



**China Development Financial Holding Corporation (“The Company”)
2023 Annual General Shareholders Meeting Notice**

(Summary Translation)

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.

1. 2023 Annual General Shareholders Meeting Agenda

Time/ Date: 9:00 a.m., June 17, 2023 (Saturday)

Place: No.168, Jingye 4th Road, Zhongshan District, Taipei City
10466, Taiwan, R.O.C. (1F, Grand Ballroom, Grand Victoria
Hotel)

A. Matters to Report

Agenda 1: 2022 business report

Agenda 2: Audit Committee’s 2022 review report

Agenda 3: Amendment to the Company’s “Code of Ethical Conduct”

Agenda 4: Amendment to the “Ethical Corporate Management Best
Practice Principles”

Agenda 5: 2022 distribution plan for employees’ compensation and
directors’ remuneration

Agenda 6: Director Remuneration policy

B. Matters for Recognition

Agenda 1: 2022 business report and financial statements

Agenda 2: 2022 earnings distribution plan

C. Matters for Discussion

Proposal 1: Amendment to the “Articles of Incorporation”

Proposal 2: Amendment to the Company’s “Regulations for Election of
Directors”

Proposal 3: The Company's plan to raise long-term capital

Proposal 4: Approval of the proposal for lift of non-compete restriction on the directors of the board

D. Extemporaneous Motions

2. Shareholders can use the live streaming link of the 2023 Annual General Shareholders Meeting on the company's official website (Investor Relations/Shareholders Area/Shareholders' Meeting Information) during the meeting on the day of 2023 Annual General Shareholders Meeting to watch the live broadcast of the company's 2023 Annual General Shareholders Meeting (<https://cdf.irpro.co/tw/shareholder.php> (Chinese version); <https://cdf.irpro.co/en/shareholder.php> (English version)) (login will be available from 9:00 a.m. on the same day)
3. The Company's plan to raise long-term capital is detailed at the Meeting Notice 3rd slip.
4. The essential contents of any material matters proposed to the shareholders' meeting required by Article 172 of the "Company Act" shall be posted on Market Observation Post System (website : <http://mops.twse.com.tw>, by clicking on "profiles/electronic books/annual report and materials related to shareholders' meetings (including depositary receipts)"). Please insert the company code and year to access the reference materials of the agendas and meeting handbooks and the supplementary information in respect of the shareholders' meeting.
5. Please find enclosed the 2023 Annual General Shareholders Meeting Notice and the proxy application form. The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks shall be given in the form of a public announcement, and therefore, no further mail notice would be sent. Should you wish to attend the meeting in person, please sign or stamp your personal chop on the Notice (no need to mail back) and bring it to the meeting venue for check-in on the day of the meeting, starting at 8 a.m. Should you wish to appoint a proxy to attend the meeting on your behalf, please sign or stamp your personal chop on the proxy application form, fill

in the name and address of your proxy, have your proxy sign or stamp his or her personal chop on the form and return the form, at least five (5) days prior to the meeting, to the Company's designated agent (i.e., Stock Register of KGI Securities Co. Ltd., 5F, No. 2, Section 1, Chongqing South Road, Taipei City) for processing the delivery of attendance cards. Any shareholder or proxy who has not received an attendance card may bring his or her identification card to apply for a replacement at the meeting venue on June 17, 2023.

6. Shareholders, solicitors and proxy agents should bring his or her identification card for verification when attending the shareholders' meeting.
7. In accordance with Article 26-2 of Securities and Exchange Act, the notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting, such public announcements shall be served with thirty days prior notice, and for a special shareholders meeting with fifteen days prior notice. Therefore, no further mail notice would be sent.
8. Stock Register of KGI Securities Co. Ltd. will be responsible for collection and verification of public solicitation of proxy for this Annual General Shareholders Meeting.
9. In the event of public solicitation of proxy for this Annual General Shareholders Meeting, the Company shall upload related information to the website of the Securities and Futures Institute (<https://free.sfi.org.tw>) by May 17, 2023. Please check the said website for further information on this matter.
10. Attendees of the 2023 Annual General Shareholders Meeting will be presented with Stainless Steel Vacuum Diamond Mug (1 pieces · Effective capacity 840ml \pm 5%) to commemorate the event, in accordance with the following terms:
 - (1) Shareholders holding less than 1,000 shares will not be issued souvenirs by the Company unless they attend the shareholders meeting online, exercise their voting rights electronically or the shareholders attend the shareholders meeting in person.

