



中華開發金控
CHINA DEVELOPMENT FINANCIAL

**China Development Financial Holding Corporation
(Stock Code: 2883)
2023 Annual General Shareholders Meeting
Meeting Handbook**

(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.

June 17, 2023

**China Development Financial Holding Corporation (“the Company”)
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 of the Grand Victoria Hotel)

Convening method: Hybrid Shareholders' Meeting

1. Commencement of the Meeting
2. Chairperson's Statements
3. 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
4. Matters for Recognition
 - Agenda 1: 2022 business report and financial statements
 - Agenda 2: 2022 earnings distribution plan
5. 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
6. Extemporaneous Motions
7. Adjournment

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- Appendix 2: Independent auditors' report
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- Appendix 8: "Ethical Corporate Management Best Practice Principles"
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- Appendix 10: Comparison Table of the Articles before and after Amendment to the "Articles of Incorporation"
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A. Matters to Report

Agenda 1: 2022 business report

Explanation:

The Company's 2022 business report, independent auditors' report and financial statements are attached hereto as Appendices 1 to 3.

Appendix 1

China Development Financial Holding Corporation

Business Report

During 2022 as countries began to open up as part of the post-pandemic era, the financial impact caused by the US Federal Reserve, and central banks raising interest rates as well as accumulated inventories resulted in a decline in global demand. From a Taiwan's perspective, exports showed a decline in annual growth starting in the fourth quarter, while domestic demand and individual consumption has performed well after the lockdowns ended. The opening of the borders, international travel (and consumption) has also returned to stronger levels. In terms of investments, the focus in the first half of the year in Taiwan was the expansion of production capacity and deployment of green energy facilities; however, there was a contraction in the second half of the year. In terms of capital markets, Taiwan stocks, which are significantly export oriented, were impacted due to the gradual decline in export orders in the second half of the year. The closing index reached 14,138 at the end of 2022, representing a decrease of 22.4%.

The volatility in global financial markets in 2022 reflected the raising of interest rates by the US Federal Reserve to suppress inflation and normalize monetary policies. Aside from KGI Bank benefiting from interest rate hikes in the US and Taiwan, which led to higher net interest income and maintained asset quality, China Life, KGI Securities, and CDIB Capital Group were impacted by fluctuations in the international capital market. The consolidated after-tax net income for CDF in 2022 was NT\$16.39 billion (including NT\$0.02 billion from non-controlling interests), with EPS of NT\$0.98 after tax and consolidated ROE of 6.5%. Compared with the consolidated after-tax adjusted net income of NT\$39.10 billion (including NT\$12.06 billion from non-controlling interests) when the one-time sale of the building (of NT\$8.00 billion) is excluded, the annual decline was lower than that of other financial holding companies focused on life insurance.

Taiwan Ratings Corp. gave the Company a long-term credit rating of "twAA-," a short-term credit rating of "twA-1+," and a "Stable" outlook in August 2022. The ratings continue to affirm the Group's stable capital levels. Taiwan Ratings Corp. predicts that even though the market will continue to fluctuate in the next two years, the Group should be able to maintain stable capital and profit levels.

In early 2021, we launched our ABCDE five-year strategy consisting of five parts: (A) Accelerate Digital, designed to make CDF and its subsidiaries into leaders in digital; (B) Become Employer of Choice, designed to achieve a higher level of employee engagement and career development; (C) Customer Focus, designed to make us the most recommended financial services brand in the market; (D) Drive growth, designed to exceed industry benchmarks and, (E) Execution Excellence, designed to deliver outstanding results for all our stakeholders. You can find details and examples of our progress in each one of these areas in our investor pack on our website.

Below are the highlights of the 2022 performance by each main business segment:

(I) Life Insurance business

China Life continues to diversify and actively expand high-value products such as installment payments and health coverage. In response to the aging population and retirement financial management, the company remains focused its core business of insurance coverage, enhancing various protection-type insurance and customized products to satisfy the coverage and financial planning needs of different customer groups. Furthermore, by continuously focusing on the sales of high-value products to enhance the company's long-term business value, premiums for high-value products reached NT\$21 billion, representing an increase of 54% compared to 2021; this led to stable growth on value of new business in 2022. The new contract premium income and total premium income were NT\$70.1 billion and NT\$179.3 billion respectively in 2022. The market share of new contract premiums reached 9.1%, ranking fourth in the industry.

