

Stock Code : 2886

Mega Financial Holding Co., Ltd.

Handbook for the 2023 Annual General Shareholders' Meeting

Meeting Time: 9:00 a.m., June 16, 2023

Venue: 13th Floor, No. 100, Jilin Road, Taipei

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

Table of Contents

I. Meeting Procedure	1
II. Meeting Agenda	2
1. Report Items.....	3
2. Matters for Ratification.....	5
3. Matters for Discussion.....	7
4. Questions and Motions	10
III. Attachments	
1. 2022 Business Report	11
2. Audit Committee’s Review Report	22
3. 2022 Consolidated Financial Statements.....	23
4. 2022 Earnings Distribution Table.....	38
5. Comparison Table of Amended Articles of Incorporation.....	39
IV. Appendices	
1. Articles of Incorporation.....	58
2. Rules of Procedures for Shareholders’ Meetings.....	67
3. Shareholding of Directors	77

Mega Financial Holding Co., Ltd.

Procedure for the 2023 Annual General Shareholders' Meeting

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Matters for Ratification
5. Matters for Discussion
6. Questions and Motions
7. Adjournment

Mega Financial Holding Co., Ltd.
Year 2023
Agenda of Annual General Shareholders' Meeting

Time: 09:00 a.m. on Friday, June 16, 2023

Shareholders meeting will be held by means of: physical shareholders
meeting

Venue: 13/F, Jilin Bldg. of Mega International Commercial Bank (the “Bank”)
No. 100, Jilin Road, Taipei, Taiwan

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

2. Chairperson Remarks

3. Report Items

- (1) 2022 Business Report
- (2) The Audit Committee's Review Report on 2022 Business Report, Consolidated Financial Statements and the Proposal for Distribution of 2022 Earnings
- (3) The Distribution of Directors' and Employees' Compensation for 2022
- (4) 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 Ratification

- (1) 2022 Business Report and Consolidated Financial Statements
- (2) The Proposal for Distribution of 2022 Earnings

5. Matters for Discussion

- (1) Amendment to the Company's Articles of Incorporation
- (2) The Proposal for Issuing New Shares through Capitalization of 2022 Earnings
- (3) Proposal of Releasing the Prohibition on Directors from Participation in Competitive Business

6. Questions and Motions

7. Adjournment

Report Items

Agenda 1: 2022 Business Report.

Explanation: The 2022 Business Report is attached as Attachment 1. (page 11)

Agenda 2: The Audit Committee's Review Report on 2022 Business Report, Consolidated Financial Statements and the Proposal for Distribution of 2022 Earnings.

Explanation: The Audit Committee's Review Report is attached as Attachment 2. (page 22)

Agenda 3: The Distribution of Directors' and Employees' Compensation for 2022.

Explanation:

- (1) This proposal is made in accordance with Article 31-1 of the Company's Articles of Incorporation.
- (2) The employees' and directors' remuneration for 2022 are NT\$91,385,027 (appropriation rate being 0.5%) and NT\$13,406,184 (appropriation rate being 0.07335%), respectively. Both remunerations are distributed in cash.
- (3) This proposal has been approved by the 24th meeting of the 8th term of Board of Directors on March 14, 2023.

Agenda 4: 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. (Proposed by the Board of Directors)

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 Paragraphs 2 and 3 of 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 Articles 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 Paragraph 10 of Article 16 of the Financial Holding Company Act, 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 not less than NT\$2 million but not more than NT\$50 million may be imposed in accordance with Article 60 of the Financial Holding Company Act. If such person is elected as a director, supervisor or the responsible person of a financial holding company, such person shall be considered to have engaged in dishonest or improper activities which indicate that he/she is unfit to serve as a responsible person of a financial holding company as set forth in Subparagraph 12 of Article 3 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".
- (3) This proposal has been approved by the 24th meeting of the 8th term of Board of Directors on March 14, 2023.

Matters for Ratification

Agenda 1: 2022 Business Report and Consolidated Financial Statements.
(Proposed by the Board of Directors)

Explanation: The Company's 2022 consolidated financial statements have been audited by CPA Kuo, Puo-Ju and Lai, Chung-Hsi of PricewaterhouseCoopers, Taiwan. The above-mentioned 2022 business report and consolidated financial statements have been approved by the Board and reviewed by the Audit Committee. The 2022 business report and consolidated financial statements are attached as Attachment 1, 3.
(page 11,page 23)

RESOLUTION:

Agenda 2: The Proposal for Distribution of 2022 Earnings. (Proposed by the Board of Directors)

Explanation:

- (1) The 2022 financial statements have been audited by PricewaterhouseCoopers, Taiwan. The net profit after income tax of the Company in 2022 is NT\$18,334,958,444, after plusing remeasurements of defined benefit plans amounted to be NT\$1,626,796,624 and deducting loss on disposal of investments in equity instruments measured at fair value through other comprehensive income amounted to be NT\$3,025,909,630, the 2022 distributable earnings is NT\$16,935,845,438, of which needs to deduct the provision for 10% legal reserve NT\$1,693,584,544 and special reserve NT\$13,625,011,623 and plus the previous retained earnings of 2022 NT\$42,091,243,075; therefore, the total distributable earnings is NT\$43,708,492,346 and the 2022 distributable earnings shall be distributed as a priority as follows:
 - A. NT\$17,285,376,282 as cash dividends (NT\$1.24 per share)
 - B. NT\$1,115,185,560 as stock dividends (NT\$0.08 per share)
 - C. The balance of unappropriated retained earnings after distribution is NT\$25,307,930,504.
- (2) In order to execute this proposal, the annual general shareholders' meeting is proposed to authorize the Board to do the following:
 - A. To set the ex-dividend date.
 - B. To set the ex-right date after the stock dividends approved by the competent authority.
 - C. To deal with relevant changes if the number of the outstanding shares is changed due to share buyback, transfer, conversion, cancellation of treasury shares or other circumstances that affect dividend payout ratio.
- (3) 2022 Earnings Distribution Statement is attached as Attachment 4. (page 38)
- (4) This proposal has been approved by the 25th meeting of the 8th term of Board of Directors held on April 17, 2023.

RESOLUTION:

Matters for Discussion

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

Explanation:

- (1) In response to our operational needs, it is proposed to amend the Company's Articles of Incorporation. The main points of the amendments are as follows:
 - A. In order to increase more flexibility in fundraising, the Articles have been amended to allow part of the Company's capital to be preferred shares. (Article 6)
 - B. The rights and obligations and other important issuance terms of preferred shares are added. (Article 6-1)
 - C. The regulation of convention of the preferred shareholders' meeting is added. (Article 12)
 - D. The regulation of the Company's earnings distribution may distribute the dividends of preferred shares is added. In order to enhance the stability of the Company's financial structure, the calculation method of earnings distribution is amended.(Article 31)
- (2) Please refer to Attachment 5 for the comparison table and the Company's amended Articles of Incorporation. (see page39 of this Handbook for details)
- (3) This proposal has been approved by the 25th meeting of the 8th term of Board of Directors held on April 17, 2023.

RESOLUTION:

Agenda 2: The Proposal for Issuing New Shares through Capitalization of 2022 Earnings. (Proposed by the Board of Directors)

Explanation:

- (1) To raise capital adequacy ratio and strengthen financial structure, the Company, in accordance with Article 240 of the Company Act, proposes to appropriate NT\$1,115,185,560 from 2022 distributable earnings for issuance of new 111,518,556 shares, with par value of NT\$10 per share.
- (2) The Company's authorized capital is NT\$220,000,000,000, and paid-in capital is NT\$139,398,195,820. After capitalization of retained earnings of NT\$1,115,185,560, the Company's paid-in capital will be NT\$140,513,381,380.
- (3) In order to execute this proposal, the annual general shareholders' meeting is proposed to authorize the following:
 - A. After this proposal is approved by the competent authority, the Board is authorized to set the ex-right date. 8 free shares will be distributed per one thousand shares based on the shareholding percentage recorded in the shareholders register on the ex-right date. If the stock dividends include any fractional shares which are less than one full share, the shareholders may go to the Company's stock agent to form one full share by pooling together of their fractional shares within 5 days after the ex-right date, otherwise the distribution will be made in the form of cash in a dollar amount. The Chairman is authorized to contact specific persons to subscribe remainder fractional shares at par value.
 - B. If the number of the outstanding shares is changed due to share buyback, transfer, conversion, cancellation of treasury shares or other circumstances that affect dividend payout ratio, the Board is authorized to deal with relevant changes.
 - C. If this proposal requires adjustment due to changes in regulations, amendments approved by the competent authority, or amendments from changes in objective circumstances, the Board is authorized to make the necessary adjustments.
- (4) Rights and obligations of the newly issued shares are the same as the existing shares.
- (5) This proposal has been approved by the 25th meeting of the 8th term of Board of Directors held on April 17, 2023.

RESOLUTION:

Agenda 3: Proposal of Releasing the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss. (Proposed by the Board of Directors)

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) Certain directors, including juristic person and its representative, of the Company participate in the operations, or appoint representative to serve as director of another company that is engaged in the same or similar business as the Company. These Directors have not obtained approval from the shareholders' meeting. It is proposed that the shareholders' meeting release the following directors from participation in competitive business during the tenure, according to Article 209 of the Company Act.

Position	Name of Director	Company	Concurrent Post
Director concurrently President	Kuang-Hua Hu	Financial Information Service Co., Ltd.	Director
Director	Chia-Chung Chen	Chunghwa Telecom Co., Ltd.	Independent Director
Director	Pei-Chun Chen	Taiwan Futures Exchange Corp.	Director

- (3) This proposal has been approved by the 25th meeting of the 8th term of Board of Directors held on April 17, 2023.

RESOLUTION:

Questions and Motions

Attachment 1

Mega Financial Holding Co., Ltd.

