

Mega Financial Holding Co., Ltd.
Handbook for the 2014 Annual Meeting of Shareholders
(Summary Translation)

Meeting Time: June 24, 2014

Place: 13th Floor, No. 100, Jinlin Road, Taipei

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Table of Contents

I. Meeting Procedure	2
II. Meeting Agenda	3
1. Company Reports	4
2. Matters for Recognition	6
3. Matters for Discussion	8
4. Questions and Motions	11
III. Attachments	
1. 2013 Business Report (omitted)	
2. Audit Committee’s Review Report	12
3. 2013 Financial Statements	13
4. 2013 Profit Distribution Proposal	28
5. Comparison of the Amended Articles of the Company's Articles of Incorporation	29
6. Comparison of the Amended Provisions of the “Procedures for Derivatives Trading” (omitted)	
7. Comparison of the Amended Provisions of the “Procedures for Acquisition or Disposal of Assets” (omitted)	
IV. Appendices	
1. Articles of Incorporation	30
2. Rules of Procedure for Shareholders’ Meetings (omitted)	
3. Shareholding of Directors.....	38

Mega Financial Holding Co., Ltd.

Procedure for the 2014 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
4. Matters for Recognition
5. Matters for Discussion
6. Questions and Motions
7. Adjournment

Mega Financial Holding Co., Ltd.
Year 2014
Agenda of Annual Meeting of Shareholders

Time: 09:00 a.m on Tuesday, June 24, 2014

Place: 13/F, Jinlin Bldg. of Mega International Commercial Bank
No. 100, Jinlin Road, Taipei, Taiwan

Attendants: All shareholders or their representatives

Chairperson: Yeou-Tsair Tsai

1. Announce a quorum is present and call the meeting to order

2. Chairperson Remarks

3. Company Reports

- (1) 2013 Business Report
- (2) Audit Committee's Review Report on the 2013 Financial Statements
- (3) Report on the promulgation of relevant laws and regulations governing the holding of voting shares of the same financial holding company exceeding a certain percentage by the same person or the same affiliated person

4. Matters for Recognition

- (1) Adoption of the 2013 Business Report and Financial Statements
- (2) Adoption of the Proposal for Distribution of 2013 Earnings

5. Matters for Discussion

- (1) Amendment to the Company's Articles of Incorporation
- (2) Amendment to the Company's "Procedures for Derivatives Trading "
- (3) Amendment to the Company's "Procedures for Acquisition or Disposal of Assets"
- (4) Proposal of releasing the prohibition on some of the Board members from participation in competitive business

6. Questions and Motions

7. Adjournment

Company Reports

1. 2013 Business Report

Explanation: The 2013 Business Report is attached as Attachment 1 (omitted).

2. Audit Committee's Review Report on the 2013 Financial Statements

Explanation: The 2013 Audit Committee's Review Report is attached as Attachment 2.

3. Report on the promulgation of relevant laws and regulations governing the holding of voting shares of the same financial holding company exceeding a certain percentage by a same person or same affiliated person

Explanation:

(1) It is handled in accordance with the Letter No.10060005190 dated Jan. 31, 2012 issued by the Financial Supervisory Commission (FSC).

(2) Relevant laws and regulations are as follows:

(i) In accordance with the Articles 16 of the Financial Holding Company Act, a same person or same affiliated person who individually, jointly or collectively holds more than 5% of the financial holding company's outstanding voting shares shall report such fact to the FSC within 10 days from the day of such holding; the same provision shall apply to each cumulative increase or decrease in the shares of the same person or same affiliated person by more than 1% thereafter. A same person or same affiliated person who intends to individually, jointly or collectively acquire more than 10%, 25% or 50% of the financial holding company's outstanding voting shares shall apply for prior approval from the FSC. The definitions of a person or affiliated person and the situation where the holding of shares is excluded are expressly defined in Article 4 and 5 in the Financial Holding Company Act.

(ii) Where the same person or the same affiliated person who holds voting shares issued by a financial holding company without filing a report with the FSC or obtaining approval from the FSC in accordance with relevant provisions prescribed, the excess shares held by such same person or same affiliated person shall not have voting rights and shall be disposed of within the given period prescribed by the FSC. In the event of violation, a fine may be imposed in accordance with Article 60 of the the Financial Holding Company Act. If such person is elected as a director or the responsible person of a financial holding company, such person shall be considered to have engaged in dishonest or improper activities as set forth in Subparagraph 13 of

Article 13 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”.

Matters for Recognition

Proposal 1: Adoption of the 2013 Business Report and Financial Statements (Proposed by the Board)

Explanation: The Company financial statements were audited by CPA, Chien-Hung Chou and King-Tse Huang, of PricewaterhouseCoopers, Taiwan. The Consolidated Financial Statements described above and the Business Report of 2013 have been authorized by the Board and examined by the Audit Committee. The 2013 Business Report and Financial Statements are attached as Attachments 1 (omitted) and 3.

RESOLVED:

Proposal 2: Adoption of the Proposal for Distribution of 2013 Earnings
(Proposed by the Board)

Explanation:

- (1) The proposal is handled pursuant to Article 228 of the Company Act and Article 31 of the Company's Articles of Incorporation.
- (2) The Company's 2013 earning was audited by PricewaterhouseCoopers, Taiwan. The Company's beginning retained earnings is NT\$16,564,547,378, which after deducting adjustment for adoption of TIFRS NT\$120,870,273 and appropriation of special reserve for first-time adoption of TIFRS NT\$1,730,767,312, adding reverse of special reserve for first-time adoption of TIFRS NT\$21,399,956, and deducting retained earnings decreased due to actuarial pension loss NT\$456,630,454, the adjusted retained earnings is NT\$14,277,679,295. The adjusted retained earnings after adding the Company's 2013 earnings NT\$22,489,233,123 and deducting the legal reserve NT\$2,248,923,312, the distributable earnings is NT\$34,517,989,106. Pursuant to the Company's Articles of Incorporation and related regulation, the Board of Directors is proposed to distribute the dividends as follows:
 - (i) NT\$ 1.11 per share in cash with aggregate cash dividends of NT\$13,819,304,621.
 - (ii) Remuneration to directors in cash of NT\$101,201,000, and employees profit sharing in cash for NT\$10,150,000, which have been recognized as 2013 expenses. Remuneration to directors increases NT\$73,836 versus booking amount due to CPA's adjustment of 2013 earnings, and employees profit sharing decreases NT\$96,685 versus booking amount due to difference of estimation. The differences would be treated as changes in accounting estimation of 2014.
- (3) To accommodate the adoption of income tax integration, the 2013 earnings shall be

applied to the funds of dividends distribution first.

- (4) After this proposal is approved by the annual general shareholders' meeting, the board is authorized to set the ex-dividend date.
- (5) If the number of shares outstanding is changed due to share buyback, transfer, conversion, cancellation of treasury shares or other circumstances, the board is authorized to adjust the dividend pay out ratio based on the cash dividend resolved to be distributed and the number of shares outstanding on the ex-dividend date.
- (6) The 2013 Profit Distribution Proposal is attached as Attachment 4.

RESOLVED:

Matters for Discussion

Proposal 1: Amendment to the Company's Articles of Incorporation (Proposed by the Board)

Explanation:

- (1) To conform to the needs of capitalization for future development, the Article 6 of the Company's Articles of Incorporation is to be amended to raise the authorized capital from NT\$140 billion to NT\$220 billion . The Article 33 will also be amended to update the revision date.
- (2) Please refer to Attachment 5 for the comparison of the Amended Articles of the Company's Articles of Incorporation.

