

Stock Code : 2886

# **Mega Financial Holding Co., Ltd.**

## **Handbook for the 2025 Annual General Shareholders' Meeting**

**Meeting Time: 9:00 a.m., June 20, 2025**

**Venue: 13<sup>th</sup> 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

<b>I. Meeting Procedure .....</b>	<b>1</b>
<b>II. Meeting Agenda .....</b>	<b>2</b>
1. Report Items.....	3
2. Matters for Ratification.....	6
3. Matters for Discussion.....	8
4. Questions and Motions .....	10
<b>III. Attachments</b>	
1. 2024 Business Report .....	11
2. Audit Committee’s Review Report .....	21
3. 2024 Consolidated Financial Statements.....	22
4. 2024 Earnings Distribution Table.....	38
5. Comparison Table of Amended Articles of Incorporation.....	39
<b>IV. Appendices</b>	
1. Articles of Incorporation.....	52
2. Rules of Procedures for Shareholders’ Meetings.....	63
3. Shareholding of Directors .....	73

# **Mega Financial Holding Co., Ltd.**

## **Procedure for the 2025 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 2025**

## **Agenda of Annual General Shareholders' Meeting**

**Time:** 09:00 a.m. on Friday, June 20, 2025

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

**Shareholders meeting will be held by means of:** Hybrid Shareholders' Meeting

**TDCC e-Meeting Platform :** <https://stockservices.tdcc.com.tw>

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

### **2. Chairperson Remarks**

### **3. Report Items**

- (1) 2024 Business Report.
- (2) The Audit Committee's Review Report on 2024 Business Report, Consolidated Financial Statements and the Proposal for Distribution of 2024 Earnings.
- (3) Communication between Audit Committee members and Chief Internal Auditor.
- (4) The Distribution of Directors' and Employees' Remuneration for 2024.
- (5) The Company's 2024 transaction report with related parties.

### **4. Matters for Ratification**

- (1) 2024 Business Report and Consolidated Financial Statements.
- (2) The Proposal for Distribution of 2024 Earnings.

### **5. Matters for Discussion**

- (1) Amendments to the “Company's Articles of Incorporation”.
- (2) Proposal of Releasing the Prohibition on Directors from Participation in Competitive Business.

### **6. Questions and Motions**

### **7. Adjournment**

## **Report Items**

### **Agenda 1:** 2024 Business Report. (Proposed by the Board of Directors)

Explanation: The 2024 Business Report is attached as Attachment 1. (page 11)

### **Agenda 2:** The Audit Committee's Review Report on 2024 Business Report, Consolidated Financial Statements and the Proposal for Distribution of 2024 Earnings. (Proposed by the Board of Directors)

Explanation: The Audit Committee's Review Report is attached as Attachment 2. (page 21)

### **Agenda 3:** Communication between Audit Committee members and Chief Internal Auditor. (Proposed by the Audit Committee)

Explanation:

- (1) Principles for communication between the Company's Audit Committee members and the Chief Internal Auditor.
  - i. A meeting for communicating solely with the Chief Internal Auditor is held at least once every year, and the Chief Internal Auditor may also communicate with independent directors as needed. All communications proceeded well.
  - ii. The Auditing Office sends audit reports and the improvement status of audited units to the Audit Committee and independent directors. There have been full communications on the execution status and effectiveness of audited items.
  - iii. Communications between Audit Committee members and the Chief Internal Auditor are posted on the Company's official website on a regular basis.
- (2) For details on the communications between Audit Committee members and the Chief Internal Auditors in 2024, please see the Company's official website (URL: <http://www.megaholdings.com.tw/tc/communicate.aspx>).

### **Agenda 4:** The Distribution of Directors' and Employees' Remuneration for 2024. (Proposed by the Board of Directors)

Explanation:

- (1) This proposal is made in accordance with Article 31-1 of the Company's Articles of Incorporation.
- (2) For year 2024, the Company allocated NT\$166,793,984 as directors' remuneration (at an allocation rate of 0.5%) and NT\$29,769,390 as employees' remuneration (at an allocation rate of 0.08924%), both of which were distributed in cash.
- (3) This proposal has been approved at the 13th meeting of the 9th term of

Board of Directors held on April 22, 2025.

**Agenda 5:** The Company's 2024 transaction report with related parties. (Proposed by the Board of Directors)

Explanation:

- (1) In accordance with the provisions of Article 13 of the Company's "Procedures for Acquisition or Disposal of Assets".
- (2) In 2024, the company had a total of 1 transaction with related parties in regard to acquisition or disposal of real estate, right-of-use assets or other assets with an amount exceeding 20% of the company's paid-in capital, 10% of total assets, or more than NT\$300 million. This was a private placement of 450 million ordinary shares issued by Chung Kuo Insurance Co., Ltd., a subsidiary of Mega FHC, at an issue price of NT\$10 per share, with a total raised amount of NT\$4,500,000 thousand. The company participated in the full subscription. The relevant content is explained as follows:

Counterparty to the trade	Chung Kuo Insurance Co., Ltd.(CKI)
Its relationship to the company / The reason for choosing the related party as trading counterpart	100% owned subsidiary of the company/to maintain as the sole shareholder of the CKI
Acquisition of assets	Private placement capital increase of common equity shares of CKI.
Total transaction amount	NT\$4,500,000 thousand
The purpose, necessity and estimated benefits of the transaction	To repay CKI's bank loans and to optimize its financial structure
Whether obtained the monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and an appraisal report from a professional appraiser or a CPA's opinion	Yes
Restrictive covenants in the contract, and other important stipulations	None
Board resolutions	After the company passed the resolution at the 40th meeting of the 8th-term of board of directors on May

	28, 2024, and obtained investment approval from the regulator on June 19, 2024, the investment was completed on June 27, 2024.
--	--

## **Matters for Ratification**

**Agenda 1:** 2024 Business Report and Consolidated Financial Statements.  
(Proposed by the Board of Directors)

Explanation: The Company's 2024 consolidated financial statements have been audited by CPA Kuo, Pao-Ju and Lai, Chung-Hsi of PricewaterhouseCoopers, Taiwan. 2024 business report and consolidated financial statements have been approved by the Board and reviewed by the Audit Committee. 2024 business report and consolidated financial statements are attached as Attachment 1, 3. (page 11, page 22)

RESOLUTION:



**Agenda 2:** The Proposal for Distribution of 2024 Earnings. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2024 financial statements have been audited by CPA Kou, Po-Ju and Lai, Chung-Hsi of PricewaterhouseCoopers, Taiwan. The net profit after income tax of the Company in 2024 is NT\$34,765,886,215, after plusing Gain on disposal of investments in equity instruments measured at fair value through other comprehensive income amounted to be NT\$5,806,274,572, Reversal of special reserve for first-time adoption of TIFRS amounted to be NT\$1,102,762 and Remeasurements of defined benefit plans amounted to be NT\$676,219,349, the 2024 distributable earnings is NT\$41,249,482,898, of which needs to deduct the provision for 10% legal reserve NT\$4,124,948,290 and plus the previous retained earnings of 2024 NT\$42,819,899,945; therefore, the total distributable earnings is NT\$79,944,434,553 and the 2024 distributable earnings shall be distributed as a priority as follows:
  - A. NT\$23,733,405,251 as cash dividends (NT\$1.6 per share)
  - B. The balance of unappropriated retained earnings after distribution is NT\$56,211,029,302.
- (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 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) 2024 Earnings Distribution Statement is attached as Attachment 4. (page 38)
- (4) This proposal has been approved by the 13th meeting of the 9th term of Board of Directors held on April 22, 2025.