2022 Business Report

Global economic growth fell in 2022 following impact from multiple factors including China–US tensions, the resurgence of COVID-19, the Russia–Ukraine war, and inflation which prompted central banks around the world to raise interest rate. Although global economy in 2023 continued to face numerous downside risks, some international organizations (e.g., IMF and OECD) indicated that easing supply chain bottlenecks and the high base-period in the previous year could help cool global inflation. China and emerging markets as well as developing economies may benefit from the lifting of pandemic restrictions and order transfers respectively, thus potentially become engines of global economic growth. Major international forecasting organizations predicted that global growth in 2023 will range between 1.7% and 2.9%.

With easing pandemic restrictions in Taiwan and the pandemic's impact subsiding, private spending recovered considerably. Thanks to the need for business digital transformation and continuous expansion of new technology applications, Taiwan's exports performed exceptionally well in the first half of the year. However, owing to an increase in global inflationary pressure in the second half of the year, monetary policies tightened, and coupled with China's dynamic zero-COVID approach, the expansion of the global economy slowed, market demand weakened, and inventory adjustment intensified, suppressing export and investment momentum. According to the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, Taiwan's economic growth for the year was 2.45%. Looking ahead to 2023, the impact of inflation and interest rate hikes is expected to slow global economic and trade growth. In addition, continuous adjustment of inventory in industry chains could affect the growth momentum of exports and private investment. However, there are favorable circumstances such as total relaxation of pandemic control and an increase in basic wages will return domestic spending to normal and domestic demand could continue to be the major engine of economic growth. Major international organizations forecast that Taiwan's economic growth will range between 1.5% and 2.8%.

Mega Financial Holding Co., Ltd. (the Company) and its subsidiaries will continuously provide all-inclusive financial services and undergo business development in response to future ESG trends and digital transformation. In continuing to surpass ourselves, the Company has the best performance compared to previous years: It was selected for the first time as a constituent stock of both the World Index and the Emerging Market Index on the Dow Jones Sustainability Index (DJSI), becoming the second state-owned financial institution in Taiwan to be included in the DJSI, and was again rated as the top 50 large corporates in the 2022 Commonwealth Magazine's Excellence in Corporate Social Responsibility Awards. The Company also received A-score leadership recognition in climate change by CDP, an ESG rating of AA by MSCI, 2022 National Sustainable Development Awards from the Sustainable Development Committee of Executive Yuan, and Sustainability Report Platinum Award in Taiwan Corporate Sustainability Awards (TCSA). In the same year, the Company successfully obtained ISO27001: 2013 Information

Security Management System (ISMS) certification, which demonstrates the company's commitment to and emphasis on information security, service quality, and the continuity of its information operation and our official integration with the international information security management system.

As a long-time operator of businesses in the syndicated loan market and New Southbound countries, Mega Bank has, for two years in a row, been rated as Taiwan's Best Syndicated Loan Bank for the Year and won a number of special awards, such as: the Award of Excellence for the New Southbound Policy Targeted Country Lending Plan and Special Award for the New Southbound Policy Targeted Country Lending Plan for SMEs, which were organized by the Financial Supervisory Commission (FSC); Ministry of Economic Affairs' Award for Financial Institutions and Manager Outstanding in Implementing Guaranteed Financing for SMEs-Credit Guarantee Golden Quality Award; the Digital Banker's Best Private Bank in Taiwan Award and Outstanding Private Bank for Growth Strategy; Business Today Magazine's Best Innovative Marketing, Best Customer Satisfaction, and Best Risk Management Awards; the Overseas Credit Guarantee Fund's Special Award for Total Credit Guaranteed, Special Award for Financing for New Southbound Nations, and Special Award for Total Credit Guaranteed for COVID-19 Programs. Mega Securities continued to exert a positive impact, as shown by its repeated inclusion in the TWSE's list of companies with better institutional investor stewardship disclosure for 2022. Subsidiary Mega Bills Finance focused its business operations on achieving environmental sustainability, promoting mutual prosperity in society, and implementing responsibility governance. Its efforts were highly recognized especially by Taiwan Academy of Banking and Finance, which awarded the subsidiary a Special Award for Best Bills Finance at the 11th Taiwan Banking and Finance Best Practice Awards.

Although subsidiary Chung Kuo Insurance was affected by pandemic insurance claims and the recognition of reserves, under the concerted efforts of the employees, the Company reports a consolidated net profit after tax of NT\$18,335 million for the year and earnings per share of NT\$1.32. The operational guidelines, implementation overview, implementation of business plans, implementation of budget, financial results and profitability analysis, and research and development of the Company in 2022 are shown below:

I. Operational Guidelines

1. Secure existing business and diversify source of profits.
2. Strengthen overseas presence and cultivate customer service.
3. Monitor political, economic, and industrial changes and implement risk management mechanism.
4. Implement regulations and complete information security and strengthen resilience and safe transformation.
5. Implement information security management system and optimize the

innovation of management services.

6. Implement legal compliance, unify AML/CFT standard, and forge a culture of legal compliance.

7. Integrate ESG strategies to maximize the value of sustainability.

8. Fortify relations with institutional investors and increase information transparency.

II. Implementation Overview

(1) Continue to enhance the subsidiary's business

The subsidiaries of the Company had continued to enhance their business operations in 2022 based on the existing foundation. In terms of corporate finance business, the market share of Mega Bank's syndicated loan and the agent business were 8.30% and 13.00% and ranked 3rd and 2nd in Taiwan syndicated loan market, respectively. By the end of 2022, its profit before tax of overseas branches ranked 3rd among local banks; the credit business ranked 6th with a market share of 5.91%; the loan business ranked the 6th with a market share of 5.69%; the corporate loan business ranked 5th with a market share of 5.89%; and the SME loan business ranked 5th with a market share of 6.60%. As for consumer finance business, after making every effort to expand the business and expansion of the second profit generating source, the consumer loan business ranked 12th with the market share of 3.66%. In 2022, the market share of Mega Bills Finance's CP2 issued amounts was 28.26%; the market share of bills trading and bond trading business in the secondary market were 30.01% and 26.05%, respectively; and the market share of bills guarantee business was 29.99%, all ranked as the first place in the market. Mega Securities' securities brokerage market share was 2.82% in 2022, ranked 10th in the market. Number of IPO underwriting ranked 7th and number of bond underwriting lead managed ranked 6th in the market. In 2022, the market share of Chung Kuo Insurance's marine insurance business was 19.36%, ranked 1st in the market; the market share of residential building insurance and aviation insurance business were 9.93% and 13.91%, ranked 4th and 3rd in the market respectively.

(2) Management Goals

Under the circumstances that the global economic situation will still face geopolitical risks, supply chain adjustments, major central banks simultaneously raising interest rates causing the slowdown of the global economy, extreme climate risks and energy transitions that may push up inflation, the Company applies six strategies: "adjusting structure, widening spread, increasing fee revenue, expanding marketing, focusing on quality, and strengthening digital" to continuously create the maximum value for shareholders. The specific approaches are as below:

- Scale up capital assets to boost the market status of Mega Financial Holdings group.
- Strengthen overseas businesses and identify opportunities to relocate Taiwanese businesses.

- Consolidate competitive advantages in corporate banking and foreign exchange and deepen the cross-selling of the Group.
- Develop consumer banking and wealth management services to enrich the Group's active customer base.
- Increase corporate governance standards and pursue the Group's sustainable development.
- Improve the Group's management efficiency to optimize business operations and increase return.
- Reinforce the risk control of the Group and implement internal and external legal compliance.
- Protect the Group's intellectual properties and increase investment of digitalization and IT.
- Motivate and enhance employee value and foster more digital talents.
- Develop the Group's digital culture and encourages all types of R&D and innovations.

III. Implementation of Business Plans

According to the Financial Holding Company Act, the business scope of a financial holding company shall be limited to investment in, and management of, its investee enterprises. At the end of 2022, the seven subsidiary companies, in which the Company has direct controlling interest, are Mega International Commercial Bank Co., Ltd. (Mega Bank), Mega Securities Co., Ltd. (Mega Securities), Mega Bills Finance Co., Ltd. (Mega Bill Finance), Chung Kuo Insurance Co., Ltd. (Chung Kuo Insurance), Mega International Investment Trust Co., Ltd., Mega Asset Management Co., Ltd., and Mega Venture Capital Co., Ltd. The operation results of our subsidiary companies are summarized as follows:

(1) Mega International Commercial Bank Co. Ltd.

Units: NT\$ million, except foreign exchange business in US\$ million

Item \ Year	2022	2021	Change (%)
Deposits (including due to Chunghwa Post Co., Ltd.)	2,924,052	2,775,818	5.34
Loans, Import/export bills negotiated	2,087,539	1,979,646	5.45
Corporate financing	1,531,941	1,442,298	6.22
Consumers financing (excluding credit card revolving loans)	555,598	537,348	3.40
Foreign exchange business	906,391	842,683	7.56
Securities purchased	955,622	934,101	2.30
Long-term equity investments	21,157	21,012	0.69
Credit card revolving loans	1,733	1,618	7.11

Note: 1. All figures above are in average yearly basis, except foreign exchange business as in aggregation basis.

2. The non-performing loans outstanding at the end of 2022 amounted to NT\$3,377 million, representing a non-performing loan ratio of 0.16%, while the bad debt coverage ratio reached 930.54%.

(2) Mega Securities Co., Ltd.