RESOLVED:

Proposal 2: Amendment to the Company's "Procedures for Derivatives Trading " (Proposed by the Board)

Explanation:

- (1) In order to comply with the amendment made to the Regulations Governing the Acquisition or Disposal of Assets by Public Companies, promulgated by FSC on Dec. 30, 2013 and adapt to business requirement, it is proposed that some Articles of the Company's "Procedures for Derivatives Trading" be amended. The key points of these amendments are provided as follows:
 - (i) Specifying derivative trading is explicitly for hedging purpose. (Article 3)
 - (ii) Specifying derivative transactions explicitly should be proposed to the upcoming meeting of board of directors. (Article 5)
 - (iii) Add the procedures for the Company to engage in derivative transactions with related parties. (Article 6)
 - (iv) Add the risk management measures the Company should adopt when engaging in derivative transactions. (Article 12)
 - (v) Specifying that material derivative transactions and amendment, or set-up of "Procedures for Derivatives Trading" explicitly should be passed by the Audit Committee, if not passed, may be passed by the majority of two thirds of all Directors. (Article 17)
 - (vi) In line with the set-up of Audit Committee, the wording of supervisors will be amended to the wording of Audit Committee. (Article 15 and 18)
- (2) Please refer to Attachment 6 for the Comparison of the Amended Provisions of the "Procedures for Derivatives Trading". (omitted)

RESOLVED:

Proposal 3: Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" (Proposed by the Board)

Explanation:

- (1) In order to comply with the amendments made to the Regulations Governing the Acquisition or Disposal of Assets by Public Companies promulgated by FSC on Dec. 30, 2013, the Board is proposed to amend the Articles of Incorporation. The key points of the amendment are provided as follows:
 - (i) In comply with the wording used by International Financial Reporting Standards, revising the wording of other fixed assets and machinery equipments used for businesses, and the definition of related parties and subsidiary as well. (Article 3~4 to 6~7 and 12~13, 25)
 - (ii) Explicitly specifying that intangible asset transactions with a government institution do not need an independent auditor's opinion on the reasonableness of the transaction price. (Article 9)
 - (iii) Explicitly specifying that transactions of government bonds, domestic money market funds, RP, RS etc., do not require prior approval of the Audit Committee and the Board of Directors. (Article 13)
 - (iv) Adding new article that the evaluation approach specified in Articles 14~16 on acquirement of real property from a related party, should not apply to the real property acquired through engaging a related party to build the real property. (Article 14)
 - (v) Specifying that subscriptions and redemptions of the domestic money market funds are not subject to the public announcement reuquirements. (Article 25)
- (2) Please refer to Attachment 7 for the Comparison of the Amended Provisions of the "Procedures for Acquisition or Disposal of Assets".(omitted)

RESOLVED:

Proposal 4: Proposal for releasing the prohibition on some of the Board members from participation in competitive business. (Proposed by the Board)

Explanation:

- (1) In accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act

and secure its approval.

- (2) Some directors who participate in the operations of another company that engages in the same or similar business as the Company, have not obtained the approval from the shareholders' meeting. It is proposed that the shareholders' meeting release the following directors from the non-competition restrictions according to the Article 209 of the Company Act.

Position	Name of Director	Concurrent Position	Position Held
Director	Ministry of Finance	Hua Nan Financial Holdings Co., Ltd.	Director
Director	Bank of Taiwan	Taiwan Financial Asset Service Corp.	Director
		BankTaiwan Insurance Brokers Co.,Ltd.	Director
		Taiwan Futures Exchange Corp.	Director
Director	Wen-Chyi Ong	Chunghwa Post Co., Ltd	Chairman

RESOLVED:

Questions and Motions

Attachment 2

Mega Financial Holding Co., Ltd.

Audit Committee's Report

The Board of Directors of the Company has compiled and delivered the business report, the consolidated financial statements, and the proposal for distribution of earnings for 2013. Wherein, the consolidated financial statements were audited by CPA Chien-Hung Chou, and King-Tse Huang, of PricewaterhouseCoopers. The Audit Committee has examined the above statements and found nothing non-compliance and thus prepared this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your ratification.

To: 2014 General Shareholders' Meeting

Mega Financial Holding Co., Ltd.

Chairman of the Audit Committee: Tsun-Siou Lee

Date :April 29, 2014

Attachment 3

PWCR13000232

Report of Independent Accountants

To the Board of Directors and Stockholders

Mega Financial Holding Co., Ltd.

We have audited the accompanying consolidated balance sheets of Mega Financial Holding Co., Ltd. and its subsidiaries (collectively the “Mega Group”) as of December 31, 2013, December 31, 2012, and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Mega Group’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions 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 above present fairly, in all material respects, the financial position of Mega Group as of December 31, 2013, December 31, 2012, and January 1, 2012 and their financial performance and cash flows for the years ended December 31, 2013 and 2012 in conformity with the “Regulations Governing the Preparation of Financial Reports by Financial Holding Companies”, “Regulations Governing the Preparation of Financial Reports by Public Banks”, “Regulations Governing the Preparation of Financial Reports by Public Held Bills Finance Companies”, “Regulations Governing the Preparation of Financial Reports by Securities Firms”, “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”, “Regulations

Governing the Preparation of Financial Reports by Enterprises Engaging in Insurance”, “Regulations Governing the Preparation of Financial Reports by Securities Issuers” ,“Regulations Governing the Preparation of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the Financial Supervisory Commission(FSC).

March 26, 2014

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and audit report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF DOLLARS)

(Exchange rate of NT\$29.775 to US\$1:00 at December 31, 2013)

ASSETS	Notes	December 31, 2013		December 31, 2012	January 1, 2012
		NT\$	US\$	NT\$	NT\$
ASSETS					
Cash and cash equivalents	6(1)	\$ 367,990,287	12,359,036	\$ 313,428,092	\$ 323,103,740
Due from the Central Bank and call loans to banks	6(2)	183,257,144	6,154,732	145,062,037	180,399,521
Financial assets at fair value through profit or loss	6(3)	195,800,759	6,576,012	184,716,442	189,200,685
Available-for-sale financial assets, net	6(7) and 12	272,943,633	9,166,873	223,271,043	164,382,740
Bills and bonds purchased under resale agreements		2,585,345	86,829	2,282,052	1,360,685
Receivables, net	6(4)(5)	184,587,941	6,199,427	122,685,220	107,559,026
Current income tax assets		921,969	30,965	953,192	520,739
Non-current assets held for sale		2,576	87	-	-
Bills discounted and loans, net	6(5)	1,654,577,193	55,569,343	1,502,700,861	1,462,333,154
Reinsurance contract assets, net	6(6)(23)	3,293,937	110,628	3,301,550	3,609,063
Held-to-maturity financial assets, net	6(8) and 12	184,411,233	6,193,492	161,253,982	131,836,405
Equity investments accounted for by the equity method, net	6(9)	2,697,551	90,598	2,966,843	3,168,355
Other financial assets, net	6(5)(10) and 12	23,430,204	786,909	27,629,411	26,334,755
Investment property, net	6(11) and 12	2,059,428	69,166	2,101,127	1,531,587
Property and equipment, net	6(12) and 12	22,150,245	743,921	22,331,091	22,550,177
Intangible assets, net		318,046	10,682	303,612	292,358
Deferred income tax assets	6(38)	3,785,582	127,140	3,098,020	2,717,434
Other assets, net	6(13) and 12	8,810,740	295,911	8,884,722	7,767,194
TOTAL ASSETS		\$ 3,113,623,813	\$ 104,571,751	\$ 2,726,969,297	\$ 2,628,667,618
LIABILITIES AND EQUITY					
LIABILITIES					
Due to the Central Bank and financial institutions	6(14) and 11	\$ 490,935,730	\$ 16,488,186	\$ 328,810,493	\$ 359,080,007
Funds borrowed from the Central Bank and other banks	6(15)	32,330,245	1,085,819	84,826,943	80,342,071
Financial liabilities at fair value through profit or loss	6(16)	14,856,685	498,965	14,676,886	21,312,632
Bills and bonds sold under repurchase agreements	6(17)	219,651,334	7,377,039	187,481,840	202,112,777
Commercial paper payable, net	6(18) and 11	4,393,653	147,562	1,880,597	1,749,387
Payables	6(19)	66,105,983	2,220,184	59,583,525	56,831,304
Current income tax liabilities		5,522,518	185,475	5,993,633	5,048,197
Deposits and remittances	6(20) and 11	1,933,722,541	64,944,502	1,717,989,498	1,588,688,108

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Exchange rate of NT\$29.775 to US\$1:00 at December 31, 2013)

