,924)	-	-	(799,924)
Cash issue	6 (15)	577,000	2,085,472	-	-	-	-	-	-	2,662,472
Share-Based Payment	6 (14)	-	44,036	-	-	-	-	-	-	44,036
Disposal of equity instruments measured at FVTOCI	6 (5) (19)	-	-	-	-	-	55,414	-	(55,414)	-
Balance at December 31, 2020		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,021,010	\$ 2,294,034	\$ 1,295,828	(\$ 64,9855)	\$ 1,342,428	\$ 11,858,562

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd. and its subsidiaries
Consolidated cash flow statement
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

	Additional notes	2020	2019
Cash flow from operating activities			
Pre-tax profit for the current period		\$ 1,325,580	\$ 1,410,012
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6 (9) (10) (27)	102,845	78,971
Amortization	6 (11) (27)	12,360	10,045
Interest income	6 (29)	(720,365)	(1,088,639)
Interest expenses		20,951	81,451
Dividend income		(90,851)	(119,144)
Expected credit impairment (reversal benefit) loss		34,492	(2,780)
Losses (gains) from disposal of property or equipment	6 (9)	259	(92)
Profit and loss on disposal of financial assets measured at cost after amortization		-	8
Cost of share-based payment service	6 (14)	44,036	-
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		(617,059)	(71,619)
Customers' margin accounts		(19,452,418)	(167,800)
Futures trading margin receivable		(34,492)	3,749
Securities Based Lending (SBL)		(123,343)	(45,844)
Accounts receivable		(143,614)	(53,035)
Accounts receivable - related parties		(1,192)	1,656
Prepayments		(2,759)	(1,013)
Other receivable		976	(1,084)
Other receivables - related parties		(260)	73
Special account for leverage bond contract transaction customer margin		(36,198)	(131,400)
Other current assets		(30,901)	5
Other non-current assets- Other		(6,331)	(1,655)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss- current		148,913	52,010
Futures traders' equity		19,303,279	192,692
Rights & interest for leverage bond contract transaction traders		18,388	121,450
Accounts payable		53,297	(19,381)
Accounts payable - related parties		9,081	(4,488)
Agency Receipts		3,292	(857)
Other payable		(107)	41,633
Other payables - related parties		(969)	385
Other current liabilities		4,884	(8,464)
Other non-current liabilities		(1,457)	(13,395)
Cash inflow (outflow) from operating activities		(179,683)	263,450
Interest received		736,743	1,089,162
Interest paid		(25,192)	(76,686)
Dividends received		90,350	118,644
Income tax paid		(249,893)	(349,558)
Net cash inflow from operating activities		372,325	1,045,012
Cash flow from investing activities			
Acquisition of financial assets measured at FVTOCI		(1,120,976)	(1,529,345)
Value of disposal of financial assets measured at FVTOCI	6 (5)	1,027,205	1,155,112
Financial assets acquired on the basis of cost after amortization		-	(31,298)
Financial assets on the basis of cost after amortization		-	31,133
Held-to-maturity financial assets based on cost after amortization		-	92,102
Purchase of property and equipment	6 (9)	(37,161)	(29,789)
Disposal of real estate and equipment	6 (9)	210	382
Increase in intangible assets	6 (11)	(2,447)	(1,748)
Decrease in business guaranty bond		-	87
Increase in settlement fund		(12,406)	(42,898)
Increase in guarantee deposits paid		(5,850)	(164)
Increase in installment on equipment		(63,728)	(59,520)
Net cash outflow from investing activities		(215,153)	(415,946)
Cash flow from financing activities			
Payment of principal of lease liabilities		(35,312)	(26,449)
Cash dividend distribution	6 (18)	(799,924)	(650,373)
Cash issue	6 (15)	2,662,472	-
Net cash inflow (outflow) from financing activities		1,827,236	(676,822)
Impact of change in exchange rate on cash and cash equivalent		(20,143)	(18,861)
Increase (decrease) in cash and cash equivalents for the current period		1,964,265	(66,617)
Opening balance of cash and cash equivalents		5,224,945	5,291,562
Closing balance of cash and cash equivalents		\$ 7,189,210	\$ 5,224,945

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

To Yuanta Futures Co., Ltd.:

Audit opinion

We have audited the accompanying proprietary individual balance sheet of Yuanta Futures Co., Ltd. as of December 31, 2020 and 2019 and the related individual comprehensive income statement, individual statement of changes in equity, and of cash flows and Notes to individual financial statement (including significant accounting policies) for the years then ended.