Item		2022	2021	Change (%)
Securities brokerage	Market share of brokerage	2.82% (Rank 10 th)	3.20% (Rank 10 th)	-0.38
	Market share of margin loan	5.47% (Rank 4 th)	5.38% (Rank 7 th)	0.09
Equity underwriting	Number of IPO lead managed	4 (Rank 4 th)	1 (Rank 7 th)	300.00
Bond underwriting	Number of corporate bond issues lead managed	7 (Rank 4 th)	3 (Rank 12 th)	133.33
	Amount of corporate bond issues lead managed (NT\$ billion)	12.1 (Rank 8 th)	14.9 (Rank 10 th)	-18.79
New financial products	Number of warrants issued	1,147 (Rank 13 th)	1,457 (Rank 11 th)	-21.28
	Amount of warrants issued (NT\$ billion)	6.6 (Rank 13 th)	7.4 (Rank 13 th)	-10.81

Note: 1. It is the ranking among local securities peers in 2022.

2. Companies in need of funds have rushed to issue corporate bonds in 2021 when market interest rates were low. Because interest rate hikes caused capital cost increase in 2022, total funds raised in 2022 for corporate bonds decreased compared with 2021, resulting in simultaneous decrease in the company's underwriting amount.

3. As of 2021, we adjusted our business model to focus on strategic transactions in order to reduce the proportion of our warrant business and minimize the risk of losses on warrant issuance due to unexpected market volatility.

(3) Mega Bills Finance Co., Ltd.

Units: NT\$ million

Item	2022	2021	Change (%)
Underwriting and purchasing of bills	3,565,920	2,983,432	19.52
Underwriting amount of commercial paper issued for funding purpose (CP2)	3,413,513	2,778,195	22.87
Trading volume of bills	10,776,794	8,842,570	21.87
Trading volume of bonds	3,242,713	3,308,624	-1.99
Average outstanding balance of guaranteed issues of commercial paper	175,776	179,311	-1.97

Note: 1. The decrease of trading volume of bonds in 2022 compared to 2021 is due to the decrease of position held. The decrease of average outstanding balance of guaranteed issues of commercial paper is due to supervisory authorities' guideline and the efficient allocation of risk asset.

2. The overdue credit amount in 2022 is NT\$ 12 million. The percentage of overdue credits is 0.01%.

(4) Chung Kuo Insurance Co., Ltd.

Unit: NT\$ million

Item	2022	2021	Change (%)
Direct written premiums	9,050	8,079	12.02
Reinsurance premiums	999	894	11.74
Total	10,049	8,973	11.99

(5) Mega International Investment Trust Co. Ltd.

Unit: NT\$ million

Item	2022	2021	Change (%)
Public funds under management	79,731	83,711	-4.75
Private placement funds under management	6,420	15,254	-57.91
Discretionary account	465	788	-40.99
Total	86,616	99,753	-13.17

Note: The decrease of public funds under management in 2022 compared to 2021 is mainly due to the decrease of the scale of the overall market. The decrease of private placement funds under management and discretionary account is due to the redemption from customers.

(6) Mega Asset Management Co., Ltd

Unit: NT\$ million

Item	2022	2021	Change (%)
Service Income	454	410	10.73
Gain from recovery of NPL purchased and the disposal of related collateral (Note 1)	23	16	43.75
Rental income (Note 2)	4	5	-20.00
Interest income (Note 3)	1	2	-50.00
Net gain from disposal of investment property (Note 4)	-	5	-100.00
Total	482	438	10.05

- Note: 1. The increase of gain from recovery of NPL purchased and the disposal of related collateral in 2022 is because the joint guarantors of NPLs initiated the negotiation of payment.
2. The decrease of rental income in 2022 is because the expiration of lease contract in March 2022.
3. The decrease of interest income in 2022 is due to partial repayment of loans.
4. The disposal gain is recognized from disposal of north Hsinchu property in 2021.

(7) Mega Venture Capital Co. Ltd.

Unit: NT\$ million

Item	2022	2021	Change (%)
Drawdown of long term equity investment	163	224	-27.23
Balance of long term equity investment	832	820	1.46

Note: The decline in appropriation of long-term investment in 2022 was mainly due to our adoption of prudent investment strategies in response to the impact of global downturn and financial market turbulence.

IV. Implementation of Budget

(1) The Company's 2022 budget and its implementation are as follows:

Unit: NT\$ million, except EPS in NT\$

Item	Final accounting figure, 2022	Budget figure, 2022	Achievement Rate (%)
Revenues	18,680.11	28,402.83	65.77
Expenses and losses	508.40	547.86	92.80
Profit from continuing operations before tax	18,171.72	27,854.96	65.24
Profit	18,334.96	27,798.05	65.96
Earnings per share	1.32	2.00	66.00

Note: The figures are in unconsolidated basis.

(2) The Company's Subsidiaries' 2022 budget and its implementation are as follows:

Unit: NT\$ million

Name of the subsidiary	Profit from continuing operations before tax		Achievement Rate (%)
	Actual	Budget	
Mega International Commercial Bank Co., Ltd.	26,734.37	25,293.65	105.70
Mega Securities Co., Ltd.	842.15	2,775.87	30.34
Mega Bills Finance Co., Ltd.	3,701.50	3,713.74	99.67
Chung Kuo Insurance Co., Ltd.	-10,164.24	676.00	-

Mega International Investment Trust Co., Ltd.	93.24	101.81	91.58
Mega Asset Management Co., Ltd.	277.91	275.04	101.04
Mega Venture Capital Co., Ltd.	8.07	92.43	8.73

Note: 1. The figures are in unconsolidated basis.

2. The 30.34% budget achieving rate of Mega Securities was mainly due to decrease in daily trading volume, stocks/ bonds, decrease of net income from brokerage fees, and decrease of profits from operations on stocks, bonds, and warrants, resulting in profit before tax not reaching the budget target.
3. Chung Kuo Insurance suffered a considerable loss in 2022, mainly due to the recognition of self-retained indemnities and debt reserves for the pandemic prevention insurance policies, resulting in net profit before tax not reaching the budget target.
4. The 91.58% budget achieving rate of Mega International Investment Trust was mainly due to a gloomy global market, reduced fund size, reduced income from manager fees, and loss on evaluation of own-fund investment position, resulting in net profit before tax not reaching the budget target.
5. The 8.73% budget achieving rate of Mega Venture Capital was mainly due to the fall of Taiwan shares and recognition of losses on the evaluation of individual shares, resulting in net profit before tax not reaching the budget target.

V. Financial Results and Profitability Analysis

The Company and its subsidiaries' consolidated profit from continuing operations before tax in 2022 amounts to NT\$21,144 million, a decrease of NT\$7,512 million or 26.21% compared to 2021. The decrease is mainly due to the below: net interest revenue increased NT\$ 5,215 million; revenue other than interest decreased NT\$9,396 million, which is caused by the decrease of gain on financial asset and liabilities at fair value through profit or loss, the decrease of service fee revenue and commissions, the decrease of net revenue from insurance business, offset by the increase of realized gain on financial assets at fair value through other comprehensive income and the increase of foreign exchange gain; bad debts expense and provisions increased by NT\$ 3,266 million; operating expense increased by NT\$ 65 million. The Company and its subsidiaries' consolidated profit after tax is NT\$ 18,335 million, a decrease of NT\$7,396 million or 28.74%, compared to year 2021. The Company's consolidated ROA is 0.45%, and consolidated ROE reached 5.84%. A breakdown of the financial results of the Company and its subsidiaries in 2022 are shown in the table below:

Unit: NT\$ million

Company	Profit from continuing operations before tax	Profit	Earnings per share (NT\$)	Return on assets (%)	Return on equity (%)
The Company & Its Subsidiaries (Consolidated)	21,144.30	18,334.96	1.32	0.45	5.84
The Company (Unconsolidated)	18,171.72	18,334.96	1.32	5.05	5.84
Mega International Commercial Bank Co., Ltd.	26,734.37	24,181.44	2.83	0.65	8.21
Mega Securities Co., Ltd.	842.15	603.23	0.52	0.85	3.34
Mega Bills Finance Co., Ltd.	3,701.50	3,040.28	2.32	1.22	7.98
Chung Kuo Insurance Co., Ltd.	-10,164.24	-9,523.77	-63.87	-40.75	-242
Mega International Investment Trust Co., Ltd.	93.24	74.01	1.40	7.90	8.59
Mega Asset Management Co., Ltd.	277.91	222.53	1.11	1.41	7.82
Mega Venture Capital Co., Ltd.	8.07	3.82	0.04	0.35	0.35

Note: 1. Return on assets = Profit / Average assets; Return on equity = Profit / Average equity.

2. Except for the consolidated financials of The Company & Its Subsidiaries, all financials are in unconsolidated basis.

VI. Research and Development

The Company and its subsidiaries' research and development progress in 2022 are summarized as follows:

1. The Group continues to introduce ESG and sustainability systems by launching SBTi projects and adopting the PCAF methodology for accounting and reporting GHG emissions linked to investments/ financing and for setting SBTs. We also continue to measure and manage the climate change risks of emission-intensive industries, of customers in high climate risk areas, and of real estate as collaterals in different scenarios. Additionally, the Group continues to reinforce its information system, network architecture, and cybersecurity capability, and has passed ISO 27001 certification to align with international information security management system.
2. To actively develop new financial products, keep up with the trends in the technological and digital transformation of banking services, and meet customers' expectations and needs with respect to digital services, the following new financial products and digital banking applications were introduced and optimized in 2022: Optimize branch-based STM (Smart Teller Machine) functions and introduce a teller-based trust wealth management account opening service for customers to effectively improve operational efficiency; Strengthen mobile banking customer authentication function to ensure

transaction security; Introduce Easy Micro Loan, an online loan application platform for SMEs, to streamline SME loan application procedures and enhance business growth momentum; Adopt blockchain technology and work with reputable companies to build a supply chain financing platform that facilitates cash flow among SMEs and strengthens supply chain resilience; Practice ESG and sustainability in green finance, launch a Green and Sustainable Term Deposit plan for large corporate customers, and issue credit cards that are made of eco-friendly materials, thereby integrating ESG concept into financial products. As of the end of December 2022, a total of 477 new patents and 101 invention patents had been approved by the Ministry of Economic Affairs; in addition, there were 35 new model patents and 81 invention patents pending.