RESOLUTION:

## **Matters for Discussion**

**Agenda 1:** Amendments to the Company's Articles of Incorporation. Please proceed to discuss. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's Articles of Incorporation were originally enacted on December 19, 2001, and have been revised 16 times during this period. The latest amendment was approved by the annual general shareholders' meeting on June 21, 2024.
- (2) It is proposed to amend Article 31-1 of the employees' remuneration and Article 33 the revision history. The main points of the amendments are as follows :
  - A. Article 31-1 : The amendment is complied with Article 14, Paragraph 6 of the Securities and Exchange Act. A company shall specify in its Articles of Incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or remuneration for its entry-level employees. Therefore, Paragraph 2 of this article clearly states that the Company shall allocate more than 1% of the actual annual distributable amount for the remuneration of entry-level employees.
  - B. Article 33 : The amendment date is added, and redundant wording is deleted.
- (3) Please refer to Attachment 5 for the comparison table and amended Articles of Incorporation. (see page 39 of this Handbook for details)
- (4) This proposal has been approved by resolution of the 11th meeting of the 9th term of Board of Directors held on March 25, 2025.

RESOLUTION:

**Agenda 2:** 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 annual general 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 annual general shareholders' meeting. It is proposed that the annual general 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	Ray Beam Dawn (Representative of the Ministry of Finance, R.O.C.)	Taipei Financial Center Corp.	Director
		Taiwan Capital Management Corporation	Director
Director	Chuan-Chang Chang (Representative of the Ministry of Finance, R.O.C.)	Taiwan Futures Exchange Corp.	Director
Director	Kwo-Tsai Wang (Representative of Chunghwa Post Co., Ltd.)	Chunghwa Post Co., Ltd.	Chairman

- (3) This proposal has been approved by the 13th meeting of the 9th term of Board of Directors held on April 22, 2025.

RESOLUTION:

## **Questions and Motions**

## **Attachment 1**

### **Mega Financial Holding Co., Ltd.**

#### **2024 Business Report**

In 2024, major economies around the world witnessed a gradual ease in inflation pressures, enabling central banks in the U.S. and Europe to launch expansionary monetary policies, thereby driving a rebound in consumer spending. Among them, the U.S. economy showed steady performance and became the main driving force for global economic growth. In addition, continuous recovery of global trade volumes partially offset the impact of geopolitical risks and China's weak economy, with major international organizations (IMF, OECD, The World Bank, and S&P Global) estimating the global economic growth rate ranged from 2.7% to 3.2% in 2024.

In 2024, Taiwan captured the expansion of business opportunities arising from AI and other emerging technology applications. The continuous growth in shipment momentum of relevant domestic supply chains contributed to export growth. In addition, an increase in the momentum of private investment, a rise in domestic minimum wages and salaries of military, public and teaching personnel, together with a boost in the stock market have all brought about wealth, supporting private consumption and enhancing domestic demand. According to the Directorate General of Budget, Accounting and Statistics, Executive Yuan, Taiwan's annual economic growth rate was 4.59%. Looking ahead to 2025, it is expected that the economy will continue to benefit from the strong global demand for AI applications. In addition, semiconductor and server supply chain companies have expanded their production capacity, and foreign technology giants have successively invested in Taiwan, strengthening the growth momentum of private investment. At the same time, a rise in minimum wages and salaries of military, public and teaching personnel have contributed to an increase in personal disposable income, which was conducive to the maintenance of the growth of private consumption. However, due to changes in US tariff policies and corresponding measures by various countries, the economic growth in 2025 will be at potential risk.

The Group will continuously provide all-inclusive financial services and refine its ESG and digital transformation development. Due to commitment to excellence, the Company was again selected as a constituent of the global sustainability indexes - DJSI Emerging Markets Index and the World Index for the third time in a row in 2024. In addition, the Company has also been recognized by a number of sustainability assessments at home and abroad, including the highest grade of "A" in the CDP Climate Change Questionnaire, the "Commonwealth Magazine's Excellence in Corporate Social Responsibility Awards" from Commonwealth Magazine, the "Sustainability Performance Award - Climate Leader Award", the "Platinum Award for the Sustainability Report" and "Overall Performance Award - Top 100 Model Enterprises in Taiwan" from the TCSA Taiwan Corporate Sustainability Awards, the "Bronze Award for National Corporate Environmental Protection" from the Ministry of Environment, the nominee of the "National Sustainability Development Award" from the National Development Council, Executive Yuan, and invited by the Financial Supervisory Commission (FSC) to join the "Sustainable Finance Pioneer Alliance". In addition, the Company has actively promoted Anti-Fraud 2.0, taking the lead among government-owned peers in response

to government policies and actively formulating anti-fraud strategies and measures for the financial industry. Recently, the Company has initiated the establishment of the "Fin+Tech Anti-Fraud Alliance". Also, the company has also been a long-term sponsor of various sports and won the Silver Award in the Sponsorship Category of the "16th Sports Promoter Award" sponsored by the Sports Administration of the Ministry of Education.

Mega Bank has long been committed to the sustainable development of SMEs and actively promoted lending to key national industries with remarkable achievements. In 2024, it was awarded three honors by the FSC, namely the "Outstanding Bank for SMEs Credit Program", "Special Award for Balanced Regional Development of SMEs Credit Program (Hualien, Taitung and Outlying Islands)" and "Outstanding Bank for Six Core Strategic Industries Lending Program", fully demonstrating its support and contribution to industrial development. In addition, Mega Bank has delivered outstanding performance in inclusive finance, digital finance and fraud prevention, and was awarded the "Best Consumer Finance Award - Excellent" and "Best Digital Finance Award - Excellent" at the 12th Best Practice Awards. It also won the special "Inclusive Finance Promotion Award - Fraud Prevention" for its outstanding fraud prevention performance, and was the only public financial institution to receive this honor, demonstrating its active efforts in strengthening financial security and social responsibility. Mega Securities adheres to the philosophy of professional operation and investor protection. It was recognized as the "Top 25% of Major Securities Firms in the Fair Customer Treatment Principles Assessment" by the FSC for four consecutive years, selected into the "List of Companies with Better Institutional Investor Stewardship Disclosure" for the third time by the Taiwan Stock Exchange Corporation, and won the first "Securities Firm Anti-Fraud Evaluation Excellence Award" from the Taiwan Stock Exchange Corporation. Mega Bills has exerted its ESG influence to lead the sustainable development of the bills industry, and won the "Best Bills Finance Award" at the 12th Best Practice Awards, demonstrating its continued efforts and leadership in green finance and social responsibility.