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, 2020 and 2019, and the results of its individual operations and its individual cash flows for the years then ended in conformity with the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants” and “Financial Supervisory Commission and the Regulations Governing the Preparation of Financial Reports by Securities Firms”.

Basis of an audit opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards. The responsibilities of the independent auditor under these standards will be further explained in the paragraph of the independent auditor’s responsibility for individual financial statements. The personnel of the CPA Firm subject to the independence requirements have acted independently from the business operations of Yuanta Futures in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and with other responsibilities of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China performed. We believe that our audit provides a reasonable basis for our opinion.

Key Audit Matters

The “key audit matters” means that the independent auditor has based its evaluations on the professional judgment to audit the most important matters on the 2020 individual financial statements of Yuanta Futures. The key audit matters have been responded to in the process of auditing the individual financial statements as a whole with an audit opinion formed; therefore, the independent auditor does not express an opinion on these matters separately.

The KAMs of 2020 individual financial statements of Yuanta Futures are as follows:

Evaluation of the fair value of unlisted and non-OTC stocks

Description of the matter

Please refer to note 4(7) of the individual financial statements for the accounting policies of unlisted and non-OTC companies’ stocks (financial assets measured at fair value through other comprehensive income); please refer to note 5(2) of the individual financial statements for the uncertainty of the accounting estimates and assumptions of the fair value of unlisted and non-OTC companies’ stocks; please refer to note 6(5) of the individual financial statements for the accounting subjects of unlisted non-OTC companies’ stocks. As of December 31, 2020, the book value of the unlisted and non-OTC companies’ stocks under financial assets measured at fair value through other comprehensive income and loss was NT\$1,514,827 thousand.

Yuanta Futures Co., Ltd. holds unlisted and non-OTC shares of “financial assets measured at fair value through other comprehensive income.” Because the financial instrument is not quoted in the active market, to estimate the fair value, the management adopts the market price method as the evaluation method which involves multiple assumptions and significant unobservable input values, including the evaluation method, decisions on similar and comparable companies, the P/E ratio and liquidity discount. Since the model and parameters used in the evaluation method involve professional judgment and estimation by the management, the accounting judgment and estimation are highly uncertain; therefore, we listed the evaluation of the fair value of unlisted shares as a key audit item in 2020.

The responsive auditing process

For the key audit item above, we used the work of evaluation experts to assist in the evaluation of the reasonableness of the evaluation information, assumptions and discussed with the management. The corresponding procedures implemented are summarized as follows:

1. Obtained and studied the evaluation procedures for unlisted and non-OTC securities of Yuanta Futures Co., Ltd.
2. Evaluated that the evaluation method used by the management is the commonly used value evaluation method.
3. Evaluated the rationality of the comparable companies selected by the management based on the market price method.
4. Spot checked the input values of the P/E ratio and liquidity discount used in the evaluation method, and reviewed the relevant information and supporting documents.

The responsibility of the management and management units to the individual financial statements

The responsibility of the management is to have the individual financial statements presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants” and the “Regulations Governing the Preparation of Financial Reports by Securities Firms”; also, maintain the necessary internal controls related to the individual financial statements in order to ensure that the individual financial statements are free of any material misstatement arising from frauds or errors.

While preparing the individual financial statements, the management’s responsibility also includes assessing the continuing operation of Yuanta Futures, the disclosure of the relevant matters, and the adoption of the accounting base for continuing operations, unless the management intends to liquidate Yuanta Futures or cease business operation, or there is lack of any alternative except for liquidation or suspension.

The governance units (including the Audit Committee) of Yuanta Futures are responsible for supervising the financial reporting process.

The responsibilities of the independent auditor to the individual financial statements

The purpose of the independent auditor’s auditing of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements are free of material misstatement arising from fraud or errors and with an audit report issued. Reasonable assurance means a high degree of assurance. However, the audit conducted in accordance with generally accepted auditing standards of the R.O.C. does not guarantee having any material misstatement in the individual financial statements detected. Material misstatement could arise from fraud or errors. If the misstated amount or aggregated amount is reasonably expected to affect the economic decisions made by the users of the individual financial statements, it is considered significant.