LIABILITIES AND EQUITY	Notes	December 31, 2013		December 31, 2012	January 1, 2012
		NT\$	US\$	NT\$	NT\$
Bonds payable	6(21)	\$ 55,898,677	\$ 1,877,370	\$ 62,449,668	\$ 61,401,059
Other loans	6(22) and 12	5,509,213	185,028	6,541,000	5,429,400
Provisions for liabilities	6(23)	22,414,786	752,806	22,045,319	18,717,804
Other financial liabilities	6(24)	10,094,610	339,030	11,728,176	14,524,222
Deferred income tax liabilities		2,051,201	68,890	1,694,706	1,879,418
Other liabilities	6(25)	8,544,561	286,970	10,786,252	10,179,452
Total Liabilities		<u>2,872,031,737</u>	<u>96,457,826</u>	<u>2,516,488,536</u>	<u>2,427,295,838</u>
Equity					
Equity attributable to owners of parent					
Share capital					
Common stock	6(26)	124,498,240	4,181,301	114,498,240	112,806,148
Capital surplus	6(26)	55,271,623	1,856,310	43,425,270	43,426,403
Retained earnings					
Legal reserve	6(26)	22,220,204	746,271	20,066,890	18,298,900
Special reserve	6(26)	2,547,719	85,566	2,569,119	2,766,584
Inappropriate retained earnings	6(27)	36,766,912	1,234,825	29,461,030	22,828,132
Other equity interest	6(28)				
Other equity interest		100,838	3,387	179,145	956,830
Non-controlling interest		<u>186,540</u>	<u>6,265</u>	<u>281,067</u>	<u>288,783</u>
Total Equity		<u>241,592,076</u>	<u>8,113,925</u>	<u>210,480,761</u>	<u>201,371,780</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 3,113,623,813</u>	<u>\$ 104,571,751</u>	<u>\$ 2,726,969,297</u>	<u>\$ 2,628,667,618</u>

The accompanying notes are an integral part of these consolidated financial statements.

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT EARNINGS PER SHARE AMOUNTS)

(Exchange rate of NT\$29.775 to US\$1:00 at December 31, 2013)

	For the years ended December 31,		
	2013		2012
	NT\$	US\$	NT\$
Interest income	\$ 46,533,690	\$ 1,562,844	\$ 43,400,003
Less: Interest expense	(15,257,564)	(512,429)	(13,827,930)
Interest income, net	<u>31,276,126</u>	<u>1,050,415</u>	<u>29,572,073</u>
Revenues other than interest, net			
Service fee revenue and commissions, net	9,789,911	328,796	9,146,669
Insurance revenue, net	1,480,026	49,707	1,264,879
Financial assets and liabilities at fair value through profit or loss	3,622,163	121,651	4,246,210
Realized gain on available-for-sale financial assets, net	2,123,657	71,323	1,816,338
Foreign exchange gain	2,947,572	98,995	2,376,717
Share of profit of associates and joint ventures accounted for under equity method	203,681	6,841	175,310
Loss on asset impairment	(333,187)	(11,190)	(505,927)
Other revenue other than interest income	2,194,331	73,697	1,733,775
Revenue on disposal of non-performing loans	<u>1,704,188</u>	<u>57,236</u>	<u>1,988,673</u>
Net revenue	<u>55,008,468</u>	<u>1,847,471</u>	<u>51,814,717</u>
Bad debts expense and provisions for insurance reserve	(5,276,424)	(177,210)	(4,341,908)
Reversal of (provisions for) insurance reserve	183,695	6,169	(48,919)
Operating expenses			
Employee benefit expense	(15,689,350)	(526,930)	(15,179,079)
Depreciation and amortization	(739,528)	(24,837)	(768,122)
Other business and administrative expenses	(6,486,779)	(217,860)	(6,202,493)
Income before Income Tax	27,000,082	906,803	25,274,196
Income Tax Expense	(4,505,513)	(151,319)	(4,479,088)
Profit for the year	<u>22,494,569</u>	<u>755,484</u>	<u>20,795,108</u>
Other comprehensive income			
Cumulative translation differences of foreign operations	40,248	1,352	(933,796)
Unrealized gain on valuation of available-for-sale financial assets	(94,537)	(3,175)	167,575
Actuarial gain (loss) on defined benefit plan	(550,157)	(18,477)	(1,558,981)
Share of other comprehensive income of associates and joint ventures accounted for under equity method	(24,342)	(818)	(24,600)
Income tax relating to the components of other comprehensive income	<u>93,527</u>	<u>3,141</u>	<u>265,027</u>
Total other comprehensive income(after Income Tax)	(535,261)	(17,977)	(2,084,775)
Total comprehensive income	<u>\$ 21,959,308</u>	<u>\$ 737,507</u>	<u>\$ 18,710,333</u>
Profit (loss), attributable to:			
Owners of parent	\$ 22,489,232	\$ 755,306	\$ 20,784,648
Non-controlling interests	<u>5,337</u>	<u>179</u>	<u>10,460</u>
	<u>\$ 22,494,569</u>	<u>\$ 755,485</u>	<u>\$ 20,795,108</u>
Comprehensive income attributable to:			
Owners of parent	\$ 21,954,295	\$ 737,340	\$ 18,713,009
Non-controlling interests	<u>5,013</u>	<u>168</u>	<u>(2,676)</u>
	<u>\$ 21,959,308</u>	<u>\$ 737,508</u>	<u>\$ 18,710,332</u>
Earnings per share			
Basic earnings per share (in dollars)	<u>\$ 1.96</u>	<u>\$ 0.07</u>	<u>\$ 1.82</u>
Diluted earnings per share (in dollars)	<u>\$ 1.96</u>	<u>\$ 0.07</u>	<u>\$ 1.82</u>

The accompanying notes are an integral part of these consolidated financial statements

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent

	Capital		Retained earnings			Other equity interest		Total	Non-controlling interest	Total
	Share capital – common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate retained earnings	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets			
<u>For the year ended December 31, 2012</u>										
Balance, January 1, 2012	\$ 112,806,148	\$ 43,426,403	\$ 18,298,900	\$ 2,766,584	\$ 22,828,132	\$ -	\$ 956,830	\$ 201,082,997	\$ 288,783	\$ 201,371,780
Earnings distribution for 2011 (Note)										
Legal reserve	-	-	1,767,990	-	(1,767,990)	-	-	-	-	-
Cash dividends	-	-	-	-	(9,588,523)	-	-	(9,588,523)	(5,040)	(9,593,563)
Stock dividends distributable	1,692,092	-	-	-	(1,692,092)	-	-	-	-	-
Capital surplus	(1,133)	-	-	-	-	-	-	(1,133)	-	(1,133)
Appropriation for special reserve	-	-	-	(190,793)	190,793	-	-	-	-	-
Offsetting bad debt reversed from special reserve	-	-	-	(6,656)	-	-	-	(6,656)	-	(6,656)
Disposal of land transferred as special reserve	-	-	-	(16)	16	-	-	-	-	-
Profit for the year	-	-	-	-	20,784,648	-	-	20,784,648	10,460	20,795,108
Other comprehensive income for the year	-	-	-	-	(1,293,954)	(944,493)	166,808	(2,071,639)	(13,136)	(2,084,775)
Balance, December 31, 2012	<u>\$ 114,498,240</u>	<u>\$ 43,425,270</u>	<u>\$ 20,066,890</u>	<u>\$ 2,569,119</u>	<u>\$ 29,461,030</u>	<u>(\$ 944,493)</u>	<u>\$ 1,123,638</u>	<u>\$ 210,199,694</u>	<u>\$ 281,067</u>	<u>\$ 210,480,761</u>
<u>For the year ended December 31, 2013</u>										
Balance, January 1, 2013	\$ 114,498,240	\$ 43,425,270	\$ 20,066,890	\$ 2,569,119	\$ 29,461,030	(\$ 944,493)	\$ 1,123,638	\$ 210,199,694	\$ 281,067	\$ 210,480,761
Earnings distribution for 2012 (Note)										
Legal reserve	-	-	2,153,314	-	(2,153,314)	-	-	-	-	-
Cash dividends	-	-	-	-	(12,594,806)	-	-	(12,594,806)	(9,540)	(12,604,346)
Disposal of land transferred as special reserve	-	-	-	(21,400)	21,400	-	-	-	-	-
Profit for the year	-	-	-	-	22,489,232	-	-	22,489,232	5,337	22,494,569
Other comprehensive income for the year	-	-	-	-	(456,630)	43,114	(121,421)	(534,937)	(324)	(535,261)
Issuance of common stock	10,000,000	11,500,000	-	-	-	-	-	21,500,000	-	21,500,000
Share based payment transactions	-	346,353	-	-	-	-	-	346,353	-	346,353
Change in non-controlling interest by capital reduction of subsidiary	-	-	-	-	-	-	-	-	(90,000)	(90,000)
Balance, December 31, 2013	<u>\$ 124,498,240</u>	<u>\$ 55,271,623</u>	<u>\$ 22,220,204</u>	<u>\$ 2,547,719</u>	<u>\$ 36,766,912</u>	<u>(\$ 901,379)</u>	<u>\$ 1,002,217</u>	<u>\$ 241,405,536</u>	<u>\$ 186,540</u>	<u>\$ 241,592,076</u>