In 2024, the Company's annual consolidated profit amounted to NT\$34,766 million, an increase of 4.57% from 2023, with an after-tax earnings per share of NT\$2.35. Among them, Mega Bank showed an increase in fee income and net interest revenue. However, due to factors such as a decrease in net financial operation revenue, an increase in overseas provisions for bad debts, and a slight increase in operating expenses, its profit amounted to NT\$28,370 million, a decrease of 8.56% from 2023. Mega Securities benefited from the rise in both prices and volumes of Taiwan stocks, which led to a growth in brokerage fee income and stock operating profit. Its profit amounted to NT\$2,550 million, an increase of 27.31% from 2023, which was the second highest in history. In addition, Mega Bills' profit amounted to NT\$2,206 million, an increase of 15% from 2023. Chung Kuo Insurance's profit turned from loss to profit in 2024 due to the steady performance of its core business, overcoming the challenges brought by pandemic prevention insurance. The operational guidelines, implementation overview, implementation of budget, financial result and analysis, research and development of the Company are shown below:

## **I. Operational Guidelines**

- Diversify profits contribution and strengthen operational resilience
- Strengthen overseas presence and cultivate customer service
- Fortify relations with institutional investors and increase disclosure transparency
- Monitor political, economic, and industrial environment and implement a risk management mechanism
- Implement laws and regulations to improve data security and strengthen resilient safety transformation
- Implement a data security management system and optimize the innovation of management services
- Enhance the Group's awareness of legal compliance and implement a legal compliance culture
- Create a friendly workplace and enhance employee value
- Integrate ESG strategies to maximize the value of sustainability
- Shape corporate branding image and reinforce social influence
- Optimize the Group's budgeting and taxation practice and improve the Group's financial resilience

## **I. Implementation Overview**

### **1. Continue to enhance the subsidiary's business**

The subsidiaries of the Company had continued to enhance their business operations in 2024 based on the existing foundation. In 2024, in terms of oversea performance, Mega Bank's profit before tax of oversea branches ranked 5<sup>th</sup> among local banks; in terms of corporate finance business, the market share of syndicated loan Bookrunner and MLA were 13.2% and 8.4%, ranked 2<sup>nd</sup> and 5<sup>th</sup>, respectively; the credit business ranked 8<sup>th</sup> with a market share of 5.64%; the loan business ranked 8<sup>th</sup> with a market share of 5.47%; the corporate loan business ranked 5<sup>th</sup> with a market share of 6.26% ; and the SME loan business ranked 5<sup>th</sup> with a market share of 6.74%. As for consumer finance business, after making every effort to expand the business and expansion of the second profit engine, the consumer loan business ranked 12<sup>th</sup> with the market share of 3.49%. The market share of Mega Bills Finance's CP2 issuance was 30.88%; the market share of bills trading and bond trading business in the secondary market were 28.72% and 25.06%, respectively; and the market share of bills guarantee business was 30.44%, all ranked as the first place in the market. Mega Securities' securities brokerage market share was 2.57%, ranked 9<sup>th</sup> in the market. Number of IPO underwriting ranked 4<sup>th</sup> and number of bond underwriting lead managed ranked 9<sup>th</sup> in the market. The market share of Chung Kuo Insurance's marine insurance business was 22.98%, ranked 1<sup>st</sup> in the market; the market share of residential building fire insurance and aviation insurance business were 10.50% and 11.11% , both ranked 3<sup>rd</sup> in the market.

## 2. Management Goals

Although the market continues to focus on uncertainties such as the new US President's trade policy, US-China trade frictions and geopolitical risks, which in turn affect the overall financial environment, the Company will continue to make full use of the Group's resources, deepen cross-subsidiary cooperation, implement the "dual engines, dual wings" strategy, and improve the profit structure to cope with the changing financial environment, continue to create the greatest value for shareholders, and move towards the goal of becoming an Asian regional financial group. The specific measures taken are as follows:

- Scale up capital assets to boost the market status of the Group
- Deepen overseas businesses and identify opportunities of relocated Taiwanese businesses
- Cement competitive advantages in corporate banking and foreign exchange and strengthen the cross-selling practices of the Group
- Promote consumer banking and wealth management services and expand the scope of asset management
- Expand non-bank core businesses and diversify the Group's revenue contribution
- Increase corporate governance standards and pursue sustainable development at the Group level
- Deepen sustainable financial practices and implement environmental and social commitments
- Reinforce the internal control of the Group and implement compliance inside and outside of the company
- Deepen the development of digital finance and strengthen the Group's information security
- Encourage employees to improve their professional knowledge and promote talent empowerment and development
- Establish digital mindset within the Group and deepen the Group's sustainability culture

## 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 2023, 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	2024	2023	Change (%)
Deposits (including due to Chunghwa Post Co., Ltd.)	3,033,608	2,895,738	4.76
Loans, Import/export bills negotiated	2,216,375	2,075,709	6.78
Corporate financing	1,635,445	1,539,586	6.23
Consumers financing (excluding credit card revolving loans)	580,930	536,123	8.36
Foreign exchange business	768,824	711,430	8.07
Securities purchased	934,206	935,849	-0.18
Long-term equity investments	22,482	21,714	3.54
Credit card revolving loans	1,633	1,752	-6.79

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 2024 amounted to NT\$5,575 million, representing a non-performing loan ratio of 0.24% and a bad debt coverage ratio of 701.91%.

## 2. Mega Securities Co., Ltd.

Item		2024	2023	Change (%)
Securities brokerage	Market share of brokerage	2.57% (Rank 9 <sup>th</sup> )	2.75% (Rank 10 <sup>th</sup> )	-0.18
	Market share of margin loan	5.45% (Rank 5 <sup>th</sup> )	5.84% (Rank 5 <sup>th</sup> )	-0.39
Equity underwriting	Number of IPO lead managed	6 (Rank 4 <sup>th</sup> )	4 (Rank 4 <sup>th</sup> )	50.00
Bond underwriting	Number of corporate bond issued as lead arranger	2 (Rank 11 <sup>th</sup> )	2 (Rank 9 <sup>th</sup> )	0.00
	Amount of corporate bond issued as lead arranger (NT\$ billion)	3 (Rank 10 <sup>th</sup> )	10.7 (Rank 9 <sup>th</sup> )	-71.96
New financial products	Number of warrants issued	1,202 (Rank 11 <sup>th</sup> )	1,337 (Rank 11 <sup>th</sup> )	-10.10
	Amount of warrants issued (NT\$ billion)	5.8 (Rank 12 <sup>th</sup> )	7.0 (Rank 12 <sup>th</sup> )	-17.14

Note :

1. It is the ranking among local securities peers in 2024.
2. Brokerage business: Due to the elevated volatility of Taiwan's stock market in 2024, the proportion of natural person transactions dropped to 61.09%, a decrease of 3.46% (a decline of 5.36%) from 64.55% in the previous year, resulting in a decline in the market share of the brokerage business.
3. Underwriting business: The volume of equity underwriting business is determined by a comprehensive assessment of customers' demand and profitability. The decline in bond underwriting deals was due to changes in market interest rates, customer's capital needs and underwriting staffing.
4. The Company adopted a precise issuance strategy for its warrant business, and issued warrants at an appropriate

time based on the actual needs of market investors, instead of increasing the number of tranches to enhance brand visibility. Therefore, the number of issuances in 2024 decreased compared with 2023.

### 3. Mega Bills Finance Co., Ltd.

Units: NT\$ million

Item	2024	2023	Change (%)
Underwriting and purchasing of bills	4,975,221	4,093,282	21.55
Underwriting amount of commercial paper issued for funding purpose (CP2)	4,768,264	3,968,022	20.17
Trading volume of bills	12,021,611	9,706,070	23.86
Trading volume of bonds	3,711,329	3,458,158	7.32
Average outstanding balance of guaranteed issues of commercial paper	180,081	168,081	7.14

### 4. Chung Kuo Insurance Co., Ltd.

Unit: NT\$ million

Item	2024	2023	Change (%)
Direct written premiums	11,024	9,764	12.90
Reinsurance premiums	833	787	5.84
Total	11,857	10,551	12.38

### 5. Mega International Investment Trust Co., Ltd.

Unit: NT\$ million

Item	2024	2023	Change (%)
Public funds under management	95,670	91,554	4.50
Private placement funds under management	7,543	6,709	12.43
Discretionary account	379	399	-5.01
Total	103,592	98,662	5.00

Note: The decrease in the size of discretionary entrustment in 2024 was due to the reduction in managed assets due to the redemption of funds by the entrusters.