The independent auditor when conducting the audit in accordance with generally accepted auditing standards of the R.O.C. exercises professional judgment and maintains professional skepticism. The independent auditor also performs the following tasks:

1. Identify and evaluate the risk of material misstatement arising from fraud or errors of the individual financial statements; design and implement proper responsive measures to the risk assessed; also, obtain sufficient and adequate audit evidences for forming an audit opinion. The risk of fraud may involve conspiracy, forgery, deliberate omission, false declaration, or violating internal control; therefore, the risk of material misstatement arising from the undetected fraud is higher than that caused by errors.
2. Obtain necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstance, but the purpose is not to express an opinion on the effectiveness of the internal control of Yuanta Futures.
3. Assess the appropriateness of the accounting policies adopted by the management; also, the reasonableness of the accounting estimates and related disclosures made.
4. Use the audit evidence obtained to draw conclusions on the suitability of the accounting base for

continuing operation adopted by the management and whether or not the events or circumstances causing significant doubts to the continuing operation ability of Yuanta Futures have significant uncertainties. If the independent auditor believes that such events or circumstances have significant uncertainties, it is necessary to remind the users of the individual financial statements in the audit report to pay attention to the relevant disclosure or to revise the audit opinion when such disclosures are inappropriate. The conclusion of the independent auditor is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may result in the inability of Yuanta Futures to continue operating.

5. Assess the overall expression, structure, and content of the individual financial statements (including the relevant notes) and whether or not the relevant transactions and events in the individual financial statements are presented fairly.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Yuanta Futures in order to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the business entity; also, it is responsible for forming an opinion on the audit of the individual financial statements.

The matters communicated by the independent auditor to the governing unit include the scope and timing of the planned audit, and the significant findings (including the major nonconformities of internal controls identified in the auditing process).

The independent auditor has provided the declaration of independence of the CPA Firm personnel subject to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China; also, it has communicated with the governing unit regarding the relationship and other matters (including the relevant protection measures) that may affect the independence of the independent auditor.

The independent auditor has used communication with the governing unit to determine the key audit matters to be performed on the 2020 individual financial statements of Yuanta Futures. The independent auditor shall state the key audit matters in the audit report except for the specific matters prohibited by law from being disclosed, or, in rare cases; the independent auditor decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

PwC Taiwan

CPA

Chiao-Sen Lo

Hsiu-Ling Li

To Financial Supervisory Commission

Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1070323061

Former Securities and Futures Bureau, Financial Supervisory Commission,
Executive Yuan

Approval Document No.: Jin-Guan-Zheng-6-Zi No. 0960038033

March 18, 2021

Yuanta Futures Co., Ltd.
Individual Balance Sheet
December 31, 2020 and 2019

Unit: NTD thousand

Assets	Additional notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current assets						
111100	Cash and cash equivalents	6(1) and 7	\$ 6,195,959	6	\$ 4,057,360	6
112000	Financial assets at fair value through profit or loss- current	6(2), 7 and 11	860,190	1	252,693	-
113200	Financial assets at fair value through other comprehensive income- current	6(5)	655,432	1	581,447	1
114070	Customers' margin accounts	6(3) and 7	82,809,012	87	63,603,276	87
114100	Securities Based Lending (SBL)		169,187	-	45,844	-
114130	Accounts receivable		199,609	-	55,995	-
114140	Accounts receivable - related parties	7	3,569	-	2,377	-
114150	Prepayments		5,234	-	5,721	-
114170	Other receivable		18,975	-	30,197	-
114180	Other receivables - related parties	7	3,876	-	4,464	-
114300	Special account for leverage contract transaction customer margin	7	294,448	-	258,250	-
114600	Current Income Tax Asset		341	-	341	-
119000	Other current assets		23	-	18	-
110000	Total of Current Assets		<u>91,215,855</u>	<u>95</u>	<u>68,897,983</u>	<u>94</u>
Non-Current assets						
123200	Financial assets at fair value through other comprehensive income- non-current	6(5)	1,618,523	2	1,518,539	2
124100	Investments accounted for by the equity method	6(6)	1,207,101	1	1,275,264	2
125000	Property and equipment	6(9)	607,595	1	581,807	1
125800	Right-of-use assets	6(10) and 7	190,744	-	31,497	-
127000	Intangible assets	6(11)	42,137	-	40,752	-
128000	Deferred income tax assets	6(30)	43,647	-	25,074	-
129010	Business guaranty bond	6(7) and 7	140,000	-	140,000	-
129020	Settlement / clearance fund	6(8)	548,092	1	535,686	1
129030	Refundable deposits	7	40,456	-	34,474	-
129130	Prepayment for equipment purchase		73,982	-	66,503	-
129990	Other non-current assets- Other		8,417	-	2,086	-
120000	Total of Non-Current Assets		<u>4,520,694</u>	<u>5</u>	<u>4,251,682</u>	<u>6</u>
906001	Total assets		<u>\$ 95,736,549</u>	<u>100</u>	<u>\$ 73,149,665</u>	<u>100</u>