3. In 2022, subsidiary Mega Securities introduced Taiwan Shares T+0, USD systematic investment plan, and other interest-oriented trust services, providing investors with a variety of investment options. On November 17, the subsidiary received approval from Taiwan Stock Exchange Corporation to provide ledger services, which will be launched in 2023. In early 2022, the subsidiary launched an online account opening platform “E-Open”, which integrates OCR technology and combines the bank subsidiary’s online verification and printing service to shorten account opening time and streamline complicated procedures. In September 2022, Mega e-Stock service was launched, enabling customers to target odd-lot intraday trading and set up stock saving plans by means of systematic investment plan, regular subscription, and conditional orders. This service also offers regular subscription of US shares. To promote digital transformation, Mega Securities commissioned a professional consultant in 2022 to diagnose the company's digital capability and optimize account opening procedures. The consultant examined eight dimensions of transformation (products/services, customer experience, sales management, business process, data analysis, technological application, organizational talent, and digital ecosystem), giving priority to customer experience and mobile-first strategies. Subsequently, various action plans for digital transformation were established, and RPA-based account opening procedures were developed and tested.
4. Mega Bills Finance subsidiary was engaged in the following activities: Revised departmental performance evaluation systems; optimized its “financial self-reporting system;” continued promoting the adoption of paperless conferencing systems and paperless core financial report management systems; developed an ESG risk assessment mechanism for investment/financing business; set up a sub-market trading and transaction order electronic system for bills merchants and general investors and U.S. National bonds/futures trading system; strengthened the implementation of AML/CFT operations and transaction monitoring; continued improving existing operational risk self-assessment systems; and strengthened risk management mechanisms for all business activities.
5. To keep pace with diverse market operations and FinTech development and to satisfy

the needs of firms and consumers, subsidiary Chung Kuo Insurance actively collected market information and built databases, combining FinTech applications and digital processes to simplify procedures and improve efficiency, and using data to analyze the market and consumer behavior to develop insurance products that are marketable, competitive, and profitable. There were a total of 163 insurance products submitted in 2022. Among them, there were 7 items on prior approval basis, 111 items on file for recordation basis, and 45 items on simple file for recordation basis.

Chairman: Chao-Shun Chang President: Kuang-Hua Hu Chief Accountant: Mei-Li Chao

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared and delivered this Company's 2022 consolidated financial statements, audited by CPA Kou, Po-Ju and Lai, Chung-Hsi of PricewaterhouseCoopers, Taiwan, 2022 business report and the proposal for distribution of 2022 earnings. The above statements, report and proposal have been reviewed by the Audit Committee and considered in compliance with applicable laws and regulations. We hereby submit 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:

2023 Annual General Shareholders' Meeting

Mega Financial Holding Co., Ltd.
Chairman of the Audit Committee: Wu, Ying
Date : May 16, 2023



INDEPENDENT AUDITORS' REPORT

PWCR22000309

To the Board of Directors and Shareholders of Mega Financial Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Mega Financial Holding Co., Ltd. and subsidiaries (collectively the “Mega Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Mega Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Mega Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

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

Mega Group's key audit matters for the year ended December 31, 2022 are addressed as follows:

Impairment assessment of loans discounted

Description

The impairment assessment of loans discounted complies with the regulations under IFRS 9 “Financial Instruments” and relevant regulations issued by the competent authority. For the accounting policy of impairment assessment of loans discounted, please refer to Note 4(9); for critical accounting judgements, estimates, and assumption uncertainty of the recognition and measurement of expected credit losses on loans discounted, please refer to Note 5(2). For information on gross loans discounted and allowance for bad debts, which amounted to \$2,111,263,461 thousand and \$31,822,169 thousand, respectively, as at December 31, 2022, please refer to Note 6(8); for disclosures of related credit risks, please refer to Note 8(3).

The subsidiary, Mega International Commercial Bank Co., Ltd. (“MICB”), assesses the impairment of its loans discounted based on the expected credit loss model. At each financial reporting date, financial instruments are categorized into three stages based on the degree of change in its credit risk since initial recognition. Provision for impairment loss is measured either using 12-month expected credit losses (i.e. stage 1, there has been no significant increase in credit risk since initial recognition) or lifetime expected credit losses (i.e. stage 2, there has been a significant increase in credit risk since initial recognition; or stage 3, the credit has impaired). The measurement of expected credit losses, which includes various parameters and assumptions and reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. For example, the probability of default and loss given default are estimated using grouping and historical data and subsequently calibrated according to forward-looking information.

The aforementioned impairment assessment of loans discounted, which involves various assumptions, estimates, and judgements, as well as predictions and assessments of future economic conditions and credit behavior of debtors. The amounts, recognized in a manner consistent with regulations and interpretations, are directly subject to the measurement results. Thus, we have included the assessment of expected credit losses on loans discounted as one of the key audit matters in our audit.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter described above:

1. Obtained an understanding and assessed the related written policies and internal control system of MICB's loans discounted, the expected credit loss impairment model and methodology, and the approval process.
2. Sampled and tested the implementation effectiveness of internal controls related to the recognition and measurement of expected credit losses, including management of collateral and its value assessment, controls for changes in parameters, and approval for provisioning of expected credit losses.
3. Sampled and tested the consistency of measurement criteria for the samples in the three stages of expected credit loss with the judgement results of the system.
4. Sampled and tested probability of default, loss given default, exposure at default, and the discount rate.
 - (1) Sampled and tested assumptions for the parameters of the expected credit loss model, including the historical data on probability of default, loss given default, and exposure at default.
 - (2) Sampled and tested whether the calculation method of the discount rate of loss given default is in accordance with existing policy.
5. Sampled and tested forward-looking information.
 - (1) Sampled and tested the data on macroeconomics (economic growth rate, annual inflation rate, etc.) adopted by management to measure expected credit losses under IFRS 9.
 - (2) Assessed the forward-looking scenarios and their respective weights adopted by the management.
6. Assessed cases in stage 3 (credit impaired) with material amounts that were assessed individually. Assessed the reasonableness and calculation accuracy of the various assumed parameter values (including debtor due period, financial and operational conditions, guarantees by external parties and historical data) adopted in the estimation of future cash flows.
7. Assessed whether the provision of impairment loss is in compliance with the relevant regulations of the competent authority.

Fair value measurement of unlisted stocks without an active market

Description

For the accounting policy for unlisted stocks without an active market (included financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income), please refer to Note 4(7) ; for critical accounting judgements, estimates, and assumption uncertainty of unlisted stocks without an active market, please refer to Note 5(1); for details on financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, please refer to Notes 6(3) and (4). The fair values of unlisted stocks without an active market were classified as financial assets at fair value through profit or loss amounting to \$8,533,031 thousand and financial assets at fair value through other comprehensive income amounting to \$19,225,629 thousand as at December 31, 2022.

The fair value of unlisted stocks is determined by valuation methods since these financial instruments have no quoted prices from active market. Management uses the market approach and net asset approach to measure the fair value. The market approach is based on the fair value of comparable listed companies in similar industries or recently published price-to-book ratios of industries in which the valuation target operates, and incorporates discounting according to market liquidity or specified risk.

The aforementioned fair value measurement involves various assumptions and significant inputs that are not observable. This leads to estimates that are highly uncertain and rely on the subjective judgement of management. Any changes to the judgements and estimates will affect the final measurement results, and in turn affect the financial condition of the Mega Group. Thus, we have included the fair value measurement of unlisted stock without active market as one of the key audit matters in our audit.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter described above:

1. Obtained an understanding and assessed the related written policies, internal control system, fair value measurement models, and approval process of the fair value measurement of stocks of unlisted companies.
2. Ascertained whether the measurement methodology used by the management is commonly used by the industry.
3. Assessed the reasonableness of similar and comparable companies used by management.
4. Sampled and examined inputs and calculation formulas used in the valuation models and agreed such data to the supporting documents.

Claims reserve and ceded claims reserve

Description

For the accounting policy for claims reserve (including those prior to and after reinsurance), please refer to Notes 4(20)D and (26); for critical accounting judgements, estimates, and assumption uncertainty of claims reserve (including ceded reserves), please refer to Note 5(4); for details on claims reserve (and ceded reserves), please refer to Note 6(26).