### 6. Mega Asset Management Co., Ltd.

Unit: NT\$ million

Item	2024	2023	Change (%)
Service Income	415	352	17.90
Gain from recovery of NPL purchased and the disposal of related collateral	2	59	-96.61
Rental income	7	7	0.00
Interest income	0	1	-100.00
Total	424	419	1.19

Note: The decrease of 96.61% in gain from recovery of NPL purchased and the disposal of related collateral was mainly because there was a NT\$56,090 thousand allocated by the court in the case of non-performing assets of Tung X Co. Ltd in 2023 while in 2024 there was no such allotment.

## 7. Mega Venture Capital Co., Ltd.

Unit: NT\$ million

Item	2024	2023	Change (%)
Drawdown of long term equity investment	155	207	-25.12
Balance of long term equity investment	837	848	-1.30

Note: 1. The decline in drawdown of long term equity investment was mainly due to the unsuccessfulness to secure investment quotas for some investment projects.

2. The decline in balance of long term equity investment was mainly due to the higher-than-expected performance of the stock prices of some investment businesses and the increase in the disposal of holdings in order to realize profits.

## IV. Implementation of Budget

1. The Company's 2024 budget and its implementation are as follows:

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

Item	Final accounting figure, 2024	Budget figure, 2024	Achievement Rate (%)
Revenues	34,094.53	30,979.79	110.05
Expenses and losses	927.27	911.68	101.71
Profit from continuing operations before tax	33,167.26	30,068.11	110.31
Profit	34,765.89	30,044.91	115.71
Earnings per share	2.35	2.05	114.63

Note: The figures are in unconsolidated basis.

2. The Company's subsidiaries' 2024 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.	33,063.10	31,176.77	106.05
Mega Securities Co., Ltd.	2,964.21	2,030.22	146.00
Mega Bills Finance Co., Ltd.	2,744.54	3,375.50	81.31
Chung Kuo Insurance Co., Ltd.	452.52	-1,475.75	—
Mega International Investment Trust Co., Ltd.	114.22	109.50	104.31
Mega Asset Management Co., Ltd.	208.78	275.06	75.90
Mega Venture Capital Co., Ltd.	113.42	136.25	83.25

Note: 1. The figures are in unconsolidated basis.

2. The annual budget achievement rate of Mega Bills Finance Co., Ltd. was 81.31% in 2024, which was mainly due to the impact of fierce bidding by peers and the central bank's increase in the required reserve ratio, which

resulted in increased market capital costs and reduced interest rate spreads. In addition, the FED initiated interest rate cuts in September 2024. Despite the gradual reduction in negative foreign currency bond spreads, the profit before tax fell short of the budget target as the proceeds from disposal of bonds failed to meet the budget target.

- 3.The annual budget achievement rate of Mega Asset Management Co., Ltd. was 75.90% in 2024, which was mainly due to the impact of the central bank's interest rate hikes, rising borrowing costs and poor market conditions, which led to the failure to complete the sale of investment real estate as scheduled, resulting in the profit before tax failing to meet the budget target.
- 4.The annual budget achievement rate of Mega Venture Capital Co., Ltd. was 83.25% in 2024, which was mainly due to the recognition of stock appraisal loss, resulting in the profit before tax failing to meet the budget target.

## V. Financial Results and Profitability Analysis

The Company and its subsidiaries' consolidated profit from continuing operations before tax in 2024 amounts to NT\$39,092 million, an increase of NT\$2,044 million or 5.52% compared to 2023. The increase is mainly due to the below: net interest revenue increased NT\$ 732 million; revenue other than interest increased NT\$5,431 million, which is contributed by the increase of gain on insurance business, gain on service fee revenue and commissions, exchange gain, realized gain on financial asset and liabilities at fair value through comprehensive income, offset by decrease of gain on financial asset and liabilities at fair value through profit and loss. Bad debts expense and provisions increased by NT\$ 1,370 million; operating expense increased by NT\$ 2,749 million. The Company and its subsidiaries' consolidated profit is NT\$ 34,766 million, an increase of NT\$1,519 million or 4.57%, compared to year 2023. The Company's consolidated ROA reached 0.77%, and consolidated ROE reached 9.94%. A breakdown of the financial results of the Company and its subsidiaries in 2024 are shown 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)	39,091.81	34,765.89	2.35	0.77	9.94
The Company (Unconsolidated)	33,167.26	34,765.89	2.35	8.33	9.94
Mega International Commercial Bank Co., Ltd.	33,063.10	28,369.52	2.95	0.70	8.42
Mega Securities Co., Ltd.	2,964.21	2,550.02	2.20	2.64	12.38
Mega Bills Finance Co., Ltd.	2,744.54	2,205.97	1.46	0.72	5.37
Chung Kuo Insurance Co., Ltd.	452.52	412.01	1.78	1.68	5.83
Mega International Investment Trust Co., Ltd.	114.22	92.02	1.75	9.55	10.32
Mega Asset Management Co., Ltd.	208.78	167.11	0.78	1.43	5.75
Mega Venture Capital Co., Ltd.	113.42	113.42	0.95	8.31	8.58

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 2024 are summarized as follows:

- 1.The Company has introduced the IFRS Sustainability Disclosure Standards and established a sustainable information management mechanism. It has adopted the PCAF methodology for accounting and reporting GHG emissions linked to investments/financing and for setting SBTs. We have promoted the automation of PCAF carbon inventory system, continued 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, and conducted dependency and impact assessments on biodiversity (e.g., TNFD). The Company has continued to strengthen the information system, network structure and information security protection capabilities, maintained the validity of ISO 27001 certification, and kept abreast with international information security management systems.
2. In order to promote business development, subsidiary Mega Bank has actively developed new financial products or launched marketing projects in response to market trends and meet customer needs in real time. In line with the trends of technology development and digital financial transformation, it also continues to strengthen R&D initiatives, increasing the depth of its digital financial services, searching for more cross-industry cooperation opportunities, expanding the scope of its services, and developing new clientele. To align with customers' thoughts and needs of digital services, we also use data analysis technologies to ascertain customer preferences and insights, so as to optimize product designs and processes. Mega Bank has introduced and optimized the following new financial products and digital banking applications in 2024: Expansion of the scope of the "Financial Fast-ID" digital identity authentication service, and cooperation with Mega Securities to apply the service to online binding settlement accounts; continuous implementation of the "travel ecosystem" service, and cross-business cooperation with telecommunications operators and airlines. It was the first to join the "designated account gray list platform" built by Financial Information Service Co., Ltd., and was the first domestic bank to introduce "Commercial SMS" to strengthen the anti-fraud mechanism. The NFC proximity security control mechanism of "XML electronic certificates" has been added to Global Banking to assist corporate customers in improving the efficiency of fund allocation without being restricted by location or device. It also launched "LINE Foreign Currency Inward Remittance Notification", integrating inward remittance notification, payment inquiry, online payment and other functions; optimized the digital deposit account opening review mechanism and expanded the scope of customer applications to meet

customers' financial service needs in one stop. While actively investing in digital financial research and development, Mega Bank is also applying for financial patent protection, with 281 new approvals in 2024, an annual growth rate of 36.1%. As of the end of 2024, a total of 178 invention patents, 880 utility model patents, and 2 design patents had been approved by the MOEA, totaling 1,060 financial patents, which ranked the first in the domestic financial industry.