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF US DOLLARS)

(Exchange rate of NT\$29.775 to US\$1:00 at December 31, 2013)

	Equity attributable to owners of the parent									
	Capital		Retained earnings			Other equity interest				
	Share capital – common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate retained earnings	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total
<u>For the year ended December 31, 2013</u>										
Balance, January 1, 2013	\$ 3,845,449	\$ 1,458,448	\$ 673,951	\$ 86,284	\$ 989,455	(\$ 31,721)	\$ 37,738	\$ 7,059,604	\$ 9,440	\$ 7,069,044
Earnings distribution for 2012 (Note)	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	72,320	-	(72,320)	-	-	-	-	-
Cash dividends	-	-	-	-	(422,999)	-	-	(422,999)	(320)	(423,319)
Disposal of land transferred as special reserve	-	-	-	(718)	719	-	-	1	-	1
Profit for the year	-	-	-	-	755,306	-	-	755,306	179	755,485
Other comprehensive income for the year	-	-	-	-	(15,336)	1,448	(4,078)	(17,966)	(11)	(17,977)
Issuance of common stock	335,852	386,230	-	-	-	-	-	722,082	-	722,082
Share based payment transaction	-	11,632	-	-	-	-	-	11,632	-	11,632
Change in non-controlling interest by capital reduction of subsidiary	-	-	-	-	-	-	-	-	(3,023)	(3,023)
Balance, December 31, 2013	<u>\$ 4,181,301</u>	<u>\$ 1,856,310</u>	<u>\$ 746,271</u>	<u>\$ 85,566</u>	<u>\$ 1,234,825</u>	<u>(\$ 30,273)</u>	<u>\$ 33,660</u>	<u>\$ 8,107,660</u>	<u>\$ 6,265</u>	<u>\$ 8,113,925</u>

Note: Remunerations to directors and supervisors amounting to \$79,559 and \$96,899 thousand (US \$3,254 thousand) and employee bonuses amounting to \$10,186 and \$10,240 thousand (US\$ 343 thousand) for 2011 and 2012 have been deducted from the consolidated statements of comprehensive income.

The accompanying notes are an integral part of these consolidated financial statements.

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF DOLLARS)

(Exchange rate of NT\$29.775 to US\$1:00 at December 31, 2013)

	For the years ended December 31		
	2013		2012
	NT\$	US\$	NT\$
Cash Flows from Operating Activities			
Profit before tax	\$ 27,000,082	\$ 906,804	\$ 25,274,196
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	701,988	23,576	733,566
Amortization	37,540	1,261	34,556
Bad debts expense and provisions for insurance reserve	5,276,424	177,210	4,341,908
Interest expense	15,468,578	519,516	14,093,018
Interest income	(48,619,411)	(1,632,894)	(45,561,978)
Dividend income	(219,419)	(7,369)	(149,237)
Net change in insurance reserve	(112,327)	(3,773)	(32,244)
Share based payment transaction	346,353	11,632	-
Loss on financial asset impairment	333,187	11,190	505,927
Loss on disposal of property and equipment	(36,302)	(1,219)	(24,596)
Loss (gain) on disposal of investment property	51	2	(139)
Share of profit of associates accounted for under equity method	(203,681)	(6,841)	(175,310)
Changes in assets/liabilities relating to operating activities			
(Increase) decrease in due from Central Bank and call loans to other banks	(38,195,107)	(1,282,791)	35,337,484
(Decrease) increase in financial assets at fair value through profit or loss	(11,084,317)	(372,269)	4,484,243
Increase in available-for-sale financial assets	(49,848,233)	(1,674,164)	(58,767,778)
Increase in receivables	(60,155,809)	(2,020,346)	(15,655,538)
Increase in assets held to sale	(2,576)	(87)	-
Increase in bills discounted and loans	(158,402,839)	(5,319,995)	(44,775,500)
Decrease in reinsurance contract assets	7,613	256	307,513
Increase in held-to-maturity financial assets	(23,157,251)	(777,741)	(29,417,577)
Decrease (increase) in other financial assets	3,845,982	129,168	(1,774,950)
Decrease (increase) in other assets	73,760	2,477	(1,074,447)
Increase (decrease) in due to the Central Bank and financial institutions	162,125,237	5,445,012	(30,269,514)
Increase (decrease) in financial liabilities at fair value through profit or loss	179,799	6,039	(6,635,746)
Increase (decrease) in bills and bonds purchased under resale agreements	32,169,494	1,080,420	(14,630,937)
Increase in payables	5,320,507	178,690	1,745,409
Increase in deposits and remittances	215,733,043	7,245,442	129,301,390

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(EXPRESSED IN THOUSANDS OF DOLLARS)

	For the years ended December 31,		
	2013		2012
	NT\$	US\$ (Note 2)	NT\$
(Decrease) increase in reserve of guarantee	(8,005)	(269)	1,423,987
Increase in liabilities reserve for employee benefits	45,263	1,520	556,192
Decrease in provisions for liabilities	(1,633,566)	(54,864)	(2,796,046)
(Decrease) increase in other liabilities	(2,241,691)	(75,288)	606,800
Cash provided by (used in) operations	74,744,367	2,510,305	(32,995,348)
Interest received	47,942,040	1,610,144	46,180,282
Cash dividend received	459,744	15,441	454,201
Interest paid	(15,427,301)	(518,129)	(13,937,359)
Income tax paid	(5,276,472)	(177,211)	(4,531,403)
Net cash provided by (used in) operating activities	<u>102,442,378</u>	<u>3,440,550</u>	<u>(4,829,627)</u>
<u>Cash Flows from Investing Activities</u>			
Acquisition of property and equipment	(51,809)	(1,740)	(88,966)
Proceeds from disposal of property and equipment	214,431	7,202	58,064
Acquisition of investment property	(457,437)	(15,363)	(458,725)
Proceeds from disposal of investment property	(2,324)	(78)	(847,205)
Acquisition of intangible assets	2,488	84	4,237
Proceeds from reduction of capital of investee accounted for under the equity method	<u>277,772</u>	<u>9,329</u>	<u>309,551</u>
Net cash used in investing activities	<u>(16,879)</u>	<u>(566)</u>	<u>(1,023,044)</u>
<u>Cash Flows from Financing Activities</u>			
Decrease (increase) in due to the Central Bank and financial institutions	(52,496,698)	(1,763,113)	4,484,872
Increase in commercial papers payable	2,513,000	84,400	132,000
(Decrease) increase in bonds payable	(6,600,000)	(221,662)	1,000,000
(Decrease) increase in other loans	(1,031,787)	(34,653)	1,111,600
Change in non-controlling interest by capital reduction of subsidiary	(90,000)	(3,023)	-
Payment of cash dividends	(11,394,773)	(382,696)	(8,696,287)
Proceeds from issuance of common stock	<u>21,500,000</u>	<u>722,082</u>	<u>-</u>
Net cash used in financing activities	<u>(47,600,258)</u>	<u>(1,598,665)</u>	<u>(1,967,815)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>40,247</u>	<u>1,352</u>	<u>(933,795)</u>
Net increase (decrease) in cash and cash equivalents	54,865,488	1,842,671	(8,754,281)
Cash and cash equivalents at beginning of year	<u>315,710,144</u>	<u>10,603,195</u>	<u>324,464,425</u>
Cash and cash equivalents at end of year	<u>\$ 370,575,632</u>	<u>\$ 12,445,866</u>	<u>\$ 315,710,144</u>
Cash and cash equivalents composition :			
Cash and cash equivalents as shown in the balance sheet	\$ 367,990,287	\$ 12,359,036	\$ 313,428,092
Investments in bills and bonds under resale agreements meeting the definition of cash and cash equivalents as stated in IAS No. 7 "Cash Flow Statements"	<u>2,585,345</u>	<u>86,829</u>	<u>2,282,052</u>
Cash and cash equivalents at end of year	<u>\$ 370,575,632</u>	<u>\$ 12,445,865</u>	<u>\$ 315,710,144</u>

The accompanying notes are an integral part of these consolidated financial statements.