(Continued on next page)

Yuanta Futures Co., Ltd.
Individual Balance Sheet
December 31, 2020 and 2019

Unit: NTD thousand

Liabilities and equity	Additional notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current liabilities						
212000	Financial liabilities at fair value through profit or loss- current	6(2) and 11	\$ 220,672	-	\$ 71,277	-
214080	Futures traders' equity	6(3) and 7	82,588,649	87	63,440,289	87
214100	Rights & interest for leverage bond contract transaction traders		243,573	1	225,185	-
214130	Accounts payable		157,911	-	104,614	-
214140	Accounts payable - related parties	7	23,586	-	14,505	-
214160	Agency Receipts		9,614	-	6,277	-
214170	Other payable		241,049	-	242,566	1
214180	Other payables - related parties	7	225	-	1,296	-
214600	Current Income Tax Liability		93,913	-	72,463	-
216000	Lease liabilities-current	7	37,795	-	23,246	-
219000	Other current liabilities	6 (12)	19,584	-	13,601	-
210000	Total of current liabilities		<u>83,636,571</u>	<u>88</u>	<u>64,215,319</u>	<u>88</u>
Non-current liabilities						
226000	Lease liabilities-non-current	7	159,509	-	8,402	-
229000	Other non-current liabilities		81,907	-	69,807	-
	Total of non-current liabilities		<u>241,416</u>	<u>-</u>	<u>78,209</u>	<u>-</u>
906003	Total liabilities		<u>83,877,987</u>	<u>88</u>	<u>64,293,528</u>	<u>88</u>
Share capital						
301010	Ordinary shares capital	6 (15)	2,899,763	3	2,322,763	3
Capital reserve						
302000	Capital reserve	6 (16)	3,070,484	3	940,976	1
Retained earnings						
304010	Legal earnings reserve	6 (18)	1,021,010	1	907,430	1
304020	Special earnings reserve	6 (17) (18)	2,294,034	3	2,074,901	3
304040	Undistributed earnings	6 (18)	1,295,828	1	1,313,798	2
Other equity						
305000	Other equity	6 (19)	1,277,443	1	1,296,269	2
906004	Total equity		<u>11,858,562</u>	<u>12</u>	<u>8,856,137</u>	<u>12</u>
906002	Total liabilities and equity		<u>\$ 95,736,549</u>	<u>100</u>	<u>\$ 73,149,665</u>	<u>100</u>

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.
Individual comprehensive income statements
January 1 to December 31, 2020 and 2019

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2020		2019		
		Amount	%	Amount	%	
Revenue						
401000	Brokerage commission	6(20) and 7	\$ 3,484,081	94	\$ 2,567,263	94
410000	Operating gain on sale of securities	6 (2) (21)	35,200	1	9,646	-
421300	Dividend income	6(2) and 7	2,087	-	4,768	-
421500	Net profit of securities trade measured at the fair value through profit or loss	6 (2)	1,897	-	8,272	-
421600	SBL and reverse sell margin- trading-short - net loss	6 (2)	(3,862)	-	(12,813)	-
421610	Net Losses on Measurement at Fair Value through Profit or Loss for Securities Held for Operations	6 (2)	(19,447)	-	(16,273)	(1)
424200	security commission earned	7	7,972	-	3,419	-
424300	Settlement and clearance fees	6(22) and 7	73,190	2	67,101	3
424400	Net gains in the derivative financial instruments	6 (2) (23)	126,068	3	94,091	4
424900	Consultancy fee income	7	13,487	-	11,766	-
428000	Other operating revenue	7	853	-	1,391	-
400000	Total revenues		<u>3,721,526</u>	<u>100</u>	<u>2,738,631</u>	<u>100</u>
Expense						
501000	Brokerage commission expenses	6 (24)	(745,408)	(20)	(485,615)	(17)
502000	Proprietary trade service commission expenses	6 (24)	(6,252)	-	(4,562)	-
521200	Financial costs	7	(18,615)	(1)	(80,754)	(3)
425300	Expected credit reversal benefit (impairment loss)		(34,492)	(1)	2,727	-
524100	Futures commission expenses	6(25) and 7	(641,943)	(17)	(517,071)	(19)
524300	Clearance and settlement service expenses	6 (26)	(561,880)	(15)	(380,488)	(14)
528000	Other operating expenses		(3,468)	-	(1,204)	-
531000	Employee Benefit expenses	6 (27) (28)	(662,662)	(18)	(622,918)	(23)
532000	Depreciation and amortization expenses	6 (27)	(95,531)	(3)	(78,378)	(3)
533000	Other operating expenses	6(27) and 7	(425,980)	(11)	(382,802)	(14)
500000	Total Expense		<u>(3,196,231)</u>	<u>(86)</u>	<u>(2,551,065)</u>	<u>(93)</u>
	Operating profit		525,295	14	187,566	7
601100	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for under equity method	6 (6)	(24,553)	-	14,421	-
602000	Other profits and losses	6 (2) (29) And 7	824,838	22	1,208,025	44
902001	Earnings before tax		1,325,580	36	1,410,012	51
701000	Income tax expense	6 (30)	(255,481)	(7)	(274,213)	(10)
902005	Current period net profit		<u>\$ 1,070,099</u>	<u>29</u>	<u>\$ 1,135,799</u>	<u>41</u>