3. Subsidiary Mega Securities carried out independent research and development and provided customized order placing system "Mega Wealth Management Professional Edition Pro". It has added the Mega Bank Fast-ID identity verification and account binding function to eOpen online account opening, created an "ESG Intelligent Sustainability Data Platform", integrated ESG information of TWSE/TPEX listed companies to provide investors with inquiries on ESG evaluation indicators of TWSE/TPEX listed companies in Taiwan, established an overseas bonds electronic trading platform "Mega Bond", provided small investors with limited funds with a new option of "bonds deposits", added a new strategy trigger function to the Mega Trade system, and launched foreign virtual asset ETF trading services.
4. Subsidiary Mega Bills has established the revised department performance appraisal system, built an E-loan credit process management system, planned and established a human resources management platform, continued to optimize the ESG risk assessment system, continued to improve the existing operational risk self-assessment system, and strengthened the risk management mechanism for various business operations.
5. To keep pace with diverse market operations and FinTech development and to satisfy the needs of corporations 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 was a total of 228 insurance products submitted in 2024. Among them, there were 173 items on file for recordation basis, and 55 items on simple file for recordation basis.

Chairman: Ray Beam Dawn      President: Chuan-Chang Chang      Chief-Accountant: Mei-Li Chao

## **Attachment 2**

### **Audit Committee's Review Report**

The Company has prepared 2024 consolidated financial statements, audited by CPA Kou, Po-Ju and Lai, Chung-Hsi of PricewaterhouseCoopers, Taiwan, 2024 business report and the proposal for distribution of 2024 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

2025 Annual General Shareholders' Meeting

Mega Financial Holding Co., Ltd.

Chairman of the Audit Committee: Wu, Ying

Date : May 13, 2025



## INDEPENDENT AUDITORS' REPORT

PWCR 24000227

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, 2024 and 2023, 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 material 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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 the Mega Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

~2~



### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Mega Group's 2024 consolidated financial statements. 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.

Key audit matters for the Mega Group's 2024 consolidated financial statements are addressed as follows:

#### **Impairment assessment of loans discounted**

##### Description

The impairment assessment of loans discounted is complied 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 \$2,334,725,668 thousand and \$40,084,856 thousand, respectively, as at December 31, 2024, please refer to Note 6(7); 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, 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 impairment assessment of 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 internal control policies of MICB's loans discounted, and sample tested the related internal control.
2. Obtained an understanding on the assumptions of the expected credit loss model and approach adopted by management, and sample tested the parameters of the expected credit loss model (including the historical data on probability of default, loss given default, and exposure at default) and forward-looking information, and sample calculated the amount of impairment.
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. Assessed cases in stage 3 (credit impaired) with material amounts that were assessed individually.
5. Assessed whether the provision for 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, assumption, and estimates 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 \$8,049,557 thousand and financial assets at fair value through other comprehensive income amounting to \$23,083,860 thousand as at December 31, 2024.

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. Sampled and ascertained whether the measurement methodology used by the management is commonly used by the industry.
3. Sampled and assessed the reasonableness of similar and comparable companies used by management.
4. Sampled and examined the 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(19)D and (25); for critical accounting estimates and assumption uncertainty of claims reserve (including ceded reserves), please refer to Note 5(4); for details on claims reserve (including ceded reserves), please refer to Note 6(25).

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, 2024, subsidiary CKI's claims reserve and ceded claims reserve was \$6,122,768 thousand and \$2,859,478 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 assist 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 examined 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.

**Impairment assessment of claims recoverable from reinsurers and due from reinsurers and ceding companies**

Description

For the accounting policy of impairment assessment of claims recoverable from reinsurers and due from reinsurers and ceding companies, please refer to Note 4(25); for accounting estimates and assumption uncertainty of claims recoverable from reinsurers and due from reinsurers and ceding companies, please refer to Note 5(5); for details on claims recoverable from reinsurers and due from reinsurers and ceding companies, please refer Note 6(8).

CKI's impairment of claims recoverable from reinsurers and due from reinsurers and ceding companies is assessed by the risk control department in accordance with IFRS 4, 'Insurance contracts' and taken into consideration the relevant requirements under the Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises. The management primarily considered objective evidence and reasonable and supportable information about past events and current conditions and also took into consideration the relevant laws and regulations on provisions

for allowance for bad debts to measure the provisions for impairment of claims recoverable from reinsurers and due from reinsurers and ceding companies. As of December 31, 2024, CKI's allowance for impairment of claims recoverable from reinsurers and due from reinsurers and ceding companies was \$2,495,017 thousand. Since the amount of impairment of claims recoverable from reinsurers and due from reinsurers and ceding companies was material and the calculation method and assumptions involve professional judgment of management and contain a high degree of uncertainty, we have included the impairment assessment of claims recoverable from reinsurers and due from reinsurers and ceding companies 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 impairment assessment of claims recoverable from reinsurers and due from reinsurers and ceding companies. Also, on a sampling basis tested the effectiveness of internal controls for the calculation of impairment.
2. Sampled and inspected whether there were differences between the numbers referred to claims recoverable from reinsurers and due from reinsurers and ceding companies and the carrying amount in order to confirm the accuracy and completeness.
3. Obtained the information considered by the management to support the objective evidence of impairment and assessed the reasonableness of significant parameters such as the recovery ratio, ceded reinsurance ratio and credit rating of reinsurers.



### ***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 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.

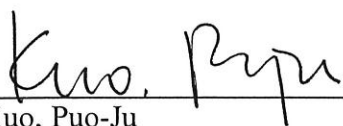
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mega Group's internal control.
3. Evaluate the appropriateness of accounting 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, Puo-Ju



Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2025

-----  
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 auditing standards generally accepted in the Republic of China, and their applications in practice.



**MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Assets								
11000	Cash and cash equivalents, net	6(1) and 11	\$	103,947,126	2	\$	139,031,498	3
11500	Due from the Central Bank and call loans to banks, net	6(2) and 11		598,175,343	13		552,414,511	13
12000	Financial assets at fair value through profit or loss	6(3), 11 and 12		248,660,022	5		228,463,860	5
12150	Financial assets at fair value through other comprehensive income	6(4), 11 and 12		580,413,345	13		557,265,509	13
12200	Investments in debt instruments at amortized cost, net	6(5) and 12		649,383,986	14		616,356,587	14
12500	Securities purchased under resell agreements			7,032,081	-		5,444,959	-
13000	Receivables, net	6(6)		117,592,363	3		92,724,481	2
13200	Current tax assets			2,558,187	-		15,357	-
13500	Loans discounted, net	6(7) and 11		2,294,640,812	49		2,133,342,011	49
13700	Reinsurance contract assets, net	6(8)		14,846,172	-		13,846,853	-
15000	Investments accounted for using equity method	6(9)		5,408,372	-		5,774,751	-
15500	Other financial assets, net	6(10) and 12		6,235,154	-		6,347,532	-
18000	Investment property, net	6(13) and 12		2,070,487	-		2,023,611	-
18500	Property and equipment, net	6(14) and 12		22,227,252	1		22,044,685	1
18600	Right-of-use assets, net	6(11)		1,985,283	-		2,072,607	-
19000	Intangible assets, net			1,522,902	-		1,410,325	-
19300	Deferred income tax assets	6(40)		6,627,546	-		7,222,920	-
19500	Other assets, net	6(15) and 12		8,280,316	-		8,963,136	-
Total Assets			\$	4,671,606,749	100	\$	4,394,765,193	100

(Continued)

**MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Liabilities						
21000	Deposits from the Central Bank and banks	6(16) and 11	\$ 557,004,765	12	\$ 634,098,237	14
21500	Due to the Central Bank and banks	6(17)	2,655,613	-	2,870,805	-
22000	Financial liabilities at fair value through profit or loss	6(18)	26,637,926	1	25,587,296	1
22500	Securities sold under repurchase agreements	6(3)(4)(5)(19) and 11	300,343,788	6	282,478,905	6
22600	Commercial paper issued, net	6(20)(42) and 11	37,437,809	1	40,385,793	1
23000	Payables	6(21)	93,627,240	2	97,890,226	2
23200	Current tax liabilities		8,421,828	-	10,532,725	-
23500	Deposits and remittances	6(22)	3,152,660,552	68	2,853,818,393	65
24000	Bonds payable	6(23)(42)	43,700,000	1	30,500,000	1
24400	Other borrowings	6(24)(42)	9,101,108	-	11,947,112	-
24600	Provisions	6(25)	30,112,679	1	29,133,623	1
25500	Other financial liabilities	6(26)	23,070,614	-	24,483,927	1
26000	Lease liabilities	6(11)(42)	2,056,289	-	2,134,168	-
29300	Deferred income tax liabilities	6(40)	2,203,014	-	2,767,687	-
29500	Other liabilities	6(27)	18,529,638	-	10,325,208	-
Total Liabilities			4,307,562,863	92	4,058,954,105	92
Equity						
Equity attributable to owners of parent						
31100	Capital					
31101	Common stock	6(28)	148,333,783	3	140,513,382	3
31111	Advance receipts for capital stock	6(28)	-	-	1,391,394	-
31500	Capital surplus	6(28)	76,840,889	2	68,502,384	2
	Retained earnings					
32001	Legal reserve	6(28)	50,982,316	1	47,670,164	1
32003	Special reserve	6(28)	2,535,262	-	16,163,964	-
32011	Unappropriated earnings	6(29)	84,069,383	2	58,426,861	1
	Other equity interest	6(30)				
32500	Other equity interest		1,282,253	-	3,142,939	1
Total Equity			364,043,886	8	335,811,088	8
TOTAL LIABILITIES AND EQUITY			\$ 4,671,606,749	100	\$ 4,394,765,193	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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31				Changes Percentage (%)	
		2024		2023			
Items	Notes	AMOUNT	%	AMOUNT	%		
41000	Interest income	6(31) and 11	\$ 130,126,801	156	\$ 117,567,630	152	11
51000	Less: interest expense	6(31) and 11	( 93,332,874)	( 112)	( 81,506,053)	( 105)	15
	Net interest revenue		<u>36,793,927</u>	<u>44</u>	<u>36,061,577</u>	<u>47</u>	2
	Net revenue other than interest						
49800	Net service fee revenue and commissions	6(32)	14,323,898	17	11,363,742	15	26
49810	Net insurance revenue		3,010,265	4	( 644,882)	( 1)	( 567)
49820	Gain on financial assets and liabilities at fair value through profit or loss	6(33) and 11	21,089,916	25	24,070,387	31	( 12)
49825	Gain on investment property	6(13)	23,221	-	22,370	-	4
49835	Realized gain on financial assets at fair value through other comprehensive income	6(34)	3,332,596	4	2,735,588	3	22
49850	Gain arising from derecognition of financial assets measured at amortized cost	6(5)(7) and 8	194,368	-	2	-	9718300
49870	Foreign exchange gains		3,232,676	4	2,529,540	3	28
49890	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(9)	83,612	-	( 78,454)	-	( 207)
49898	Gain on reclassification under the overlay approach	6(30)	1,308	-	1,948	-	( 33)
49900	Net other revenue other than interest income	6(36)	1,358,113	2	1,340,614	2	1
49880	Reversal of impairment loss (impairment loss) on assets	6(35)	<u>41,231</u>	<u>-</u>	<u>( 80,538)</u>	<u>-</u>	<u>( 151)</u>
	Net revenue		83,485,131	100	77,321,894	100	8
58100	Bad debts expense, commitment and guarantee liability provision	6(6)(7)(8)(10)(25) and 8(3)	( 7,692,005)	( 9)	( 9,114,934)	( 12)	( 16)
58300	Net change in provisions for insurance liabilities	6(25)	( 453,908)	( 1)	2,339,213	3	( 119)
	Operating expenses						
58501	Employee benefit expenses	6(37)	( 23,275,113)	( 28)	( 21,787,288)	( 28)	7
58503	Depreciation and amortization expenses	6(38)	( 2,540,226)	( 3)	( 2,394,946)	( 3)	6
58599	Other general and administrative expenses	6(39)	( 10,432,066)	( 12)	( 9,315,974)	( 12)	12
	Total operating expenses		<u>( 36,247,405)</u>	<u>( 43)</u>	<u>( 33,498,208)</u>	<u>( 43)</u>	8
61000	Profit from continuing operations before tax		39,091,813	47	37,047,965	48	6
61003	Income tax expense	6(40)	( 4,325,927)	( 5)	( 3,800,988)	( 5)	14
69000	Net profit		\$ 34,765,886	42	\$ 33,246,977	43	5

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31				Changes Percentage (%)
		2024		2023		
Items	Notes	AMOUNT	%	AMOUNT	%	
<b>Components of other comprehensive income that will not be reclassified to profit or loss, net of tax</b>						
69561	Gain (loss) on remeasurement of defined benefit plan	6(25)				
69563	Share of other comprehensive 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(9)(30)	\$ 845,274	1 ( \$ 1,244,307) ( 2) (		168)
69567	Revaluation gain on investments in equity instruments measured at fair value through other comprehensive income	6(30)	888	-	12,406	- ( 93)
69569	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(40)	4,851,750	6	13,775,733	18 ( 65)
			( 169,055)	-	248,861	- ( 168)
<b>Components of other comprehensive income that will be reclassified to profit or loss, net of tax</b>						
69571	Exchange differences on translation	6(30)	1,893,100	2	129,882	- 1358
69575	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(9)(30)				
69585	Revaluation (loss) gain from investments in debt instruments measured at fair value through other comprehensive income	6(30)	( 270,441) (	1)	319,760	1 ( 185)
69587	(Reversal of impairment loss) impairment loss from investments in debt instruments measured at fair value through other comprehensive income	6(30)	( 2,515,154) (	3)	5,413,166	7 ( 146)
69590	Other comprehensive loss on reclassification under the overlay approach	6(30)	( 25,840)	-	51,080	- ( 151)
69579	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)(40)	( 1,308)	- (	1,948)	- ( 33)
69500	<b>Other comprehensive income</b>		12,594	-	( 364,144)	- ( 103)
69700	<b>Total comprehensive income</b>		4,621,808	5	18,340,489	24 ( 75)
			\$ 39,387,694	47	\$ 51,587,466	67 ( 24)
Profit attributable to:						
69901	Owners of parent		\$ 34,765,886	42	\$ 33,246,977	43 5
Comprehensive income attributable to:						
69951	Owners of parent		\$ 39,387,694	47	\$ 51,587,466	67 ( 24)
Earnings per share						
70000	Basic and diluted earnings per share (in dollars)	6(41)	\$ 2.35	\$ 2.30		