The subsidiary, Chung Kuo Insurance Co., Ltd (CKI)'s claims reserve (including ceded reserve) uses the loss development triangle to estimate the reasonable amount of ultimate claims according to the Actuarial Department's historical claim experience and expenses by insurance type. As of December 31, 2022, subsidiary CKI's claims reserve and ceded claims reserve was \$8,393,815 thousand and \$4,173,392 thousand, respectively. Because the calculation method and assumptions for claims reserve involve the professional judgment of management, and because claims reserve is material to the financial statements, we have thus included the estimation of claims reserve and ceded claims reserve as one of the key audit matters in our audit.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter described above:

1. Obtained an understanding and assessed CKI's policies, internal controls and processing procedures for the calculation of the CKI's claims reserves (included ceded reserves). Also, on a sampling basis tested the effectiveness of internal controls for provisions.
2. Sampled and inspected whether there were differences between the numbers referred to claims reserves (including those prior to and after reinsurance) and carrying amount in order to confirm the accuracy and completeness.
3. Used the work of actuarial specialists to assists us in assessing the reasonableness of the claims reserves (including those prior to and after reinsurance). This included the following procedures:
 - (1) Sampled and inspected the reasonableness of method used in the estimation of claims reserves;
 - (2) Sampled and inspected how provision were calculated to ensure the accuracy of the CKI's contributed provision.
4. Sampled and inspected significant reported but not paid cases to assess the reasonableness of the estimated amount.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with 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 Publicly Held Bill 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, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Mega Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mega Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Mega Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Kuo, Pao-Ju
Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

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 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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021			
			AMOUNT	%	AMOUNT	%		
Assets								
11000	Cash and cash equivalents, net	6(1) and 11	\$	113,662,306	3	\$	140,618,308	3
11500	Due from the Central Bank and call loans to banks, net	6(2) and 11		416,665,723	10		441,542,195	11
12000	Financial assets at fair value through profit or loss	6(3), 11 and 12		204,901,889	5		202,834,657	5
12150	Financial assets at fair value through other comprehensive income	6(4), 11 and 12		524,826,590	13		543,790,346	13
12200	Investments in debt instruments at amortized cost, net	6(5) and 12		565,528,607	14		648,132,418	16
12500	Securities purchased under resell agreements			618,306	-		949,170	-
13000	Receivables, net	6(6)		86,258,656	2		96,630,962	2
13200	Current tax assets			329,712	-		331,977	-
13300	Assets classified as held for sale	6(7)		12,380	-		15,813	-
13500	Loans discounted, net	6(8) and 11		2,079,441,292	51		2,037,354,980	49
13700	Reinsurance contract assets, net	6(9)		16,592,224	1		4,990,018	-
15000	Investments accounted for using equity method	6(10)		4,938,289	-		5,449,161	-
15500	Other financial assets, net	6(11) and 12		7,673,288	-		6,095,575	-
18000	Investment property, net	6(14) and 12		1,542,390	-		1,341,321	-
18500	Property and equipment, net	6(15) and 12		21,636,818	1		21,670,526	1
18600	Right-of-use assets, net	6(12)		1,903,487	-		1,854,439	-
19000	Intangible assets, net			1,318,844	-		1,017,030	-
19300	Deferred income tax assets	6(41)		6,999,467	-		6,505,527	-
19500	Other assets, net	6(16) and 12		6,137,079	-		7,140,436	-
Total Assets			\$	4,060,987,347	100	\$	4,168,264,859	100

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Liabilities						
21000	Deposits from the Central Bank and banks	6(17) and 11	\$ 417,271,579	10	\$ 385,049,995	9
21500	Due to the Central Bank and banks	6(18)	3,250,380	-	46,890,696	1
22000	Financial liabilities at fair value through profit or loss	6(19)	21,447,467	1	19,344,092	1
22500	Securities sold under repurchase agreements	6(3)(4)(5)(20) and 11	252,342,653	6	225,056,762	5
22600	Commercial paper issued, net	6(21)(43) and 11	22,637,681	1	32,917,848	1
23000	Payables	6(22)	73,475,048	2	84,963,858	2
23200	Current tax liabilities		10,752,028	-	12,298,301	-
23500	Deposits and remittances	6(23)	2,847,366,547	70	2,959,789,704	71
24000	Bonds payable	6(24)(43)	20,000,000	1	6,000,000	-
24400	Other borrowings	6(25)(43)	17,348,000	-	1,260,000	-
24600	Provisions	6(26)	33,053,040	1	29,941,604	1
25500	Other financial liabilities	6(27)	23,542,283	1	12,453,364	-
26000	Lease liabilities	6(12)(43)	1,956,726	-	1,903,356	-
29300	Deferred income tax liabilities	6(41)	2,480,569	-	2,635,979	-
29500	Other liabilities	6(28)	14,253,893	-	19,360,417	1
Total Liabilities			3,761,177,894	93	3,839,865,976	92
Equity						
Equity attributable to owners of parent						
31100	Capital					
31101	Common stock	6(29)	139,398,196	3	135,998,240	3
31500	Capital surplus	6(29)	68,194,233	2	68,194,233	2
	Retained earnings					
32001	Legal reserve	6(29)	45,976,579	1	43,343,934	1
32003	Special reserve	6(29)	2,538,952	-	2,538,952	-
32011	Unappropriated earnings	6(30)	59,027,089	1	67,163,598	2
	Other equity interest	6(31)				
32500	Other equity interest		(15,325,596)	-	11,159,926	-
Total Equity			299,809,453	7	328,398,883	8
TOTAL LIABILITIES AND EQUITY						
			\$ 4,060,987,347	100	\$ 4,168,264,859	100

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

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31					Changes Percentage (%)
		2022		2021			
Items	Notes	AMOUNT	%	AMOUNT	%		
41000	Interest income	6(32) and 11	\$ 69,936,167	125	\$ 42,796,556	71	63
51000	Less: interest expense	6(32) and 11	(32,253,073)	(58)	(10,328,211)	(17)	212
	Net interest revenue		<u>37,683,094</u>	<u>67</u>	<u>32,468,345</u>	<u>54</u>	16
	Net revenue other than interest						
49800	Net service fee revenue and commissions	6(33)	10,335,499	19	12,037,236	20	(14)
49810	Net insurance revenue		(5,811,266)	(10)	2,234,552	4	(360)
49820	Gain on financial assets and liabilities at fair value through profit or loss	6(34) and 11	6,121,167	11	7,839,449	13	(22)
49825	Gain on investment property	6(14)	21,378	-	27,346	-	(22)
49835	Realized gain on financial assets at fair value through other comprehensive income	6(35)	3,563,995	6	2,973,300	5	20
49850	Loss arising from derecognition of financial assets measured at amortized cost	6(5) and 8	(38,867)	-	(39,147)	-	(1)
49870	Foreign exchange gains		2,789,496	5	1,443,881	2	93
49890	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(10)	(127,282)	-	125,017	-	(202)
49898	Gain (loss) on reclassification under the overlay approach	6(31)	5,502	-	(43,085)	-	(113)
49900	Net other revenue other than interest income	6(37)	1,367,072	2	1,163,633	2	17
49880	Reversal of loss on assets	6(36)	<u>139,865</u>	<u>-</u>	<u>319</u>	<u>-</u>	43745
	Net revenue		56,049,653	100	60,230,846	100	(7)
58100	Bad debts expense, commitment and guarantee liability provision	6(6)(8)(9)(11)(26) and 8(3)	(2,876,572)	(5)	(1,904,434)	(3)	51
58300	Net change in provisions for insurance liabilities	6(26)	(2,357,830)	(4)	(64,520)	-	3554
	Operating expenses						
58501	Employee benefit expenses	6(38)	(19,586,824)	(35)	(20,146,203)	(34)	(3)
58503	Depreciation and amortization expenses	6(39)	(2,251,673)	(4)	(2,072,262)	(3)	9
58599	Other general and administrative expenses	6(40)	(7,832,453)	(14)	(7,387,014)	(12)	6
	Total operating expenses		<u>(29,670,950)</u>	<u>(53)</u>	<u>(29,605,479)</u>	<u>(49)</u>	-
61000	Profit from continuing operations before tax		21,144,301	38	28,656,413	48	(26)
61003	Income tax expense	6(41)	(2,809,343)	(5)	(2,925,343)	(5)	(4)
69000	Profit		\$ 18,334,958	33	\$ 25,731,070	43	(29)

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Year ended December 31				Changes Percentage (%)		
			2022		2021				
			AMOUNT	%	AMOUNT	%			
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax									
69561	Gain on remeasurement of defined benefit plan	6(26)	\$	2,033,496	3	\$	749,495	1	171
69563	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(10)(31)							
69567	Revaluation (loss) gain on investments in equity instruments measured at fair value through other comprehensive income	6(31)	(	12,896)	-		1,496	-	(962)
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(41)	(	6,167,416)	(11)		3,262,980	5	(289)
			(	406,699)	(1)	(	149,896)	-	171
Components of other comprehensive income that will be reclassified to profit or loss, net of tax									
69571	Exchange differences on translation	6(31)		2,889,689	5	(	1,163,898)	(2)	(348)
69575	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(10)(31)							
69585	Revaluation loss from investments in debt instruments measured at fair value through other comprehensive income	6(31)	(	154,098)	-	(	24,723)	-	523
69587	Reversal of impairment loss from investments in debt instruments measured at fair value through other comprehensive income	6(31)	(	26,931,923)	(48)	(	5,462,256)	(9)	393
69590	Other comprehensive (loss) income on reclassification under the overlay approach	6(31)	(	102,741)	-	(	23,552)	-	336
69579	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)(41)	(	5,502)	-		43,085	-	(113)
69500	Other comprehensive loss		(	973,456	2	(	333,844	1	192
69700	Total comprehensive (loss) income		(	27,884,634)	(50)	(	2,433,425)	(4)	1046
	Profit attributable to:		(	9,549,676)	(17)	\$	23,297,645	39	(141)
69901	Owners of parent		\$	18,334,958	33	\$	25,731,070	43	(29)
	Comprehensive (loss) income attributable to:								
69951	Owners of parent		(	9,549,676)	(17)	\$	23,297,645	39	(141)
	Earnings per share								
70000	Basic and diluted earnings per share (in dollars)	6(42)	\$	1.32	\$	1.85			