(Continued on next page)

Yuanta Futures Co., Ltd.
Individual comprehensive income statements
January 1 to December 31, 2020 and 2019

Unit: NTD thousand
(except EPS in NTD)

Item	Additional notes	2020		2019	
		Amount	%	Amount	%
Other comprehensive income					
Items that are not reclassified as profit and loss:					
805510	Defined benefit plan revaluation amount and volume 6 (13)	(\$ 13,558)	(1)	\$ 4,511	-
805540	Unrealized valuation gains of equity instruments investments in financial assets measured at FVTOCI 6 (5) (19)	80,198	2	166,209	6
805599	Income tax related to accounts not being reclassified 6 (19)	2,712	-	(902)	-
Accounts to be reclassified to profit or loss subsequently:					
805610	Exchange differences arising from translating the financial statements of foreign operations 6 (19)	(43,610)	(1)	(19,657)	-
Other comprehensive income (post-tax profit or loss)					
		<u>25,742</u>	<u>-</u>	<u>150,161</u>	<u>6</u>
Total comprehensive income for the period					
		<u>\$ 1,095,841</u>	<u>29</u>	<u>\$ 1,285,960</u>	<u>47</u>
Basic and diluted earnings per share 6 (31)					
		<u>\$</u>	<u>4.23</u>	<u>\$</u>	<u>4.89</u>

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.
Individual statement of changes in equity
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

	Additional notes	Capital reserve			Retained earnings			Other equity		Total 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 gain (loss) on financial assets at fair value through other comprehensive income	
<u>2019</u>										
Balance at January 1, 2019		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 807,426	\$ 1,875,370	\$ 1,093,522	(\$ 1,718)	\$ 1,182,211	\$ 8,220,550
2019 net profit		-	-	-	-	-	1,135,799	-	-	1,135,799
Other comprehensive income for 2019	6 (5) (19)	-	-	-	-	-	3,609	(19,657)	166,209	150,161
Total comprehensive income for the period		-	-	-	-	-	1,139,408	(19,657)	166,209	1,285,960
Dividend allocation and distribution for 2018										
Legal earnings reserve		-	-	-	100,004	-	(100,004)	-	-	-
Special earnings reserve		-	-	-	-	199,531	(199,531)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(650,373)	-	-	(650,373)
Disposal of equity instruments measured at FVTOCI	6 (5) (19)	-	-	-	-	-	30,776	-	(30,776)	-
Balance at 31 December, 2019		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 907,430	\$ 2,074,901	\$ 1,313,798	(\$ 21,375)	\$ 1,317,644	\$ 8,856,137
<u>2020</u>										
Balance at January 1, 2020		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 907,430	\$ 2,074,901	\$ 1,313,798	(\$ 21,375)	\$ 1,317,644	\$ 8,856,137
2020 net profit		-	-	-	-	-	1,070,099	-	-	1,070,099
Other comprehensive income for 2020	6 (5) (19)	-	-	-	-	-	(10,846)	(43,610)	80,198	25,742
Total comprehensive income for the period		-	-	-	-	-	1,059,253	(43,610)	80,198	1,095,841
Dividend allocation and distribution for 2019										
Legal earnings reserve		-	-	-	113,580	-	(113,580)	-	-	-
Special earnings reserve		-	-	-	-	219,133	(219,133)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(799,924)	-	-	(799,924)
Cash issue	6 (15)	577,000	2,085,472	-	-	-	-	-	-	2,662,472
Share-Based Payment	6 (14)	-	44,036	-	-	-	-	-	-	44,036
Disposal of equity instruments measured at FVTOCI	6 (5) (19)	-	-	-	-	-	55,414	-	(55,414)	-
Balance at December 31, 2020		\$ 2,899,763	\$ 3,024,151	\$ 46,333	\$ 1,021,010	\$ 2,294,034	\$ 1,295,828	(\$ 64,985)	\$ 1,342,428	\$ 11,858,562