MEGA FINANCIAL HOLDING CO., LTD.
BALANCE SHEETS
DECEMBER 31,
(EXPRESSED IN THOUSANDS OF DOLLARS)

ASSETS	2013		2012	LIABILITIES AND EQUITY	2013		2012
	NT\$	US\$	NT\$		NT\$	US\$	NT\$
Assets				Liabilities			
Cash and cash equivalents	\$ 1,044,333	\$ 35,074	\$ 77,292	Financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ 1,200
Receivables, net	-	-	158	Commercial papers payable-Net	-	-	881,079
Current income tax assets	630,319	21,170	857,313	Payables	11,975,327	402,194	10,841,536
Available-for-sale financial assets-Net	5,550,855	186,427	5,143,167	Current income tax liabilities	121,298	4,074	1,376,534
Equity investments accounted for				Bonds payable	11,998,677	402,978	16,049,668
by the equity method, net	256,786,037	8,624,216	231,773,613	Provisions for liabilities	52,431	1,761	56,510
Other financial assets, net	758,293	25,467	758,293	Deferred tax liabilities	2,168	73	1,026
Property and equipment, net	771,442	25,909	783,919	Other liabilities	2,086	70	2,257
Deferred tax assets, net	7,737	260	7,737	Total Liabilities	<u>24,151,987</u>	<u>811,150</u>	<u>29,209,810</u>
Other assets, net	<u>8,507</u>	<u>286</u>	<u>8,012</u>	Equity			
				Common stock	124,498,240	4,181,301	114,498,240
				Capital surplus	55,271,623	1,856,310	43,425,270
				Retained earnings			
				Legal reserve	22,220,204	746,270	20,066,890
				Special reserve	2,547,719	85,566	2,569,119
				Inappropriate retained earnings	36,766,912	1,234,825	29,461,030
				Other equity	<u>100,838</u>	<u>3,386</u>	<u>179,145</u>
				Total equity	<u>241,405,536</u>	<u>8,107,659</u>	<u>210,199,694</u>
TOTAL ASSETS	<u>\$ 265,557,523</u>	<u>\$ 8,918,809</u>	<u>\$ 239,409,504</u>	TOTAL LIABILITIES AND EQUITY	<u>\$ 265,557,523</u>	<u>\$ 8,918,809</u>	<u>\$ 239,409,504</u>

MEGA FINANCIAL HOLDING CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Thousands of Dollars, except earnings per share amounts)

	For the years ended December 31,		
	2013		2012
	NT\$	US\$	NT\$
Revenues			
Interest income	\$ 4,732	\$ 159	\$ 27,319
Financial assets and liabilities at fair value through profit or loss	1,200	40	-
Share of profit of associates and joint ventures accounted for under equity method	23,768,937	798,285	21,911,931
Other revenue except for interest income	6,895	232	33,057
Total revenue	<u>23,781,764</u>	<u>798,716</u>	<u>21,972,307</u>
Expenses and losses			
Interest expense	(290,181)	(9,746)	(361,053)
Loss from financial assets and liabilities at fair value through profit and loss	-	-	(1,200)
Foreign exchange loss	(4)	-	(2)
Impairment loss on financial assets measured at cost	-	-	(1,039)
Employee benefit expense	(229,477)	(7,707)	(247,212)
Depreciation and amortization expense	(19,055)	(640)	(21,806)
Other business and administrative expenses	(88,166)	(2,961)	(79,420)
Total expenses and losses	<u>(626,883)</u>	<u>(21,054)</u>	<u>(711,732)</u>
Income before Income Tax from Continuing Operations	23,154,881	777,662	21,260,575
Income tax expense	(665,649)	(22,356)	(475,927)
Net Income	<u>\$ 22,489,232</u>	<u>\$ 755,306</u>	<u>\$ 20,784,648</u>
Other comprehensive income			
Unrealized gain (loss) on valuation of available-for-sale financial assets	407,687	13,692	(136,026)
Actuarial gain on defined benefit plan	6,716	226	6,037
Share of other comprehensive income of associates and joint ventures accounted for under equity method	(948,198)	(31,845)	(1,940,624)
Income tax relating to the components of other comprehensive income	(1,142)	(38)	(1,026)
Other comprehensive loss for the period, net of tax	<u>(534,937)</u>	<u>(17,965)</u>	<u>(2,071,639)</u>
Total comprehensive income for the period	<u>\$ 21,954,295</u>	<u>\$ 737,341</u>	<u>\$ 18,713,009</u>
Basic Earnings Per Share (in dollars)	<u>After Taxes</u>	<u>After Taxes</u>	<u>After Taxes</u>
Net Income from Continuing Operations	<u>\$ 1.96</u>	<u>\$ 0.07</u>	<u>\$ 1.82</u>
Diluted Earnings Per Share (in dollars)	<u>After Taxes</u>	<u>After Taxes</u>	<u>After Taxes</u>
Net Income from Continuing Operations	<u>\$ 1.96</u>	<u>\$ 0.07</u>	<u>\$ 1.82</u>

MEGA FINANCIAL HOLDING CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Expressed in Thousands of NT Dollars)

	Retained Earnings					Other equity interest		Total
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate retained earnings	Exchange differences on translation of foreign financial statement	Unrealized gain on available-for-sale financial assets	
<u>For the year ended December 31, 2012</u>								
Balance, January 1, 2012	\$ 112,806,148	\$ 43,426,403	\$ 18,298,900	\$ 2,766,584	\$ 22,828,132	\$ -	\$ 956,830	\$ 201,082,997
Earnings distribution for 2011								
Legal reserve	-	-	1,767,990	-	(1,767,990)	-	-	-
Cash dividends	-	-	-	-	(9,588,523)	-	-	(9,588,523)
Stock dividends distributable	1,692,092	-	-	-	(1,692,092)	-	-	-
Capital surplus	-	(1,133)	-	-	-	-	-	(1,133)
Appropriation for special reserve	-	-	-	(190,793)	190,793	-	-	-
Offsetting bad debt reversed from special reserve	-	-	-	(6,656)	-	-	-	(6,656)
Disposal of land transferred as special reserve	-	-	-	(16)	16	-	-	-
Profit for the year	-	-	-	-	20,784,648	-	-	20,784,648
Other comprehensive income for the year	-	-	-	-	(1,293,954)	(944,493)	166,808	(2,071,639)
Balance, December 31, 2012	<u>\$ 114,498,240</u>	<u>\$ 43,425,270</u>	<u>\$ 20,066,890</u>	<u>\$ 2,569,119</u>	<u>\$ 29,461,030</u>	<u>(\$ 944,493)</u>	<u>\$ 1,123,638</u>	<u>\$ 210,199,694</u>
<u>For the year ended December 31, 2013</u>								
Balance, January 1, 2013	\$ 114,498,240	\$ 43,425,270	\$ 20,066,890	\$ 2,569,119	\$ 29,461,030	(\$ 944,493)	\$ 1,123,638	\$ 210,199,694
Earnings distribution for 2012								
Legal reserve	-	-	2,153,314	-	(2,153,314)	-	-	-
Cash dividends	-	-	-	-	(12,594,806)	-	-	(12,594,806)
Disposal of land transferred as special reserve	-	-	-	(21,400)	21,400	-	-	-
Profit for the year	-	-	-	-	22,489,232	-	-	22,489,232
Other comprehensive income for the year	-	-	-	-	(456,630)	43,114	(121,421)	(534,937)
Issuance of common stock	10,000,000	11,500,000	-	-	-	-	-	21,500,000
Share based payment transactions	-	346,353	-	-	-	-	-	346,353
Balance, December 31, 2013	<u>\$ 124,498,240</u>	<u>\$ 55,271,623</u>	<u>\$ 22,220,204</u>	<u>\$ 2,547,719</u>	<u>\$ 36,766,912</u>	<u>(\$ 901,379)</u>	<u>\$ 1,002,217</u>	<u>\$ 241,405,536</u>