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

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										Total equity
	Notes	Retained Earnings					Other equity interest				
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Other comprehensive income (loss) on reclassification using overlay approach	Other equity interest	
<u>For the year ended December 31, 2021</u>											
Equity at beginning of year		\$135,998,240	\$ 68,194,233	\$ 40,962,325	\$ 2,538,952	\$ 64,706,477	(\$ 4,107,628)	\$ 18,349,008	(\$ 35,934)	(\$16,713)	\$ 326,588,960
Profit for the year		-	-	-	-	25,731,070	-	-	-	-	25,731,070
Other comprehensive income (loss) for the year	6(31)	-	-	-	-	599,599	(1,158,569)	(1,919,573)	43,085	2,033	(2,433,425)
Total comprehensive income (loss)		-	-	-	-	26,330,669	(1,158,569)	(1,919,573)	43,085	2,033	23,297,645
Earnings distribution for 2020											
Legal reserve	6(30)	-	-	2,381,609	-	(2,381,609)	-	-	-	-	-
Cash dividends	6(30)	-	-	-	-	(21,487,722)	-	-	-	-	(21,487,722)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(4)	-	-	-	-	(4,217)	-	(15,874)	-	20,091	-
Equity at end of year		<u>\$135,998,240</u>	<u>\$ 68,194,233</u>	<u>\$ 43,343,934</u>	<u>\$ 2,538,952</u>	<u>\$ 67,163,598</u>	<u>(\$ 5,266,197)</u>	<u>\$ 16,413,561</u>	<u>\$ 7,151</u>	<u>\$ 5,411</u>	<u>\$ 328,398,883</u>
<u>For the year ended December 31, 2022</u>											
Equity at beginning of year		\$135,998,240	\$ 68,194,233	\$ 43,343,934	\$ 2,538,952	\$ 67,163,598	(\$ 5,266,197)	\$ 16,413,561	\$ 7,151	\$ 5,411	\$ 328,398,883
Profit for the year		-	-	-	-	18,334,958	-	-	-	-	18,334,958
Other comprehensive income (loss)	6(31)	-	-	-	-	1,626,797	2,900,155	(32,383,140)	(5,502)	(22,944)	(27,884,634)
Total comprehensive income (loss)		-	-	-	-	19,961,755	2,900,155	(32,383,140)	(5,502)	(22,944)	(9,549,676)
Earnings distribution for 2021											
Legal reserve	6(30)	-	-	2,632,645	-	(2,632,645)	-	-	-	-	-
Cash dividends	6(30)	-	-	-	-	(19,039,754)	-	-	-	-	(19,039,754)
Stock dividends	6(30)	3,399,956	-	-	-	(3,399,956)	-	-	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income (loss)	6(4)	-	-	-	-	(3,025,909)	-	3,025,909	-	-	-
Equity at end of year		<u>\$139,398,196</u>	<u>\$ 68,194,233</u>	<u>\$ 45,976,579</u>	<u>\$ 2,538,952</u>	<u>\$ 59,027,089</u>	<u>(\$ 2,366,042)</u>	<u>(\$ 12,943,670)</u>	<u>\$ 1,649</u>	<u>(\$17,533)</u>	<u>\$ 299,809,453</u>

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

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 21,144,301	\$ 28,656,413
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(39)	1,605,544	1,516,907
Amortization expense	6(39)	646,129	555,355
Bad debts expense, commitment and guarantee liability provision		2,876,572	1,904,434
Interest expense	6(32)	32,253,073	10,328,211
Interest income	6(32)	(69,936,167)	(42,796,556)
Dividend income	6(34)(35)	(4,308,202)	(3,287,543)
Net change in provisions for insurance liabilities		2,357,830	64,520
Reversal of impairment losses on assets	6(36)	(139,865)	(319)
Gain on disposal of property and equipment	6(37)	(834)	(8,343)
Gain on disposal of investment property		-	(4,643)
Share of loss (profit) of associates and joint ventures accounted for using equity method	6(10)	127,282	(125,017)
(Profit) loss reclassified by applying overlay approach		(5,502)	43,085
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease in due from Central Bank and call loans to other banks		78,959,678	8,191,233
(Increase) decrease in financial assets at fair value through profit or loss		(2,067,232)	25,773,416
(Increase) decrease in financial assets at fair value through other comprehensive income		(14,032,842)	14,813,743
Decrease (increase) in investments in debt instruments measured at amortized cost		82,630,934	(113,837,345)
(Decrease) increase in receivables		15,035,229	(6,971,722)
Increase in discounts and loans		(44,977,291)	(149,604,839)
(Increase) decrease in reinsurance contract assets		(11,602,206)	180,017
Increase in other financial assets		(1,574,933)	(964,874)
Decrease in other assets		1,092,949	2,028,805
Changes in operating liabilities			
Increase (decrease) in deposits from the Central Bank and banks		32,221,584	(20,246,116)
Increase (decrease) in financial liabilities at fair value through profit or loss		2,103,375	(1,590,841)
Increase (decrease) in bills and bonds purchased under resale agreements		27,285,891	(44,298,357)
Decrease in payables		(16,690,288)	(5,952,967)
(Decrease) increase in deposits and remittances		(112,423,157)	345,899,513
Increase (decrease) in other financial liabilities		11,088,919	(707,238)
Increase in liabilities reserve		2,928,302	583,906
(Decrease) increase in other liabilities		(7,353,413)	7,551,112
Cash inflow generated from operations		29,245,660	57,693,950
Interest received		65,166,608	43,393,789
Cash dividend received		4,480,409	3,453,442
Interest paid		(29,029,347)	(10,666,130)
Income tax paid		(4,435,944)	(3,013,425)
Net cash flows from operating activities		65,427,386	90,861,626

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from capital reduction of investments accounted for using equity method		\$ 43,350	\$ -
Acquisition of property and equipment	6(15)	(1,083,118)	(935,944)
Proceeds from disposal of property and equipment		1,257	13,964
Acquisition of intangible assets		(1,021,684)	(594,594)
Acquisition of investment properties	6(14)	(105,295)	(3,541)
Proceeds from disposal of investment property		-	26,377
Net cash flows used in investing activities		(2,165,490)	(1,493,738)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in due to the Central Bank and banks		(43,640,316)	26,526,717
(Decrease) increase in commercial papers payable	6(43)	(10,264,000)	10,529,000
Increase (decrease) in bank notes payable	6(43)	14,000,000	(12,000,000)
Increase in other borrowings	6(43)	16,088,000	921,972
Increase in guarantee deposits received		2,210,151	1,568,330
Payment of lease liabilities	6(43)	(564,246)	(561,774)
Cash dividends paid		(17,078,169)	(19,738,829)
Net cash flows (used in) from financing activities		(39,248,580)	7,245,416
Effect of exchange rate changes on cash and cash equivalents		2,782,483	(1,154,927)
Net increase in cash and cash equivalents, net		26,795,799	95,458,377
Cash and cash equivalents at beginning of year		408,584,597	313,126,220
Cash and cash equivalents at end of year		\$ 435,380,396	\$ 408,584,597
The components of cash and cash equivalents			
Cash and cash equivalents reported in the balance sheet	6(1)	\$ 113,662,306	\$ 140,618,308
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	6(2)	321,099,784	267,017,119
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7		618,306	949,170
Cash and cash equivalents at end of reporting period		\$ 435,380,396	\$ 408,584,597

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

Attachment 4**Mega Financial Holding Co., Ltd.****Earnings Distribution Statement****Year 2022**

Unit : NT\$

Items	Amount
Beginning undistributed retained earnings in 2022	42,091,243,075
Net profit after income tax in 2022	18,334,958,444
Add : Remeasurements of defined benefit plans	1,626,796,624
Less : Loss on disposal of investments in equity instruments measured at fair value through other comprehensive income	(3,025,909,630)
2022 distributable earnings	16,935,845,438
Less : 10% legal reserve	(1,693,584,544)
Less : special reserve	(13,625,011,623)
Total distributable earnings	43,708,492,346
Less : Distribution item	
Cash dividends to shareholders (NT\$1.24 per share)	(17,285,376,282)
Stock dividends to shareholders (NT\$0.08 per share)	(1,115,185,560)
Distribution amount	(18,400,561,842)
Unappropriated retained earnings	25,307,930,504
Note1 : The 2022 distributable earnings shall be distributed as a priority.	
Note2 : The amount of cash dividend per share shall be calculated and truncated to NT\$1. The sum of all cash dividends less than NT\$1 shall be allocated in line with a progressive decrease in decimal numbers and a progressive increase in shareholders' ID number so that the total dividend distribution is fully paid.	

Attachment 5

Mega Financial Holding Co., Ltd.

The Comparison Table of Amended Articles of Incorporation

Amended Article	Original Article	Explanation
<p>ARTICLE 6</p> <p>The total authorized capital of the Company is two hundred twenty billion New Taiwan Dollars (NT\$220,000,000,000), divided into twenty two billion (22,000,000,000) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares may be issued in installments, <u>and part of the shares may be preferred shares.</u></p> <p>When the Company issues new shares, employees meeting certain specific requirements, of the subsidiaries are entitled to subscribe new shares reserved for subscription by employees in accordance with applicable laws.</p>	<p>ARTICLE 6</p> <p>The total authorized capital of the Company is two hundred twenty billion New Taiwan Dollars (NT\$220,000,000,000), divided into twenty two billion (22,000,000,000) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares may be issued in installments.</p> <p>When the Company issues new shares, employees meeting certain specific requirements, of the subsidiaries are entitled to subscribe new shares reserved for subscription by employees in accordance with applicable laws.</p>	<p>In order to increase flexibility in fundraising, the Articles has been amended to allow part of the Company's capital to be preferred shares.</p>
<p>ARTICLE 6-1</p> <p><u>The rights, obligations and other important issuance terms of preferred shares of the Company are as follows:</u></p> <p>I. <u>The Company's annual earnings are first subject to taxation and reimbursement of previous years' losses, in accordance with laws. A legal reserve shall also be set aside in accordance with laws. Then, a special reserve shall be set aside or reversed in accordance with laws or actual needs. Remaining earnings, if any, may be distributed first to the shareholders of</u></p>		<p>The rights and obligations and other important issuance terms of preferred shares are added to increase more flexibility in fundraising.</p> <p>I. The priority sequence for distributing dividends on preferred shares is added.</p>