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Yuanta Futures Co., Ltd.
Individual Cash Flow Statement
January 1 to December 31, 2020 and 2019

	Additional notes	2020	Unit: NTD thousand 2019
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 1,325,580	\$ 1,410,012
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6 (9) (10) (27)	83,434	68,614
Amortization	6 (11) (27)	12,097	9,764
Interest income	6 (29)	694,306	(1,027,270)
Interest expenses		18,615	80,754
Share of profit of associates and joint ventures accounted for under equity method	6 (6)	24,553	(14,421)
Losses (gains) from disposal of property or equipment	6 (9)	259	(92)
Dividend income		90,094	(117,934)
Expected credit impairment (reversal benefit) loss		34,492	(2,727)
Cost of share-based payment service	6 (14)	44,036	-
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		(607,497)	(97,855)
Customers' margin accounts		19,205,736	(234,681)
Futures trading margin receivable		34,492	3,749
Securities Based Lending (SBL)		123,343	(45,844)
Accounts receivable		143,614	(53,035)
Accounts receivable - related parties		1,192	1,656
Prepayments		487	(448)
Other receivable		1,193	(1,213)
Special account for leverage bond contract transaction customer margin		36,198	(131,400)
Other current assets		5	5
Other non-current assets- Other		6,331	(1,655)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss- current		149,395	51,944
Futures traders' equity		19,148,360	276,528
Rights & interest for leverage bond contract transaction traders		18,388	121,450
Accounts payable		53,297	(19,381)
Accounts payable - related parties		9,081	(4,488)
Agency Receipts		3,337	(815)
Other payable		2,622	45,132
Other payables - related parties		969	371
Other current liabilities		5,983	(10,581)
Other non-current liabilities		1,457	(13,395)
Cash inflow (outflow) from operating activities		(10,025)	292,744
Interest received		705,424	1,026,929
Interest paid		22,856	(75,990)
Dividends received		89,593	117,434
Income tax paid		249,893	(349,558)
Net cash inflow from operating activities		<u>512,243</u>	<u>1,011,559</u>
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at FVTOCI		(1,120,976)	(1,529,345)
Value of disposal of financial assets measured at FVTOCI	6 (5)	1,027,205	1,155,112
Purchase of property and equipment	6 (9)	(35,036)	(29,385)
Disposal of real estate and equipment	6 (9)	210	382
Increase in intangible assets	6 (11)	(2,447)	(1,748)
Increase in settlement fund		12,406	(42,898)
(Increase) decrease in deposits paid		5,982	19
Increase in installment on equipment		63,728	(59,520)
Net cash outflow from investing activities		<u>(213,160)</u>	<u>(507,383)</u>
<u>Cash flow from financing activities</u>			
Payment of principal of lease liabilities		(23,032)	(23,050)
Cash dividend distribution	6 (18)	(799,924)	(650,373)
Cash issue	6 (15)	2,662,472	-
Net cash inflow (outflow) from financing activities		<u>1,839,516</u>	<u>(673,423)</u>
Increase (decrease) in cash and cash equivalents for the current period		2,138,599	(169,247)
Opening balance of cash and cash equivalents		4,057,360	4,226,607
Closing balance of cash and cash equivalents		<u>\$ 6,195,959</u>	<u>\$ 4,057,360</u>