MEGA FINANCIAL HOLDING CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013
(Expressed in Thousands of US Dollars)

	Retained Earnings					Other equity interest		Total
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriate retained earnings	Exchange differences on translation of foreign financial statement	Unrealized gain on available-for-sale financial assets	
<u>For the year ended December 31, 2013</u>								
Balance, January 1, 2013	\$ 3,845,449	\$ 1,458,448	\$ 673,951	\$ 86,284	\$ 989,455	(\$ 31,721)	\$ 37,738	\$ 7,059,603
Earnings distribution for 2012	-	-	-	-	-	-	-	-
Legal reserve	-	-	72,320	-	(72,320)	-	-	-
Cash dividends	-	-	-	-	(422,999)	-	-	(422,999)
Disposal of land transferred as special reserve	-	-	-	(719)	719	-	-	-
Profit for the year	-	-	-	-	755,306	-	-	755,306
Other comprehensive income for the year	-	-	-	-	(15,336)	1,448	(4,078)	(17,966)
Issuance of common stock	335,852	386,230	-	-	-	-	-	722,082
Share based payment transaction	-	11,632	-	-	-	-	-	11,632
Balance, December 31, 2013	<u>\$ 4,181,301</u>	<u>\$ 1,856,310</u>	<u>\$ 746,270</u>	<u>\$ 85,566</u>	<u>\$ 1,234,825</u>	<u>(\$ 30,273)</u>	<u>\$ 33,660</u>	<u>\$ 8,107,659</u>

MEGA FINANCIAL HOLDING CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
(Expressed in Thousands of Dollars)

	2013		2012
	NT\$	US\$	NT\$
<u>Cash Flows from Operating Activities</u>			
Net income	\$ 23,154,881	\$ 777,662	\$ 21,260,575
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	15,535	522	16,834
Amortization	3,520	118	4,972
Loss on financial asset impairment	-	-	1,039
Interest expense	290,181	9,746	361,053
Interest income	(4,732)	(159)	(27,319)
Dividend income	(1,531)	(51)	(1,948)
Share based payment transaction	2,054	69	-
Share of profit of associates accounted for under equity method	(23,768,937)	(798,285)	(21,911,931)
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Decrease in receivables	158	5	-
(Increase) decrease in other assets	(4,015)	(135)	198
Changes in liabilities relating to operating activities			
(Decrease) increase in financial liabilities at fair value through profit or loss	(1,200)	(40)	1,200
(Decrease) increase in payables	(16,801)	(564)	20,419
Increase in provisions for liabilities	2,637	89	3,083
(Decrease) increase in other liabilities	(171)	(6)	649
Net cash used in operations	(328,421)	(11,029)	(271,176)
Interest received	4,732	159	27,319
Cash dividend received	13,154,143	441,785	11,772,053
Interest paid	(322,655)	(10,836)	(314,912)
Income tax paid	(1,693,890)	(56,890)	(98,720)
Net cash provided by operating activities	<u>10,813,909</u>	<u>363,189</u>	<u>11,114,564</u>
<u>Cash Flows from Investing Activities</u>			
Acquisition of investment property	(3,058)	(103)	(16,688)
Proceeds from reduction of capital of investee accounted for under the equity method	-	-	2,814
Acquisition of equity investments accounted for by the equity method	(15,000,000)	(503,778)	(7,191,000)
Net cash used in investing activities	<u>(15,003,058)</u>	<u>(503,881)</u>	<u>(7,204,874)</u>

MEGA FINANCIAL HOLDING CO., LTD.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Expressed in Thousands of NT Dollars)

	2013		2012
	NT\$	US\$	NT\$
<u>Cash Flows from Financing Activities</u>			
(Decrease) increase in commercial papers payable	(\$ 882,000)	(\$ 29,622)	\$ 882,000
Decrease in bonds payable	(4,100,000)	(137,699)	(300,000)
Payment in cash dividends	(11,361,810)	(381,589)	(8,691,247)
Insurance of common stock	21,500,000	722,081	-
Net cash provided by financing activities	5,156,190	173,171	8,109,247
Net increase (decrease) in cash and cash equivalents	967,041	32,478	(4,199,557)
Cash and cash equivalents at beginning of year	77,292	2,596	4,276,849
Cash and cash equivalents at end of year	\$ 1,044,333	\$ 35,074	\$ 77,292

Attachment 4

Mega Financial Holding Co., Ltd.
Profit Distribution Proposal
Year 2013

Unit : NT\$

Items	Amount
Beginning retained earnings	16,564,547,378
Adjustment for adoption of TIFRS(Note 4)	(120,870,273)
Appropriation of special reserve for first-time adoption of TIFRS(Note 5)	(1,730,767,312)
Adjusted beginning retained earnings	14,712,909,793
Reverse of special reserve for first-time adoption of TIFRS(Note 6)	21,399,956
Retained earnings decreased due to actuarial pension loss(Note 7)	(456,630,454)
Adjusted retained earnings	14,277,679,295
Add : Net income of 2013	22,489,233,123
Subtotal	36,766,912,418
Less : 10% legal reserve	(2,248,923,312)
Total distributable earnings	34,517,989,106
Less : Distribution item	
Cash dividend to shareholders(NT\$1.11 per share)	(13,819,304,621)
Unappropriated retained earnings	20,698,684,485

Note :

1. Remuneration to directors-cash NT\$101,201,000.
2. Employee profit sharing-cash NT\$10,150,000.
3. The 2013 earnings shall be distributed first.
4. Due to adoption of TIFRS, the Company's distributable earnings decreased NT\$120,870,273 for the year ended December 31, 2012.
5. Pursuant to FSC Regulation No. 1010012865, issued on April 6, 2012, the Company set aside special reserve NT\$1,730,767,312 for unrealized revaluation increment and cumulative translation adjustment due to first-time adoption of TIFRS.
6. Due to Mega Bank's disposal of land, the Company reversed special reserve NT\$21,399,956 on a pro-rata basis.
7. Recognize Mega Group's actuarial pension loss NT\$456,630,454 for the year ended December 31, 2013.

Attachment 5

Comparison of the Amended Articles of the Company's Articles of Incorporation

Amended Articles	Current Articles	Explanations
<p>ARTICLE 6</p> <p>The total authorized capital of the Company is <u>two hundred twenty</u> billion New Taiwan Dollars (NT\$<u>220,000,000,000</u>), divided into <u>Twenty-two</u> billion (<u>22,000,000,000</u>) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares are issued in installments determined by the Board of Directors.</p>	<p>ARTICLE 6</p> <p>The total authorized capital of the Company is <u>one hundred forty</u> billion New Taiwan Dollars (NT\$<u>140,000,000,000</u>), divided into <u>fourteen</u> billion (<u>14,000,000,000</u>) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares are issued in installments determined by the Board of Directors.</p>	<p>To meet the needs for future developments, the current authorized capital is raised.</p>
<p>ARTICLE 33</p> <p>These Articles of Incorporation were promulgated on December 19, 2001. The first amendment was made on June 12, 2002, the second amendment was made on November 11, 2002, the third amendment was made on June 6, 2003, the fourth amendment was made on June 11, 2004, the fifth amendment was made on June 23, 2006, the sixth amendment was made on June 13, 2008, the seventh amendment was made on June 19, 2009, the eighth amendment was made on June 23, 2010, the ninth amendment was made on June 28, 2011, and the tenth amendment was made on June 15, 2012, <u>and the eleventh amendment was made on June 24, 2014.</u></p>	<p>ARTICLE 33</p> <p>These Articles of Incorporation were promulgated on December 19, 2001. The first amendment was made on June 12, 2002, the second amendment was made on November 11, 2002, the third amendment was made on June 6, 2003, the fourth amendment was made on June 11, 2004, the fifth amendment was made on June 23, 2006, the sixth amendment was made on June 13, 2008, the seventh amendment was made on June 19, 2009, the eighth amendment was made on June 23, 2010, the ninth amendment was made on June 28, 2011, and the tenth amendment was made on June 15, 2012.</p>	<p>The date of the 11th amendment is added.</p>

Appendix 1

Articles of Incorporation of Mega Financial Holding Company Limited

CHAPTER I GENERAL PROVISIONS

ARTICLE 1

The Mega Financial Holding Company Ltd. (hereinafter referred to as the "Company") is hereby organized under the Financial Holding Company Act and the Company Act to enhance the economic scale, achieve synergy of the financial holding company and promote the development of the financial market.