- (2) Should you wish to delegate a solicitor to attend the meeting on your behalf, please duly sign or stamp your personal chop of the back of the proxy application form and submit it to the solicitation venue for processing (the service may be terminated earlier in each solicitation venue depending on the circumstances).
 - (3) Should you wish to appoint a proxy agent to attend the meeting on your behalf, please hold the proxy application form fifth slip to sign or seal in the entrusted column, and express opinions on each proposal, from May 22, 2023 to June 2, 2023 (except for holidays) contact the entrusted agency locations of each designated agent for handling.
 - (4) Shareholders, who attend the shareholders meeting online, exercise their voting rights electronically, can bring the notice of attendance, identification document, and printed "Proposal Voting Situation" page of the shareholders meeting electronic voting platform - shareholders e-ticket page (optional) to Stock Register of KGI Securities Co. Ltd. (1st floor or 5th floor, No. 2, Section 1, Chongqing South Road, Taipei City) for collecting the souvenir at 9:00 to 17:00 from July 4 to July 6, 2023.
 - (5) Besides the above-mentioned collection methods, the Stainless Steel Vacuum Diamond Mug (1 pieces , Effective capacity 840ml \pm 5%) will only be distributed at the meeting venue before the end of the meeting, and it will not be distributed after the meeting is closed, whether by mail or other means.
11. Voting rights of this Annual General Shareholders Meeting may be exercised by electronic transmission from May 18 to June 14, 2023. Further information can be obtained by logging on to the "Electronic Voting Platform for Shareholders" on the website of Taiwan Depository and Clearing Corporation. (<https://www.stockvote.com.tw>).
12. With reference to the company's Articles of Incorporation, preferred shareholders have no voting and election rights in the general shareholders meeting, but are eligible to be elected as directors, and can vote in the preferred shareholders meeting or matters related to the preferred shareholders' rights and obligations in the general shareholders meeting. Preferred B shareholders of this Annual General Shareholders Meeting have no voting rights and no souvenirs will be provided.

13. In Proposal 3, "The Company's plan to Raise Long-Term Capital," among the Matters for Discussion at this Annual General Shareholders Meeting, it is proposed that the Shareholders Meeting authorize the Board of Directors to raise long-term capital, subject to a limit of 2,500,000,000 shares, at an appropriate timing and through any one, or a combination, of the following measures: capital increase by offering common and/or preferred shares in Taiwan for cash consideration, issuance of common shares and/or preferred shares to sponsor the overseas depositary receipts, or issuance of common shares or preferred shares for cash through private placements. Since issuance of common shares or preferred shares for cash through private placements is included among the various methods of raising long-term capital, the following information is provided in accordance with Paragraph 6, Article 43-6 of the Securities and Exchange Act and "Directions for Public Companies Conducting Private Placements of Securities."

(1)The basis and rationale for the setting of the price:

(A)According to relevant laws and regulations, the price of the common shares subscribed through private placement shall be no less than 80% of the higher of the following reference prices:

- i. The simple arithmetical average closing price of the common shares for either one, three or five business days before the pricing date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- ii. The simple arithmetical average closing price of the common shares for the 30 business days before the pricing date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

(B)The price of preferred shares to be subscribed through private placement shall not be lower than 80% of the theoretical price in accordance with relevant laws and regulations and the Company's Articles of Incorporation. The terms and conditions of such preferred shares are as follows:

- i. If the Company has a surplus after the year-end final accounts, it should first pay taxes and make up the losses accumulated from preceding years. After setting aside the legal reserve and setting aside or reversing the special reserve as required by law, if there is any remaining balance, it may first distribute the dividends for the year to which the preferred shares are entitled.

- ii. The dividend rate is capped at 8%, per annum on the issue price per share. Cash dividend is paid annually at one time, and the Board of Directors will set the record date for the distribution of the preceding year's dividend once the financial report has been approved by shareholders at the annual shareholders meeting. The amount of dividends paid in the year of private placement and the amount of dividends received in the year of redemption are calculated based on the actual number of days the preferred shares are outstanding in that year.
- iii. The Company has the discretion to distribute dividends on the preferred shares. If the Company has no or insufficient surplus to distribute dividends on the preferred shares in its annual accounts, or if the distribution of dividends on the preferred shares will cause the Company's capital adequacy ratio to fall below the minimum requirements set by law or by the competent authorities, or if there are other necessary considerations, the Company may resolve not to distribute dividends on the preferred shares and the preferred shareholders shall not raise objections. If the preferred shares are non-cumulative, undistributed dividends or dividend shortfalls will not be accumulated and deferred in coming years.
- iv. If the preferred shares are non-participative, preferred shareholders shall not participate in the distribution of earnings and capital surplus in cash and capitalization of common shares, except for the dividends set forth in sub-paragraph 2 above.
- v. The preferred shareholders shall have priority in the distribution of the residual assets of the Company over the common shareholders, and all preferred shareholders, irrespective of classes of shares, shall rank *pari passu*, provided that such distribution shall not exceed the respective issue amounts.
- vi. The preferred shareholders shall not have voting and election rights in the general shareholders meeting, but are eligible to be elected as directors, and they can vote in the preferred shareholders meeting or matters related to the preferred shareholders' rights and obligations in the general shareholders meeting.
- vii. Convertible preferred shares issued by the Company through

private placement shall not be converted into common shares within one year from the delivery date of such convertible preferred shares. The Board of Directors is authorized to decide the period for the conversion in the term and conditions of the private placement. The convertible preferred shareholders are entitled to convert all or part of their preferred shares to common shares based on a conversion ratio of 1:1 according to the terms and conditions of the private placement. The common shares converted from the convertible preferred shares are entitled to the same rights and obligations with common shares. The distribution of the dividends in the year of the conversion shall be calculated based on the ratio between the actual issuance days and the total days of the conversion year, however, that when said shares are converted before the ex-dividend date of any given year, the shareholders shall not participate in the distribution of the dividends of preferred shares in that year and onward, but such shareholders are entitled to participate in the distribution of earnings and capital surplus to common shareholders.