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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
		Capital			Retained Earnings				Other equity interest			
Notes		Common stock	Advance receipts for capital 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	Total equity
<u>For the year ended December 31, 2023</u>												
		\$ 139,398,196	\$ -	\$ 68,194,233	\$ 45,976,579	\$ 2,538,952	\$ 59,027,089	(\$ 2,366,042 )	(\$ 12,943,670 )	\$ 1,649	(\$ 17,533 )	\$ 299,809,453
		-	-	-	-	-	33,246,977	-	-	-	-	33,246,977
Other comprehensive income (loss)	6(30)	-	-	-	-	-	( 995,446 )	138,417	19,197,030	( 1,948 )	2,436	18,340,489
Total comprehensive income (loss)		-	-	-	-	-	32,251,531	138,417	19,197,030	( 1,948 )	2,436	51,587,466
<u>Earnings distribution for 2022</u>												
Legal reserve	6(29)	-	-	-	1,693,585	-	( 1,693,585 )	-	-	-	-	-
Special reserve	6(29)	-	-	-	-	13,625,012	( 13,625,012 )	-	-	-	-	-
Cash dividends	6(29)	-	-	-	-	-	( 17,285,376 )	-	-	-	-	( 17,285,376 )
Stock dividends	6(29)	1,115,186	-	-	-	-	( 1,115,186 )	-	-	-	-	-
Issuance of shares	6(28)	-	1,391,394	-	-	-	-	-	-	-	-	1,391,394
Share-based payments	6(28)	-	-	308,151	-	-	-	-	-	-	-	308,151
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(4)	-	-	-	-	-	867,400	-	( 867,400 )	-	-	-
Equity at end of year		\$ 140,513,382	\$ 1,391,394	\$ 68,502,384	\$ 47,670,164	\$ 16,163,964	\$ 58,426,861	(\$ 2,227,625 )	\$ 5,385,960	(\$ 299 )	(\$ 15,097 )	\$ 335,811,088
<u>For the year ended December 31, 2024</u>												
		\$ 140,513,382	\$ 1,391,394	\$ 68,502,384	\$ 47,670,164	\$ 16,163,964	\$ 58,426,861	(\$ 2,227,625 )	\$ 5,385,960	(\$ 299 )	(\$ 15,097 )	\$ 335,811,088
		-	-	-	-	-	34,765,886	-	-	-	-	34,765,886
Other comprehensive income (loss)	6(30)	-	-	-	-	-	676,219	1,900,555	2,031,245	( 1,308 )	15,097	4,621,808
Total comprehensive income (loss)		-	-	-	-	-	35,442,105	1,900,555	2,031,245	( 1,308 )	15,097	39,387,694
<u>Earnings distribution for 2023</u>												
Legal reserve	6(29)	-	-	-	3,312,152	-	( 3,312,152 )	-	-	-	-	-
Special reserve	6(29)	-	-	-	-	( 13,625,012 )	13,625,012	-	-	-	-	-
Cash dividends	6(29)	-	-	-	-	-	( 21,602,007 )	-	-	-	-	( 21,602,007 )
Stock dividends	6(29)	4,320,401	-	-	-	-	( 4,320,401 )	-	-	-	-	-
Issuance of shares	6(28)	3,500,000	( 1,391,394 )	8,050,000	-	-	-	-	-	-	-	10,158,606
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(4)	-	-	-	-	-	5,806,275	-	( 5,806,275 )	-	-	-
Reversal of special reserve due to disposal of property	6(28)	-	-	-	-	( 3,690 )	3,690	-	-	-	-	-
Other changes in capital surplus	6(28)	-	-	288,505	-	-	-	-	-	-	-	288,505
Equity at end of year		\$ 148,333,783	\$ -	\$ 76,840,889	\$ 50,982,316	\$ 2,535,262	\$ 84,069,383	(\$ 327,070 )	\$ 1,610,930	(\$ 1,607 )	\$ -	\$ 364,043,886

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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 39,091,813	\$ 37,047,965
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(38)	1,721,549	1,638,778
Amortization expense	6(38)	818,677	756,168
Bad debts expense, commitment and guarantee liability provision		7,692,005	9,114,934
Interest expense	6(31)	93,332,874	81,506,053
Interest income	6(31)	( 130,126,801 )	( 117,567,630 )
Dividend income	6(33)(34)	( 3,953,019 )	( 3,574,438 )
Net change in provisions for insurance liabilities		453,908	( 2,339,213 )
Share-based payment transaction	6(28)	-	302,219
Share of (gain) loss of associates and joint ventures accounted for using equity method	6(9)	( 83,612 )	78,454
Gain on disposal of property and equipment	6(36)	( 23,285 )	( 30,106 )
Gain on disposal of assets classified as held for sale	6(36)	-	( 100,888 )
(Reversal of impairment loss) impairment loss on assets	6(35)	( 41,231 )	80,538
Profit reclassified by applying overlay approach	6(3)	( 1,308 )	( 1,948 )
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in due from Central Bank and call loans to other banks		( 12,944,513 )	( 140,919,312 )
Increase in financial assets at fair value through profit or loss		( 20,196,162 )	( 23,561,971 )
Increase in financial assets at fair value through other comprehensive income		( 20,785,400 )	( 13,301,100 )
Increase in investments in debt instruments measured at amortized cost		( 33,006,201 )	( 50,858,808 )
Increase in receivables		( 24,559,028 )	( 5,075,013 )
Increase in discounts and loans		( 168,715,685 )	( 60,757,805 )
(Increase) decrease in reinsurance contract assets		( 999,319 )	2,745,371
Decrease in other financial assets		114,807	1,322,194
Decrease (increase) in other assets		656,623	( 2,980,952 )
Changes in operating liabilities			
(Decrease) increase in deposits from the Central Bank and banks		( 77,093,472 )	216,826,658
Increase in financial liabilities at fair value through profit or loss		1,175,680	4,139,829
Increase in bills and bonds purchased under resale agreements		17,864,883	30,136,252
(Decrease) increase in payables		( 5,624,685 )	17,553,043
Increase in deposits and remittances		298,842,159	6,451,846
(Decrease) increase in other financial liabilities		( 1,413,313 )	941,644
Increase (decrease) in liabilities reserve		1,100,862	( 2,861,706 )
Increase in other liabilities		816,848	1,413,621
Cash outflow generated from operations		( 35,884,346 )	( 11,875,323 )
Interest received		129,843,335	113,978,441
Cash dividend received		4,060,516	3,647,732
Interest paid		( 93,864,169 )	( 76,446,644 )
Income tax paid		( 9,105,414 )	( 3,757,554 )
Net cash flows (used in) from operating activities		( 4,950,078 )	25,546,652

(Continued)

MEGA FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method		\$ -	( \$ 755,563 )
Proceeds from capital reduction of investments accounted for using equity method		35,539	69,844
Proceeds from disposal of assets classified as held for sale		-	113,268
Acquisition of property and equipment	6(14)	( 1,270,723 )	( 1,351,894 )
Proceeds from disposal of property and equipment		30,025	46,331
Acquisition of intangible assets		( 904,760 )	( 822,385 )
Acquisition of investment properties	6(13)	( 55,145 )	( 489,109 )
Net cash flows used in investing activities		( 2,165,064 )	( 3,189,508 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in due to the Central Bank and banks		( 215,192 )	( 379,575 )
(Decrease) increase in commercial papers payable	6(42)	( 2,945,000 )	17,770,000
Proceeds from issuance of bonds	6(42)	-	10,000,000
Proceeds from issuance of bank notes payable	6(42)	13,200,000	1,500,000
Repayments of bank notes payable	6(42)	-	( 1,000,000 )
Decrease in other borrowings	6(42)	( 2,846,004 )	( 5,400,888 )
Increase (decrease) in guarantee deposits received		7,401,076	( 5,340,763 )
Proceeds from issuance of shares	6(28)	10,158,606	1,391,394
Increase in financial liabilities designated at fair value through profit or loss		297,349	-
Decrease in financial liabilities designated at fair value through profit or loss		( 422,399 )	-
Payment of lease liabilities	6(42)	( 621,773 )	( 695,541 )
Cash dividends paid		( 19,430,533 )	( 15,504,538 )
Net cash flows from financing activities		4,576,130	2,340,089
Effect of exchange rate changes		1,858,081	328,062
Net (decrease) increase in cash and cash equivalents, net		( 680,931 )	25,025,295
Cash and cash equivalents, net at beginning of year		460,405,691	435,380,396
Cash and cash equivalents, net at end of year		\$ 459,724,760	\$ 460,405,691
The components of cash and cash equivalents			
Cash and cash equivalents reported in the balance sheet	6(1)	\$ 103,947,126	\$ 139,031,498
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	6(2)	348,745,553	315,929,234
Investments in bills and bonds under resale agreements qualified as cash and cash equivalents as defined by IAS 7		7,032,081	5,444,959
Cash and cash equivalents at end of reporting period		\$ 459,724,760	\$ 460,405,691