ARTICLE 2

The Company shall establish its head office at Taipei, Taiwan, the Republic of China and may set up branch offices as deemed necessary for its business operations.

The establishment, dissolution and change of status of branches as referred to in the preceding Paragraph shall be executed pursuant to the resolutions to be adopted by the Board of Directors.

CHAPTER II SCOPE OF BUSINESS

ARTICLE 3

The scope of business of the Company shall be financial holding company (business code H801011).

ARTICLE 4

The Company shall engage in the following business:

1. To invest in the following industry:
 - (1) financial holding company;
 - (2) banks;
 - (3) bills finance company;
 - (4) credit card company;
 - (5) trust company;
 - (6) insurance company;
 - (7) securities company;
 - (8) futures company;
 - (9) venture capital company;
 - (10) foreign financial company approved by the competent authority; and
 - (11) other financial related company recognized by the competent authority
2. To manage the investment of the aforesaid company invested

3. To apply to the competent authority to invest in industry not specified in the first Paragraph of this Article but not involved in the operation of the company invested
4. To conduct other business approved by the competent authority

ARTICLE 5

The Company is a professional investment company. The total amount of investments made by the Company may exceed forty percent of the amount of its own paid-up capital without being subject to the requirement set out in Paragraph 1, Article 13 of the Company Act.

CHAPTER III CAPITAL STOCK

ARTICLE 6

The total authorized capital of the Company is one hundred forty billion New Taiwan Dollars (NT\$140,000,000,000), divided into fourteen billion (14,000,000,000) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares are issued in installments determined by the Board of Directors.

ARTICLE 7

Prior to the reunification of the country, all shares held by shareholders in mainland China are treated as reserved shares according to the law. Such reserved shares are not entitled to vote at any shareholders' meeting of the Company, and the number of such reserved shares is not counted in the total number of the issued and outstanding shares of the Company.

ARTICLE 8

All share certificates of the Company shall indicate thereon the name of the shareholder thereof, shall be affixed with the signatures or personal seals of three Directors of the Company, and shall be duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance thereof.

For the shares to be issued by the Company, the Company may be exempted from printing any share certificate for the share issued, while the Company shall appoint a centralized securities custody enterprise to make recordation of the issue of such shares.

ARTICLE 9

Each of the shareholders shall submit to the shareholders' registrar retained by the Company his/her/its seal specimen card. Shareholders applying to the shareholders' registrar retained by the Company for processing of share matters or exercise of shareholders' rights in writing should sign or affix the seal as shown in the specimen card.

The shareholders' registrar referred to in the preceding Paragraph shall provide the relevant information of the shareholders upon the Company's request.

ARTICLE 10

Any juristic person or a government agency shareholder may be elected as a Director; provided, however, that it shall appoint a natural person to act on its behalf.

ARTICLE 11

Share registrar matters shall be handled pursuant to the Guidelines Governing Share Registrar Matters of Public Companies, as promulgated by the competent authority, and other relevant laws and regulations.

CHAPTER IV MEETINGS OF SHAREHOLDERS

ARTICLE 12

The meeting of shareholders shall be convened by the Board of Directors unless the Company Act shall require otherwise.

The shareholders' meetings are of the following two kinds:

- (1) Regular meetings of the shareholders: to be convened at least once a year; and
- (2) Special meetings of the shareholders: to be convened whenever necessary.

Regular meetings of the shareholders shall be convened within six months after the close of each fiscal year.

ARTICLE 13

The entries in the shareholders' book shall be closed in a period from 60 days prior to the convening date of a regular shareholders' meeting, from 30 days prior to the convening date of a special shareholders' meeting, or from 5 days prior to the record date set by the Company for distribution of dividends, bonus or other benefits.

ARTICLE 14

A shareholder who is unable to attend a shareholders' meeting may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

When the government or a juristic person is a shareholder, its proxy shall not be limited to one person.

ARTICLE 15

Unless otherwise required by laws and regulations, each share holding by the shareholders shall have one vote.

A shareholder who has conflict of interest in the matter under discussion at a shareholders' meeting, which will likely impair the interest of the Company, shall not vote nor exercise the voting right on behalf of other shareholders.

ARTICLE 16

A written notice to convene a regular meeting of shareholders shall be sent to each shareholder no later than 30 days prior to the scheduled meeting date. In case of a special meeting of shareholders,

a meeting notice shall be sent to each shareholder no later than 15 days prior to the scheduled meeting date. The agenda of a meeting of shareholders shall be stated in the meeting notice to be sent to shareholders. A public notice to shareholders holding less than 1000 shares may be placed instead of a written notice.

The aforesaid agenda of a meeting may be proposed by "extemporary motions"; provided, however, that matters which shall be stated in the meeting notice in accordance with relevant laws and regulations may not be proposed by "extemporary motions".

The first Paragraph of this Article shall not apply to the situation where the meeting of shareholders resolves to postpone or reconvene the meeting within five days.

ARTICLE 17

Unless otherwise required by law, resolutions of the shareholders' meeting shall be adopted by a majority of the issued shares held by the shareholders present at the meeting (quorum), and a majority of shareholders present at the meeting vote for such resolution.

ARTICLE 18

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within 20 days after the meeting. The distribution of the minutes of shareholders' meeting may be made by means of public announcement. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

The attendance list bearing the signatures of shareholders present at the meeting and the proxies shall be kept by the Company for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the above documents shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

CHAPTER V BOARD OF DIRECTORS

ARTICLE 19

The Company shall have a Board of Directors composed of fifteen to twenty one Directors. Starting from 2013, the candidate nomination system is adopted for directors; the shareholders shall elect directors from a list of the candidates. The term of office of a director is three years, and may be eligible for re-election.

Among the directors prescribed in the preceding Paragraph, at least three independent directors and a number of independent directors no less than 1/5 of the board seats shall be included.

The independent directors' professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other compliance requirements shall be handled in accordance with the relevant laws and regulations.

The remuneration of the independent directors of the Company shall be determined by the Board,

considering degrees of participation and value of contribution of said directors in business operation of the Company, as well as based on levels of remuneration generally adopted by the same industry. The total number of the shares held by all the Directors shall not be less than that required by the competent authority in charge of securities affairs.

The Company may purchase liability insurance for Directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy.

ARTICLE 19-1

Starting from the fifth term of the Board of Directors, the Company sets up an audit committee which is composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The exercise of powers, organizational charter, and other compliance requirements of the audit committee shall be handled in accordance with the relevant laws and regulations, as well as the Company's internal guidelines.

ARTICLE 19-2

The Company shall set up a remuneration committee in accordance with the laws, and may set up other functional committees. Organizational charter of such committees shall be approved by the Board of Directors.

ARTICLE 20

The Chairman of the Board of Directors shall be elected by and among the directors and shall hold such office for a period corresponding to the term of director.

The remuneration of the Chairman of the Board of Directors is calculated based on 1.25 times the remuneration of the President of the Company.

The pension or severance pay of the Chairman of the Board of Directors shall be calculated in accordance with the relevant pension provisions of the Labor Standards Act, but not being subject to restrictions on age and seniority.