<p><u>preferred shares as the respective year's dividends.</u></p> <p>II. <u>The dividend rate of preferred shares is limited to 8% per annum on issue price, and the dividends will be distributed once annually in cash. After the financial statements have been approved by the general shareholders' meeting, the Board of Directors will determine the record date to pay the distributable dividends of the previous year. In the year of issuance and redemption, the distribution of payable dividends is calculated based on the actual number of days preferred shares remained outstanding in that year.</u></p> <p>III. <u>The Company has sole discretion over the distribution of dividends of preferred shares. The Company may resolve not to distribute dividends of preferred shares if there are no earnings or earnings are insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio to fall below the minimum requirement stipulated by laws or the competent authority or other necessary</u></p>		<p>II. The annual maximum dividend rate for preferred shares, times of distribution and schedule are added.</p> <p>III. The Company's sole discretion for the distribution of dividends of preferred shares is added.</p>
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<p><u>considerations. The shareholders of preferred shares shall not object to the decision. If the preferred shares issued are non-cumulative, the undistributed dividends or the deficit of dividends will not be cumulative for deferred payment in the subsequent years with earnings.</u></p> <p><u>IV. Except for the dividends prescribed in Subparagraph 2 of this Paragraph, preferred shares are not eligible for the dividend entitlements of common shares, including cash or stock dividends derived from earnings or capital reserves.</u></p> <p><u>V. In terms of allocation priority on the residual property of the Company, the preferred shares shall have a higher priority than common shares. The different types of preferred shares of the Company shall rank pari passu and the payment shall not exceed the issue amount.</u></p> <p><u>VI. The shareholders of preferred shares do not have voting rights or election rights at the general shareholders' meeting. However, they have voting rights at the preferred shareholders'</u></p>		<p>IV. Restrictions on the shareholders of preferred shares in dividend entitlements of earnings and capital reserves are added.</p> <p>V. Priority for shareholders of preferred shares for the distribution of the Company's residual property is added.</p> <p>VI. Regulations on voting rights and election rights for shareholders of preferred shares are added.</p>
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<p><u>meeting or at the general shareholders' meeting with respect to the rights and obligations of the shareholders of preferred shares.</u></p> <p><u>VII. Preferred shares shall not be converted to common shares, and the shareholders of preferred shares do not have the right to request the Company to buy back their preferred shares.</u></p> <p><u>VIII. If the Company issues perpetual preferred shares, the Company may redeem all or a portion of preferred shares anytime on the next day after 7 years of issuance at the issue price. The remaining preferred shares shall retain the rights and obligations of the issuance terms prescribed in this Article. In the year of redemption, the dividends shall be calculated based on the actual number of days if the general shareholders' meeting decides to distribute dividends.</u></p> <p><u>IX. If the Company issues non-perpetual preferred shares, the issuance period shall not be shorter than 7 years. Upon the expiry date of the issuance period or on the next day after 5 years of issuance, the Company</u></p>		<p>VII. The regulations that preferred shares cannot be converted into common shares are added.</p> <p>VIII. Regulations on the rights and obligations of perpetual preferred shares are added.</p> <p>IX. Regulations on the rights and obligations of non-perpetual preferred shares are added.</p>
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<p><u>may, pursuant to the issue price and relevant issuance terms, redeem such shares in cash, or redeem such shares in other manners permissible by laws. If the Company cannot redeem all or a portion of the preferred shares due to objective factors or force majeure by that time, the rights of the remaining preferred shares shall retain the issuance terms until full redemption by the Company.</u></p> <p><u>The Board of Directors is authorized to determine the name, issuance date and terms of preferred shares in accordance with market conditions and investors' expectations, in accordance with the Articles and laws and regulations.</u></p>		<p>Regulations on the authorization of preferred shares are added.</p>
<p>ARTICLE 12</p> <p>The meeting of shareholders shall be convened by the Board of Directors unless the Company Act shall require otherwise.</p> <p>The shareholders' meetings are of the following two kinds:</p> <ol style="list-style-type: none"> 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. <p>Regular meetings of the shareholders shall be convened within six months after the close of each fiscal year.</p>	<p>ARTICLE 12</p> <p>The meeting of shareholders shall be convened by the Board of Directors unless the Company Act shall require otherwise.</p> <p>The shareholders' meetings are of the following two kinds:</p> <ol style="list-style-type: none"> 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. 	<p>The regulation of the convention of the preferred shareholders' meeting is added.</p>

<p><u>The preferred shareholders' meeting may be convened in accordance with laws and regulations when necessary.</u></p>	<p>Regular meetings of the shareholders shall be convened within six months after the close of each fiscal year.</p>	
<p>ARTICLE 31</p> <p>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 or <u>reserve</u> special reserve in accordance with laws or its actual needs, <u>and may distribute dividends of preferred shares.</u> The remaining balance plus prior years' accumulated undistributed earnings are earnings available for distribution, for which the Company <u>may</u> appropriate 30% to 100% as earnings distribution subject to the Board of Directors' decision to propose a distribution plan and to be submitted to the <u>general</u> shareholders' meeting for approval.</p> <p>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 <u>of the general</u> shareholders' meeting.</p>	<p>ARTICLE 31</p> <p>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 plus prior years' accumulated undistributed earnings are earnings available for distribution, for which the Company <u>shall</u> appropriate 30% to 100% as earnings distribution subject to the Board of Directors' decision to propose a distribution plan and to be submitted to the shareholders' meeting for approval.</p> <p>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 <u>at a</u> shareholders' meeting.</p>	<p>I. The regulation of the Company's earnings distribution may distribute the dividends of preferred shares is added.</p> <p>II. In order to enhance the stability of the Company's financial structure, the calculation method of earnings distribution is amended.</p>

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 and other applicable regulations.	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, <u>the Banking Act</u> and other applicable regulations.	In response to our operational needs, it is proposed to amend some wordings.
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	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	The date of this amendment is added.

<p>23, 2010, the ninth amendment was made on June 28, 2011, the tenth amendment was made on June 15, 2012, the eleventh amendment was made on June 24, 2014, the twelfth amendment was made on June 24, 2016, and the thirteenth amendment was made on June 21, 2019, and the fourteenth amendment was made on June 17, 2022, <u>and the fifteenth amendment was made on June 16, 2023.</u></p>	<p>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, the tenth amendment was made on June 15, 2012, the eleventh amendment was made on June 24, 2014, the twelfth amendment was made on June 24, 2016, and the thirteenth amendment was made on June 21, 2019, and the fourteenth amendment was made on June 17, 2022.</p>	
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Mega Financial Holding Company Limited

Articles of Incorporation (draft)

CHAPTER I

GENERAL PROVISIONS

ARTICLE 1

The Company is organized under the Financial Holding Company Act and the Company Act, and its name shall be 兆豐金融控股股份有限公司 in Chinese , and Mega Financial Holding Company Limited (hereinafter referred to as the "Company") in English 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, change and dissolution 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 2, Article 13 of the Company Act.

CHAPTER III CAPITAL STOCK

ARTICLE 6

The total authorized capital of the Company is two hundred twenty billion New Taiwan Dollars (NT\$220,000,000,000), divided into twenty two billion (22,000,000,000) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares may be issued in installments, and part of the shares may be preferred shares.

When the Company issues new shares, employees meeting certain specific requirements, of the subsidiaries are entitled to subscribe new shares reserved for subscription by employees in accordance with applicable laws.

ARTICLE 6-1

The rights, obligations and other important issuance terms of preferred shares of the Company are as follows:

- I. The Company's annual earnings are first subject to taxation and reimbursement of previous years' losses, in accordance with laws. A legal reserve shall also be set aside in accordance with laws. Then, a special reserve shall be set aside or reversed in accordance with laws or actual needs. Remaining earnings, if any, may be distributed first to the shareholders of preferred shares as the respective year's dividends.
- II. The dividend rate of preferred shares is limited to 8% per annum on issue price, and the dividends will be distributed once annually in cash. After the financial statements have been approved by the general shareholders' meeting, the Board of Directors will determine the record date to pay the distributable dividends of the previous year. In the year of issuance and redemption, the distribution of payable dividends is calculated based on the actual number of days preferred shares remained outstanding in that year.
- III. The Company has sole discretion over the distribution of dividends of preferred shares. The Company may resolve not to distribute dividends of preferred shares if there are no earnings or earnings are insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio to fall below the minimum requirement stipulated by laws or the

competent authority or other necessary considerations. The shareholders of preferred shares shall not object to the decision. If the preferred shares issued are non-cumulative, the undistributed dividends or the deficit of dividends will not be cumulative for deferred payment in the subsequent years with earnings.

- IV. Except for the dividends prescribed in Subparagraph 2 of this Paragraph, preferred shares are not eligible for the dividend entitlements of common shares, including cash or stock dividends derived from earnings or capital reserves.
- V. In terms of allocation priority on the residual property of the Company, the preferred shares shall have a higher priority than common shares. The different types of preferred shares of the Company shall rank pari passu and the payment shall not exceed the issue amount.
- VI. The shareholders of preferred shares do not have voting rights or election rights at the general shareholders' meeting. However, they have voting rights at the preferred shareholders' meeting or at the general shareholders' meeting with respect to the rights and obligations of the shareholders of preferred shares.
- VII. Preferred shares shall not be converted to common shares, and the shareholders of preferred shares do not have the right to request the Company to buy back their preferred shares.
- VIII. If the Company issues perpetual preferred shares, the Company may redeem all or a portion of preferred shares anytime on the next day after 7 years of issuance at the issue price. The remaining preferred shares shall retain the rights and obligations of the issuance terms prescribed in this Article. In the year of redemption, the dividends shall be calculated based on the actual number of days if the general shareholders' meeting decides to distribute dividends.
- IX. If the Company issues non-perpetual preferred shares, the issuance period shall not be shorter than 7 years. Upon the expiry date of the issuance period or on the next day after 5 years of issuance, the Company may, pursuant to the issue price and relevant issuance terms, redeem such shares in cash, or redeem such shares in other manners permissible by laws. If the Company cannot redeem all or a portion of the preferred shares due to objective factors or force majeure by that time, the rights of the remaining preferred shares shall retain the issuance terms until full redemption by the Company.