viii. If the Company issues perpetual preferred shares through private placement, such preferred shareholders have no right to request the Company to redeem such preferred shares held by them. The Company may set redemption date at a date no earlier than the day following the 7th anniversary of the delivery date of such preferred shares. All or part of the preferred shares shall be redeemed by the Company at the price as same as the actual issue price and the rights and obligations of the unredeemed preferred shares shall continue to be subject to the aforementioned terms of private placement. If the Company resolves to issue dividends, the dividends to be received upon the redemption date shall be calculated according to the actual issuance days of said year.

ix. If the preferred shares issued by the Company through private placement are not perpetual, the maturity date shall not be earlier than the 7th anniversary of the delivery date of such preferred shares. The preferred shareholders have no right to request the Company to redeem the preferred shares held by them. On the maturity date or from the day following the 7th

anniversary of the delivery date of such preferred shares, the Company is entitled to redeem the preferred shares in cash or by other manners permitted by laws and regulations at issue price and in accordance with the terms and conditions of the private placement.

Where the Company is unable to redeem all or part of the preferred shares that have become mature due to force majeure or other circumstances beyond reasonable control, the terms and conditions of the private placement still apply to the un-redeemed preferred shares and their rights and obligations shall remain unchanged until they are redeemed by the Company.

- x. The Board of Directors is fully authorized to determine the name, delivery date and details of conditions of the preferred shares in accordance with laws and regulations, the Articles of Incorporation of the Company, market conditions and investors' willingness for the subscription.

(C) The issue price of shares to be subscribed through this private placement is determined in accordance with relevant laws and regulations and refers to recent market prices. The terms and conditions of such preferred shares is determined in accordance with the Company's Articles of Incorporation. Therefore, the issue price of shares and the terms and conditions of preferred shares to be subscribed through private placement should be fair.

(2) The method of selecting specific investor(s):

This private placement is limited to the introduction of strategic investors:

- (A) Method and objective of placee selection: In no event may a placee under private placement be an insider or a related party of the Company. As of this point, the Company has no confirmed placees. The placees must meet the eligibility requirements of Article 43-6 of the Securities and Exchange Act, and the Company will give priority to large-scale domestic or foreign institutions, in order to develop stable and long-term partnership with strategic investors and enhance the Company's market competitiveness through capital participation, business cooperation and experience exchange.
- (B) Necessity: Taiwan's financial industry is highly competitive. It is necessary to introduce strategic investors with large asset scale and good profitability in order to expand the financial products, financial

technology services and international financial services of the Company and its subsidiaries and enhance operating performance and market competitiveness.

(C) Expected benefits: In addition to strengthening capital structure, the funds from private placement are expected to enhance risk tolerance for business expansion. Additionally, through mutual cooperation, the Company and its subsidiaries will be able to expand operation scales and service scopes in Taiwan and abroad to enhance market competitiveness.

(3) The rationale of private placement:

(A) Reasons for not conducting a public offering: Private placement allows strategic partners to acquire the Company's shares in one transaction, which will facilitate the Company's acquisition of the funds, skills, experience, and channels of the strategic partners. Given the securities acquired through private placement are not freely transferable for three years, long-term partnership between the Company and strategic investors is further ensured. Moreover, conducting a private placement can maintain stability of the Company's share price.

(B) Issue amount of the private placement: In principle, up to 2.5 billion shares.

(C) Use of funds and expected benefits to be achieved: The funds from the private placement are expected to be used for one or more of the following purposes: fund working capital, stabilize financial structure, improve capital adequacy ratio, repay loans, or meet the Company's long-term strategic development needs. It is expected that the capital increase will strengthen the Company's competitiveness and enhance operational efficiency.

(4) Dissenting or qualified opinions from independent directors: None.

(5) Other matters that need to be specified: The securities of this private placement may not be sold for a period of three years from the delivery date, except for resale to those transferees in accordance with Article 43-8 of the Securities and Exchange Act. It is proposed that three years following the delivery date of the Company's shares through private placement, the Board of Directors be authorized to determine, in consideration of the-then situation and in accordance with the relevant regulations, whether or not to obtain a consent letter from the Taiwan Stock Exchange Corporation, to apply to the Financial Supervisory

Commission of Taiwan for post registration of public issuance, and to apply for listing of such shares.

(6)The relevant information regarding the proposal is available on Market Observation Post System (website: <https://newmopsov.twse.com.tw/>) and the Company's official website (website: <http://www.cdfholding.com/>) for reference.

Respectfully,

Board of Directors

China Development Financial Holding Corporation