ARTICLE 21

Business operations of the Company shall be executed pursuant to the resolutions to be adopted by the Board of Directors, except for the matters the execution of which shall be effected pursuant to the resolutions of the shareholders' meeting as required by the Company Act or the Articles of Incorporation of the Company. The powers of the Board of Directors shall be as follows:

- (1) To review and approve the business policies and plans of the Company;
- (2) To review and approve the regulations with respect to the organization structure and unit functions of the Company;
- (3) To review and approve the budget and the financial statements of the Company;
- (4) To appoint or discharge a financial, accounting, internal auditor or senior officers;
- (5) To review and approve important rules and regulations of the Company and contracts entered into by the Company;
- (6) To review and approve the increase or reduction of the capital, and the issuance of the stocks of the Company;
- (7) To review and approve a material asset transaction;
- (8) To determine the date for regular or special meetings of shareholders;

- (9) To determine the proposals for earning distribution or loss off-setting;
- (10) To determine the proposal for buying back of the stocks of the Company;
- (11) To appoint or discharge the directors and supervisors of subsidiaries of the Company;
- (12) To retain or release a certifying CPA, or the compensation given thereto;
- (13) To review and approve the organizational charters of functional committees;
- (14) To conduct any other business pursuant to the laws and the authorization of the shareholders' meeting.

The Board of Directors consists of one Chief Secretariat, Secretariats and staffs, handling the proposal, documents of the meeting of the Board of Directors and other secretariat related matters.

ARTICLE 22

The Auditing Department organized under the Board of Directors, consists of one Chief Auditor, one Deputy Chief Auditor, Auditors and staffs, handling internal auditing and related matters. Divisions can be set up in need to engage in different business.

The Chief Auditor is ranking the same as Executive Vice President and the Deputy Chief Auditor is ranking the same as Senior Vice President or Vice President of the Company.

ARTICLE 23

The Chairman of the Board of Directors shall internally chair the shareholders' meeting and the meeting of the Board of Directors; and shall externally represent the Company. In case the Chairman of the Board of Directors is absent or cannot exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves an acting Chairman of the Board of Directors.

ARTICLE 24

Except as otherwise provided in relevant laws and regulations, the Chairman of the Board of Directors shall call the meetings of the Board of Directors.

Unless otherwise provided in laws, resolutions of the Board of Directors shall be adopted by the approval of a majority of the Directors at a meeting of the Board of Directors, attended by a majority of all the Directors.

Directors shall attend the meetings of the Board of Directors in person. In the event a Director is unable to attend the meeting for cause, he may execute a power of attorney appointing another Director as his proxy, stating therein the scope of his authorities with reference to the items on the agenda. The aforesaid proxy may serve as proxy for one Director only.

In case a meeting of the Board of Directors is proceeding via video conference, then the Directors attending such video conference shall be deemed to have attended the meeting in person.

ARTICLE 25

Meeting of the Board of Directors shall be held once a month. In the case of emergency, the meeting of the Board of Directors may be convened at any time. The procedure for meetings of the Board of Directors shall be governed by the relevant laws and regulations, the Articles of Incorporation of the Company, and the rules otherwise adopted by the Board of Directors.

The notice of the Board meeting may be served in writing by mail, E-mail or fax.

ARTICLE 26

Minutes of the meeting of the Board of Directors shall be prepared to record all resolutions passed at said meetings.

Article 18 hereof shall apply mutatis mutandis to the preparation and safekeeping of the minutes referred to in the preceding Paragraph.

CHAPTER VI MANAGERIAL OFFICERS

ARTICLE 27

The Company shall have a President and several Executive Vice Presidents, Senior Vice Presidents and Vice Presidents, all of whom shall be nominated by the Chairman for the consent of the Board of Directors.

ARTICLE 28

The President shall, pursuant to the instructions of the Chairman of the Board of Directors, manage all the business of the Company, implement all the resolutions adopted at the meeting of Board of Directors.

The Executive Vice President(s) shall assist the President in the matters referred to in the preceding Paragraph. In the event that the President is unable to perform his duties for cause, one of the Executive Vice Presidents shall be appointed by the Chairman to act on behalf of the President.

CHAPTER VII ACCOUNTING

ARTICLE 29

The fiscal year of the Company shall be from January 1 to December 31 of every year.

ARTICLE 30

At the close of each fiscal year, the Board of Directors shall prepare the following statements and reports, and shall submit the same to the regular meeting of shareholders for ratification in accordance with the legal procedures:

1. the business report;
2. the financial statements; and
3. the earning distribution or loss off-setting proposals.

After the ratification of the statements and reports mentioned in the preceding Paragraph by the regular meeting of shareholders, the Board of Directors shall announce or distribute to each shareholder the ratified financial statements and the resolutions on the earning distribution and/or loss offsetting.

ARTICLE 31

After paying all taxes and covering its accumulated losses of the previous years in accordance with

the laws, the Company shall set aside a legal reserve in accordance with the laws. Aside from the aforesaid legal reserve, the Company may set aside special reserve, in accordance with laws or its actual needs. The remaining balance (including reversible special reserve) shall be distributed as follows: (1) 0.02% to 0.16% as bonuses to employees (2) not more than 0.5% as remuneration to Directors, and (3) the remaining earnings plus prior years' accumulated undistributed earnings are subject to the Board of Directors' decision to propose a distribution plan and to be submitted to the shareholders' meeting for approval.

At least 50% of the shareholders' dividends in the above Paragraph shall be paid in cash, and the rest paid by stock dividend. However, the percentage of cash dividend and stock dividend may be adjusted by resolution at a shareholders' meeting.

The employees' bonus in the first Paragraph of this Article shall be distributed in cash or stock in accordance with the resolutions of the shareholders' meeting. Employees of the affiliated company may be entitled to the employees' stock bonus, subject to the rules set forth by the Board of Directors.

CHAPTER VIII ADDENDUM

ARTICLE 32

Any matters not otherwise provided in the Articles of Incorporation of the Company shall be governed by the Financial Holding Company Act, the Company Act, the Banking Act and other applicable regulations.

ARTICLE 33

These Articles of Incorporation were promulgated on December 19, 2001. The first amendment was made on June 12, 2002, the second amendment was made on November 11, 2002, the third amendment was made on June 6, 2003, the fourth amendment was made on June 11, 2004, the fifth amendment was made on June 23, 2006, the sixth amendment was made on June 13, 2008, the seventh amendment was made on June 19, 2009, the eighth amendment was made on June 23, 2010, the ninth amendment was made on June 28, 2011, and the tenth amendment was made on June 15, 2012.

Appendix 3

Mega Financial Holding Co., Ltd. Shareholding of Directors

Book closure date: Apr. 26, 2014

Position	Name	Shareholding (shares)	Percentage
Chairman	Yeou-Tsair Tsai (Representative of Ministry of Finance, R.O.C.)	1,143,043,883	9.18%
Director	Kuang-Si Shiu (Representative of Ministry of Finance, R.O.C.)		
Director	Ching-Tsai Chen (Representative of Ministry of Finance, R.O.C.)		
Director	Joanne Ling (Representative of Ministry of Finance, R.O.C.)		
Director	Ying-Wei Peng (Representative of Ministry of Finance, R.O.C.)		
Director	Tzong-Yau Lin (Representative of Ministry of Finance, R.O.C.)		
Director	Ta-Pei Liu (Representative of Ministry of Finance, R.O.C.)		
Director	Yaw-Chung Liao (Representative of Ministry of Finance, R.O.C.)		
Director	Chien-Liang Chen (Representative of National Development Fund, Executive Yuan, R.O.C.)		
Director	Wen-Chyi Ong (Representative of Chunghwa Post Co., Ltd.)	337,322,634	2.71%
Director	Justin Jan-Lin Wei (Representative of Bank of Taiwan)	262,273,049	2.11%
Director	Chung-Hsiang Lin (Representative of Labor Union of Mega Int'l Commercial Bank Co., Ltd.)	2,852,751	0.02%
Independent Director	Tsun-Siou Lee	0	-
Independent Director	Shean-Bii Chiu	0	-
Independent Director	Chi-Hung Lin	0	-
Number of the shares held by all directors: 2,505,263,169 shares (20.12%)			
Minimum number of directors' shareholding required by the FSC: 160,000,000 shares (1.29%)			

Note: As the Company has established the Audit Committee, the minimum shareholding requirements for supervisors shall not apply.