The Board of Directors is authorized to determine the name, issuance date and terms of preferred shares in accordance with market conditions and investors' expectations, in accordance with the Articles and laws and regulations.

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.

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 register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

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 Regulations Governing the Administration of Shareholder Services 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.

The preferred shareholders' meeting may be convened in accordance with laws and regulations when necessary.

ARTICLE 12-1

The company convened shareholders meetings, they shall convene a virtual shareholders meeting or other methods disclosed by competent authority.

The company convened a virtual shareholders meeting, they should comply with other laws and Mega Financial Holding Company Rules of Procedures for Shareholders' Meetings.

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 the 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.

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 Directors is three years, and all directors may be eligible for re-election.

Among the directors prescribed in the preceding Paragraph, at least five independent directors and a number of independent directors no less than 1/3 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

The Fifth Term of the Board of Directors of the Company starts to set up the audit committee, composed entirely of independent directors. It shall be no less than three in number, one of whom shall serve as the convener, and at least one of whom shall have accounting or finance 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 charter 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 securities 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 should have one Chief Secretary, several secretaries 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 the case of 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

A meeting of the Board of Directors shall, unless otherwise provided for in relevant laws and regulations, be convened by the Chairman 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 that a Director is unable to attend the meeting for any causes, 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 the case that 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 principle. In the case of emergency, the meeting of the Board of Directors may be convened at any time. The notice of the Board meeting may be served in writing by mail, E-mail or fax.

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.

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 business of the company. 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 or reserve special reserve in accordance with laws or its actual needs, and may distribute dividends of preferred shares. The remaining balance plus prior years' accumulated undistributed earnings are earnings available for distribution, for which the Company may appropriate 30% to 100% as earnings distribution subject to the Board of Directors' decision to propose a distribution plan and to be submitted to the general 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 of the general shareholders' meeting.

ARTICLE 31-1

The current year's earnings (pre-tax income before deducting the remuneration to employees and Directors) of the Company shall first be applied to cover all its accumulated losses, and the remaining balance shall be appropriated 0.02% to 0.15% as remuneration to employees; and not more than 0.5% as remuneration to Directors.

The employees' remuneration mentioned in the preceding Paragraph of this Article shall be distributed in cash or stock. Employees of the affiliated companies meeting certain specific requirements may be entitled to the employees' stock remuneration, subject to the rules set forth by the Board of Directors.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

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 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, the tenth amendment was made on June 15, 2012, the eleventh amendment was made on June 24, 2014, the twelfth amendment was made on June 24, 2016, and the thirteenth amendment was made on June 21, 2019, and the fourteenth amendment was made on June 17, 2022, and the fifteenth amendment was made on June 16, 2023.

Appendix 1

Mega Financial Holding Company Limited Articles of Incorporation

CHAPTER I GENERAL PROVISIONS

ARTICLE 1

The Company is organized under the Financial Holding Company Act and the Company Act, and its name shall be 兆豐金融控股股份有限公司 in the Chinese language, and Mega Financial Holding Company Limited (hereinafter referred to as the "Company") in the English language 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 2, Article 13 of the Company Act.

CHAPTER III CAPITAL STOCK

ARTICLE 6

The total authorized capital of the Company is two hundred twenty billion New Taiwan Dollars (NT\$220,000,000,000), divided into twenty two billion (22,000,000,000) shares at par value of ten New Taiwan Dollars (NT\$10.00) per share. The shares are issued in installments.

When the Company issues new shares, employees meeting certain specific requirements, of the subsidiaries are entitled to subscribe new shares reserved for subscription by employees in accordance with applicable laws.

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.

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 register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

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 12-1

The company convened shareholders meetings, they shall convene a virtual shareholders meeting or other methods disclosed by competent authority.

The company convened a virtual shareholders meeting, they should comply with other laws and Mega Financial Holding Company Rules of Procedures for Shareholders' Meetings.

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.

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 five independent directors and a number of independent directors no less than 1/3 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

The Fifth Term of the Board of Directors of the Company starts to set up the audit committee, composed entirely of independent directors. It shall be no less than three in number, one of whom shall serve as the convener, and at least one of whom shall have accounting or finance 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

A meeting of the Board of Directors shall, unless otherwise provided for in relevant laws and regulations, be convened by the Chairman 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 principle. In the case of emergency, the meeting of the Board of Directors may be convened at any time. The notice of the Board meeting may be served in writing by mail, E-mail or fax.

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.

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 plus prior years' accumulated undistributed earnings are earnings available for distribution, for which the Company shall appropriate 30% to 100% as earnings distribution 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.

ARTICLE 31-1

The current year's earnings (pre-tax income before deducting the remuneration to employees and Directors) of the Company shall first be applied to cover all its accumulated losses, and the remaining balance shall be appropriated 0.02% to 0.15% as remuneration to employees; and not more than 0.5% as remuneration to Directors.

The employees' remuneration mentioned in the preceding Paragraph of this Article shall be distributed in cash or stock. Employees of the affiliated companies meeting certain specific requirements may be entitled to the employees' stock remuneration, 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, the tenth amendment was made on June 15, 2012, the eleventh amendment was made on June 24, 2014, the twelfth amendment was made on June 24, 2016, and the thirteenth amendment was made on June 21, 2019, and the fourteenth amendment was made on June 17, 2022.

Appendix 2

Mega Financial Holding Company Rules of Procedures for Shareholders' Meetings

Established on June 12, 2002
Amended on November 11, 2002
Amended on June 11, 2004
Amended on June 21, 2013
Amended on June 19, 2020
Amended on June 17, 2022

Article 1

To establish a strong governance system and sound supervisory functions for this Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted.

Article 2

The rules of procedures for this Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

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

The Company shall prepare electronic versions of the procedures manual, shareholders meeting notice, and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) in accordance with the regulations of the competent authority.

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

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

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given

shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

Article 5

The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall not start earlier than 9 a.m. or later than 3 p.m.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting. When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 6

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

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

Article 7

To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:

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

Article 8

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 9

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the

proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

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

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

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 10

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated based on the shares indicated by the sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronic transmission.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

If the attending shareholders have constituted a majority of all issued shares by the end of the meeting, the chair may resubmit the tentative resolution for approval pursuant to Article 174 of the Company Act.

Article 11

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall

be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party, other than the board of directors, entitled to convene such meeting.

Unless otherwise resolved by the meeting, the chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions).

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 12

Before speaking at the shareholders' meeting, an attending shareholder must specify on a speaker's slip the summary of the speech, his/her shareholder account number (or attendance card number), and account name. The sequence of shareholders' speech will be determined by the chair.

If any attending shareholder submits a speaker's slip but does not actually speak, no speech shall be deemed to have been made by the shareholder. In case the content of the speech does not correspond to the contents given on the speaker's slip, the contents of actual speech shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the above rules or exceeds the scope of the agenda item, the chair may stop the speech of the shareholder.

The provisions of the preceding paragraph apply mutatis mutandis to the time and times of an attending shareholder's speech on non-proposal at the proceeding of extraordinary motions.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless otherwise permitted by chair and the speaking shareholder; otherwise, the chair shall stop such interruption.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After the speech of an attending shareholder, the chair may respond in person or designate relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 6 do not apply.

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

Article 13

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2 of Article 179 of the Company Act. Except for trust enterprises or a shareholder services agent approved by the competent securities authority, the proxy right of a person who acts as the proxy for two or more shareholders shall not exceed 3 percent of the total issued voting shares of this Company. If that percentage is exceeded, the excess portion of voting rights shall not be counted.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder, unless otherwise provided by laws or regulations.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Article 14

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the law, the passage of a proposal shall require an

affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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

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

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

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

Article 15

The election of directors at a shareholders meeting, the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16

Matters relating to the resolutions of a shareholders meeting shall be recorded in the

meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

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

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

Article 17

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm badges.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or arm badges bearing the word "Proctor."

If the meeting place is equipped with loudspeaker equipment, the chair may stop any shareholders using equipment not installed by the Company from speaking.

When a shareholder violates these Rules and defies the chair's correction, obstructs the proceedings of the meeting and fails to desist, the chair may direct the proctors or security personnel to escort the shareholder to leave the meeting place.

Article 20

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

Article 21

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

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

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

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

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

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual

shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

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

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

Article 22

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

Article 23

Any matters not otherwise specified in these Rules shall be governed by the Company Act, other applicable regulations, and the Articles of Incorporation.

Article 24

These Rules shall enter into force after adoption by shareholders' meetings. The same shall apply in case of amendment or revocation.

Appendix 3

Mega Financial Holding Co., Ltd.

Shareholding of Directors

Book closure date: April 18, 2023

Position	Name	Shareholding (shares)	Percentage
Chairman	Chao-Shun Chang (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Kuang-Hua Hu (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Chia-Chung Chen (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Pei-Chun Chen (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Yih-Jiuan Wu (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Chia-Chi Hsiao (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	I-Kan Chiu (Representative of Ministry of Finance, R.O.C.)	1,171,619,980	8.40%
Director	Keh-Her Shih (Representative of National Development Fund, Executive Yuan, R.O.C.)	851,747,532	6.11%
Director	Hong-Mo Wu (Representative of Chunghwa Post Co., Ltd.)	503,048,382	3.61%
Director	Hui-Chuan Chen (Representative of Bank of Taiwan Co., Ltd.)	343,325,163	2.46%
Independent Director	Ying Wu	0	-
Independent Director	Chang-Ching Lin	0	-
Independent Director	Hung-Ju Chen	0	-
Independent Director	Tsai-Jyh Chen	0	-
Independent Director	Chi-Chang Yu	0	-
Number of the shares held by all directors: 2,869,741,057 shares (20.59%)			
Minimum number of directors' shareholding required by the FSC: 160,000,000 shares (1.15%)			

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