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

Chairman: Tien-Fu Lin

President: Kuo-Tsun Hsu

Accounting Supervisor: Hui-Ching Lu

Attachment 4

Yuanta Futures Co., Ltd.
The 2020 Statement of Retained Earnings

Unit: NTD

Item	Amount
Opening undistributed earnings	\$ 181,161,345
Less: net actuarial losses of defined benefit plan after tax in 2020	(10,846,368)
Add: 2020 net gain of equipment instruments measured at FVTOCI	55,413,644
Add: 2020 after-tax net profit	1,070,099,341
Less: Appropriation of 10% legal reserve (Note)	(111,466,662)
Less: Appropriation of 20% special reserve	(214,019,868)
Distributable earnings	\$ 970,341,432
Distribution	
Cash dividend (a cash dividend of NT\$2.8 per share)	(811,933,606)
Stock dividends	0
Closing undistributed earnings	\$ 158,407,826

Details:

Note: According to the requirement of the Jin-Sun-Zi No. 10802432410 Letter of the MOEA, dated January 9, 2020, the appropriation of legal reserve is based on the “net income plus the amount other than the net income that is included in the current unappropriated earnings” for an amount of NT\$1,114,666,617.

Chairman:

President: Accounting Supervisor:

Yuanta Futures Co., Ltd.

Amendments to the Articles of Incorporation

Amendments	Current existing clauses	Description of amendments
<p>Article 29</p> <p>After paying tax and making up for the accumulated losses with the annual earnings, the Company shall appropriate 10% of the remaining earnings as legal reserve, 20% of the remaining earnings as special reserve and with the special reserve appropriated or reversed according to the law and regulations before distributing earnings. The remaining balance amount plus the unappropriated earnings of previous years should be distributed to shareholders according to the proposal of the board of directors and the resolution reached in the shareholders' meeting. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital.</p> <p>To incentivize employees and the management team, this Company shall appropriate one per-mille (0.01%) to five per-cent (5%) of the balance from deducting the accumulated deficits from the profit of the year (e.g. income before tax deducting the income before deducting the compensation for employees). In addition, when distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements.</p> <p>The said "certain requirements" shall be determined by the board of directors.</p> <p>The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:</p> <p>1. The total amount of dividends for distribution in each year shall be <u>an amount not less than 50% of the earnings available for</u></p>	<p>Article 29</p> <p>After paying tax and making up for the accumulated losses with the annual earnings, the Company shall appropriate 10% of the remaining earnings as legal reserve, 20% of the remaining earnings as special reserve and with the special reserve appropriated or reversed according to the law and regulations before distributing earnings. The remaining balance amount plus the unappropriated earnings of previous years should be distributed to shareholders according to the proposal of the board of directors and the resolution reached in the shareholders' meeting. The appropriation of the legal reserve and special earnings referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital.</p> <p>To incentivize employees and the management team, this Company shall appropriate one per-mille (0.01%) to five per-cent (5%) of the balance from deducting the accumulated deficits from the profit of the year (e.g. income before tax deducting the income before deducting the compensation for employees). In addition, when distributing the compensation for employees in stock or in cash, the scope of recipients may cover employees of companies under the control of or affiliated to this Company fulfilling certain requirements.</p> <p>The said "certain requirements" shall be determined by the board of directors.</p> <p>The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows:</p> <p>1. The total amount of dividends for distribution in each year shall be <u>distributed in part or in whole according to the earnings</u></p>	<p>For the purpose of improving the company's dividend policy and safeguarding the shareholders' equity, and also considering the company's future operational needs and a sound financial structure, Subparagraph 1, Paragraph 4 of this Article is amended in order to define that the total amount of dividends for distribution in each year shall be an amount not less than 50% of the earnings available for distribution.</p>

Amendments	Current existing clauses	Description of amendments
<p><u>distribution.</u></p> <p>2. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.</p>	<p><u>available for distribution in the current year.</u></p> <p>2. The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.</p>	
<p>Article 32 The Company's Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 23, 2019; the 28th amendment was completed on May 27, 2020, <u>the 29th amendment was completed on July 5, 2021</u> and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.</p>	<p>Article 32 The Company's Articles of Incorporation was stipulated on January 14, 1997. The 22nd amendment was completed on May 17, 2013; the 23rd amendment was completed on May 20, 2014; the 24th amendment was completed on May 21, 2015; the 25th amendment was completed on May 18, 2016; the 26th amendment was completed on May 17, 2017; the 27th amendment was completed on May 23, 2019; the 28th amendment was completed on May 27, 2020 and implemented with the resolutions reached in the shareholders' meeting, same as the amendment.</p>	<p>Revision history.</p>