

Dear China Development Financial Holding Shareholders,

Despite ongoing challenges from both the ongoing COVID-19 pandemic and inflation, China Development Financial Holding Corporation (“the Company”, “CDF”) has performed exceedingly well in our banking, securities, insurance, and private equity businesses; posting a record consolidated net income of NT\$47.10 billion (YoY growth of 128%), EPS of NT\$2.34 and consolidated ROE of 15.1%. These marked achievements are a testament to the Company’s ongoing commitments and the dedication of all employees.

Since early 2021, we have initiated our ABCDE five-year strategy consisting of five parts: (A) Accelerate Digital, designed to make CDF and its subsidiaries into digital leaders; (B) Become the Employer of Choice and achieve higher levels of employee engagement and career development; (C) Customer Focus, striving to be the most recommended financial services brand in the market; (D) Drive Growth, to exceed industry benchmarks and, (E) Execution Excellence, to deliver outstanding results for all our stakeholders. Following the implementation of the above strategy, in May 2021, Taiwan Ratings rated CDF's long- and short-term ratings as "twAA" and "twA-1+," respectively, and its outlook as "stable," recognizing the Group's strong capitalization, solid foundation in Taiwan's corporate banking and securities business, and proper business diversification. The “stable” rating is further affirmation of the Company’s overall strategy, and subsidiary activities, including the increased shareholding and subsequent acquisition of China Life Insurance, enhancing CDF’s capital efficiency.

Solid performance should be set on a sound ESG foundation. In April 2021, the Company formally pledged to "achieve net-zero carbon emissions across the entire asset portfolio by 2045," and proposed a complete low-carbon roadmap under international standards. Whilst relocating the CDF headquarters in October last year, the Company has taken this opportunity to refresh working environment for employees, and further align the move with our net-zero pledge with the architecture built upon the concepts of environmental friendliness and sustainable development.

For CDF’s Annual General Meeting this year, we would like to draw your attention to **Proposal 4: The Company’s plan to raise long-term capital & Proposal 5: Election of the 8th term Board of Directors**, where a total of six directors and three independent director seats are up for election (total of nine).

Proposal 4: The Company's plan to raise long-term capital

The main purposes of this fundraising proposal are to fund working capital, enhance financial structure, further support business growth, and facilitate long-term strategic development. CDF will cautiously plan the fundraising program to balance shareholder rights and long-term development strategy of the Company. To fulfill the goals aforementioned, our proposal for long-term capital raising is presented below,

- Potential methods of fundraising may include domestic public offering and issuance of GDR. Additionally, CDF cannot exclude the possibility of using private placement as an alternative method.
- The 2.5 billion shares proposed for authorization at the shareholders' meeting represents a maximum limit for operational flexibility related to future fundraising and does not imply that all shares will be issued.
- CDF will continually evaluate funding requirements and determine the most appropriate fundraising method based on overall consideration of market conditions and impact on shareholders. Actual shares issued and pricing of the shares shall be prudently assessed to ensure shareholders' rights are not materially impacted.

Proposal 5: Election of the 8th term Board of Directors

The candidates were selected with diversification in mind, with further emphasis on professional knowledge, skills and industry experience of the four major subsidiaries. Of the six director candidates, **Mr. Chia-Juch, Chang**, **Mr. Tham Saloon**, **Mr. Lionel de Saint-Exupéry**, **Mr. Stefano Paolo Bertamini**, **Mr. Hong-yi, Xiao**, **Mr. Paul Yang** offers a complete academic and expertise of venture capital, banking, securities, insurance, and legal repertoires. For the three nominated independent directors, **Mr. Tyzz-Jiun, Duh** has technology and information security backgrounds, **Mr. Shih-Chieh, Chang** has insurance major and risk management backgrounds, and **Mr. Wei, Chung** has an accounting background.

As a whole, the experience and expertise of the abovementioned candidates aligns with the Company's medium and long-term strategies. For details on the candidates' skill matrix and detailed information, please refer to Attachment I and the meeting handbook respectively.

We sincerely call for your support and vote FOR the nine nominated directors outlined in this letter.

Looking towards 2022, we expect more volatility due to the uneven pace of global economic recovery, continued geopolitical conflicts and rising inflation. Taiwan's export


performance combined with domestic demand is expected to remain strong resulting in overall positive economic growth.

Lastly, we would like to thank all our employees for their hard work as well as our clients, regulators, and our shareholders for their continued support. We remain committed towards our ABCDE strategy as we embrace innovation and talent to deliver sustainable financial solutions to our clients, shareholders, and communities.

AGM Date: June 17th, 2022

E-Voting Period: May 18th – June 14th




Sincerely,









Chairman Chia-Juch Chang

China Development Financial Holding Corporation

Attachment I: Director Candidates Skill Matrix

Title/ Name	Photo	Tenure (years)	Diversity Standards											Committee							
			Basic profile				Industry experience				Professional knowledge/skill			Audit Committee	Remuneration Committee	CSR Committee	Risk Management Committee	Ethical Corporate Management Committee			
			Nationality	Age			Holding Company	Commercial Banking	Securities / Insurance	PE and VC Investment	Government & Public Sector	Execution & Strategic Planning	Risk Management						Financial Services	Corporate Governance	Business & Marketing Leadership
Chairman Chi Jie Investment Co., Ltd. Rep. Chia-Juch Chang		14y 1m	R.O.C.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓
Director Chi Jie Investment Co., Ltd. Rep. Tham Saloon		3m	MY	✓				✓			✓	✓	✓	✓		✓					
Vice Chairman GPPC Chemical Corp. Rep. Lionel de Saint-Exupéry		2y 6m	FR	✓				✓	✓		✓	✓	✓	✓		✓					

Title/ Name	Photo	Tenure (years)	Diversity Standards												Committee							
			Basic profile				Industry experience				Professional knowledge/skill				Committee							
			Nationality	Age				Holding Company	Commercial Banking	Securities / Insurance	PE and VC Investment	Government & Public Sector	Execution & Strategic Planning	Risk Management	Financial Services	Corporate Governance	Business & Marketing Leadership	Information Technology	International Experience	Audit Committee	Remuneration Committee	CSR Committee
Jing Hui Investment Co., Ltd. Rep. Stefano Paolo Bertamini		1y 5m	USA	41-50	51-60	61-70	71- and above	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓		✓	✓
Director Jing Hui Investment Co., Ltd. Rep. Hung Yi, Hsiao		New	R.O.C.	✓						✓				✓	✓	✓	✓	✓				
Director Paul Yang		12y 11m	R.O.C.		✓			✓	✓	✓	✓			✓	✓	✓	✓	✓				
Independent Director Tyzz-Jiun Duh		2y 10m	R.O.C.			✓		✓		✓				✓	✓		✓	✓			✓	

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			Nationality	41-50	51-60	61-70	71- and above	Holding Company	Commercial Banking	Securities / Insurance	PE and VC Investment	Government & Public Sector	Execution & Strategic Planning						Risk Management	Financial Services	Corporate Governance	Business & Marketing Leadership	Information Technology	International Experience		
Independent Director Shih-Chieh Chang		New	R.O.C.		✓				✓	✓	✓		✓	✓	✓	✓	✓		✓							
Independent Director Chung, Wei		New	R.O.C.			✓				✓			✓	✓	✓	✓	✓		✓							