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

## Attachment 4

### Mega Financial Holding Co., Ltd. Earnings Distribution Statement

Year 2024

Unit : NT\$

Items	Amount
<b>Beginning undistributed retained earnings in 2024</b>	<b>42,819,899,945</b>
Net profit after income tax in 2024	34,765,886,215
Add : Gain on disposal of investments in equity instruments measured at fair value through other comprehensive income	5,806,274,572
Add : Reversal of special reserve for first-time adoption of TIFRS	1,102,762
Add : Remeasurements of defined benefit plans	676,219,349
<b>2024 distributable earnings</b>	<b>41,249,482,898</b>
Less : 10% legal reserve	(4,124,948,290)
<b>Total distributable earnings</b>	<b>79,944,434,553</b>
Less : Distribution item	
Cash dividends to shareholders (NT\$1.6 per share)	(23,733,405,251)
<b>Distribution amount</b>	<b>(23,733,405,251)</b>
<b>Unappropriated retained earnings</b>	<b>56,211,029,302</b>
<p>Note1 : The 2024 distributable earnings shall be distributed as a priority.</p> <p>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.</p>	



## Attachment 5

### Mega Financial Holding Co., Ltd. The Comparison Table of Amended Articles of Incorporation

Amended Article	Original Article	Explanation
<p><b>ARTICLE 31-1</b></p> <p>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.</p> <p>The employees' remuneration mentioned in the preceding Paragraph of this Article shall be distributed in cash or stock, <u>of which more than 1% of the actual allocated amount for the year shall be distributed to entry-level employees.</u> 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.</p>	<p><b>ARTICLE 31-1</b></p> <p>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.</p> <p>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.</p>	<ol style="list-style-type: none"> <li>1. The amendment is complied with Article 14, Paragraph 6 of the Securities and Exchange Act.</li> <li>2. After considering the practices of other governmental financial holding peers and the Company's employee remuneration distribution situation over the past five years, a certain ratio of employee remuneration distributed to entry-level employees is added to Paragraph 2 of this Article.</li> </ol>
<p><b>ARTICLE 33</b></p> <p>These Articles of Incorporation were promulgated on December 19, 2001. The first amendment was made on June 12, 2002, the second amendment was made on November 11, 2002, the third</p>	<p><b>ARTICLE 33</b></p> <p>These Articles of Incorporation were promulgated on December 19, 2001. The first amendment was made on June 12, 2002, the second amendment was made on November 11, 2002, the third</p>	<p>The amendment date is added.</p>

<p>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, and the sixteenth amendment was made on June 21, 2024, <u>and the seventeenth amendment was made on June 20, 2025.</u></p>	<p>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, and the sixteenth amendment was made on June 21, 2024.</p>	
--	--	--

# **Draft Amendments to Partial Provisions of the Articles of Incorporation of Mega Financial Holding Company Limited**

## **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, 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:

1. 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 dividends of preferred shares as the respective year's dividends.
2. The dividend rate of preferred shares is limited to 8% per annum on issue price, and the dividends will be distributed 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.
3. The Company has solo 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 insufficient to distribute dividends of preferred shares, or the distribution of

dividends of preferred shares will cause the capital adequacy ratio fall below than the minimum requirement stipulated by laws or competent authority or other necessary consideration. 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 cumulated for deferred payment in the subsequent years with earnings.

4. 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.
5. 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.
6. The shareholders of preferred shares do not have voting rights or election rights at the general shareholders' meeting. However, they have voting rights at preferred shareholders' meeting or at the general shareholders' meeting with respect to the rights and obligations of the shareholders of preferred shares.
7. Preferred shares shall not be converted to common shares, and the shareholders of preferred shares do not have the rights to request the Company to buy back their preferred shares.
8. If the Company issue perpetual preferred shares, the Company may redeem all or a portion of preferred shares anytime on the next day after 7 years of issuance on issue price. The remaining preferred shares shall remain the rights and obligations of 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.
9. If the Company issue non-perpetual preferred shares, the issuance period shall not be shorter than 7 years. Upon 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 remain the issuance terms until fully 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' expectation, 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 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.

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

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

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

## **ARTICLE 17**

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

## **ARTICLE 18**

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

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

## **CHAPTER V BOARD OF DIRECTORS**

## **ARTICLE 19**

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

Among the directors prescribed in the preceding Paragraph, at least 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 Board of Directors' Auditing Department organized under the Board of Directors, consists of one Chief Auditor and Auditors, handling internal auditing and related matters. Divisions can be set up in need to engage in different business.

## **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 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, of which more than 1% of the actual allocated amount for the year shall be distributed to entry-level employees. 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 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, and the sixteenth amendment was made on June 21, 2024, and the seventeenth amendment was made on June 20, 2025.

## **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, 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 dividends 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 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 solo 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 insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio fall below than the minimum requirement stipulated by laws or competent authority or other necessary consideration. 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 cumulated 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 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 rights to request the Company to buy back their preferred shares.
- VIII. If the Company issue perpetual preferred shares, the Company may redeem all or a portion of preferred shares anytime on the next day after 7 years of issuance on issue price. The remaining preferred shares shall remain the rights and obligations of 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 issue non-perpetual preferred shares, the issuance period shall not be shorter than 7 years. Upon 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 remain the issuance terms until fully 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' expectation, 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 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.

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

The aforesaid agenda of a meeting may be proposed by "extemporary motions"; provided, however, that matters which shall be stated in the meeting notice in accordance with

relevant laws and regulations may not be proposed by "extemporary motions".

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

#### **ARTICLE 17**

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

#### **ARTICLE 18**

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

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

### **CHAPTER V BOARD OF DIRECTORS**

#### **ARTICLE 19**

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

Among the directors prescribed in the preceding Paragraph, at least 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 Board of Directors' Auditing Department organized under the Board of Directors, consists of one Chief Auditor and Auditors, handling internal auditing and related matters. Divisions can be set up in need to engage in different business.

## **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**

#### **RTICLE 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

### 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 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, the thirteenth amendment was made on June 21, 2019, the fourteenth amendment was made on June 17, 2022, the fifteenth amendment was made on June 16, 2023, the sixteenth amendment was made on June 21, 2024.



## **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 22, 2025

Position	Name	Shareholding (shares)	Percentage
Chairman	Ray Beam Dawn (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Chuan-Chang Chang (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Po-Cheng Chen (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Pei-Chun Chen (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Yih-Juan Wu (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Ing-Ren Lee (Representative of Ministry of Finance, R.O.C.)	1,216,422,727	8.20%
Director	Fang-Guan Jan (Representative of National Development Fund, Executive Yuan, R.O.C.)	918,315,505	6.19%
Director	Yi-Hong Deng (Representative of National Development Fund, Executive Yuan, R.O.C.)	918,315,505	6.19%
Director	Kwo-Tsai Wang (Representative of Chunghwa Post Co., Ltd.)	533,162,703	3.59%
Director	Hui-Chuan Chen (Representative of Bank of Taiwan Co., Ltd.)	389,212,589	2.62%
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	Yung-Chih Lien	0	-
Number of the shares held by all directors: 3,057,113,524 shares (20.60%)			
Minimum number of all directors' shareholding required by the FSC: 160,000,000 shares (1.11%)			

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