In terms of digital innovation, China Life has continued to invest resources to accelerate digital. The company has formulated the digitally-driven and experience-first comprehensive "2A2D" development strategy blueprint (i.e., the ideas of "Artificial Intelligence," "Agile Culture," "Big Data," and "Digital Innovation"). The company provides "heartfelt" services with innovative technologies, and it is dedicated to become an iconic life insurance company in innovation and use of InsurTech. We lead the industry in the introduction of facial recognition technology in the insurance application process. The applications have been further expanded in 2022, allowing more customers and salespersons to use remote insurance services. The company received approval from the regulator in April to introduce the insurance agent channel, and further expanded to other channels in November. Online cases have exceeded 36,000, improving administrative efficiency by 25% and resulting in carbon emission savings of 120,000kg. In 2022, the company was awarded the "Digital Insurance Initiative of the Year" award of the Insurance Asia Awards, the "Best Life Insurance Company for Digital Transformation Taiwan" award of the Global Banking & Finance Review Awards, the "Taiwan Sustainable Action Award" of the Taiwan Corporate Sustainability Awards (TCSA), and the "Best Product Award" of the National Brand Yushan Award, demonstrating its capabilities, ideals, and determination in digital innovation.

In terms of customer focus, China Life has continued to deepen corporate culture of treating customers fairly and quickly responds to customer needs and provides solutions. China Life implemented NPS and ranked from No. 5 to No. 1 in the industry in 2022 survey. In addition, the company was recognized by the FSC Treating Customers Fairly Principles Assessment 4 years in a row.

In terms of corporate governance and sustainable management development, China Life incorporates sustainable thinking into its management strategies. The company has

established complete climate change risk management based on rigorous and outstanding corporate governance. In 2022, the company was jointly selected by international media as the first Asia Pacific climate leader. It has received the “Taiwan Sustainable Investment Award (TSIA)” for two consecutive years and the “Taiwan Corporate Sustainability Award (TCSA)” for eight consecutive years. It is also the only Taiwanese insurance company to receive the GCSA “Corporate Sustainability Report Award,” demonstrating the recognition of foreign and domestic institutions and stakeholders of the company’s performance.

(II) Banking business

KGI Bank continues to focus on the development and use of FinTech. It is dedicated to building integrated digital service solutions centered around customer experience. The company continued to expand its customer base and enhanced its overall operating performance. In terms of corporate banking, the company provides corporate customers with the most suitable financial solutions and customized professional services through the professional team division and diversified financial products. As of the end of 2022, the overall credit balance for corporate finances was NT\$283 billion, representing an increase of 2% compared to 2021. In terms of retail banking, the company upholds the corporate ideal of “customers first,” providing comprehensive financial products and actively optimizing its digital platforms. The quality of service has been affirmed by customers, and it is also reflected in the 2022 NPS result ranking first in the industry. In addition, as of the end of 2022, the loan balance of SME and personal loan was NT\$54.5bn and NT\$33.8bn, or 22% and 20% YoY, respectively. A new company website was launched in January 2022, providing a better cross-platform reading experience for customers. In addition, a new mobile banking service was launched in October of the same year. Its integrated interface design and optimized menu structure made online transactions more convenient. At the same time, the company launched the new smart customer service, “Mr. Wallet,” providing customers with full voice interactions for asking questions, creating an accessible environment, and implementing friendly financial services. As of the end of 2022, the overall credit balance for retail banking was NT\$148.8 billion, representing an increase of 5% compared to 2021. In terms of the global markets, KGI Bank continues to strengthen risk management, dynamically adjust its hedging strategies, and establish asset allocation that yield stable returns. The company provides bond underwriting, financial product marketing, and asset management in response to investment expansion and hedging needs of various channels to provide solutions to its customers in these volatile markets.

In terms of responsible finance and sustainable development, in May 2022, KGI Bank was the first in the domestic banking industry to introduce green deposits, allowing corporate customers to participate in green financing needs and sustainable issues through deposits. Moreover, the company continues to promote and implement the FSC Green Finance Action

Plan. It is actively participating in the financing of iconic large-scale renewable energy power plants in Taiwan and supporting the construction of renewable energy generation sites. As of the end of 2022, KGI Bank's green credit balance reached NT\$16.06 billion (based on the definition of the Joint Credit Information Center), representing an increase of 39.5% compared to the previous year. The company has stipulated sustainable finance policies, such as responsible investment policies, sustainable crediting principles, and climate risk management guidelines, to include environmental, social, and corporate governance ESG issues in post-loan management mechanisms, thereby implementing sustainable management with customers.

(III) Venture Capital/Private Equity business

CDIB Capital continues to expand its asset management scale and strengthen its competitive advantages of fund management, including establishing partnerships with leaders of domestic key industries, to cultivate closer investment eco-system and more business opportunities. The company obtained the first China private equity fund manager license through a wholly owned subsidiary, ranking first in domestic peers. Additionally, the company plans to establish an accelerator in Tokyo, Japan, to expand its global deployment. In 2022, the company finished raising funds for a new NTD fund and expanded the scale of an existing USD fund. The cumulative fund commitment reached NT\$45.4 billion at the end of 2022. Thirteen funds denominated in New Taiwan dollars, US dollars, and Renminbi are currently under management, with investment mainly in Taiwan, China, and North America. NT\$2.8 billion in investment deployment and NT\$3.1 billion in investment proceeds were completed in 2022. Cumulatively, completed direct investment drawdown is NT\$34.1 billion and the realized proceeds is around NT\$10.9 billion, of which, a total of NT\$10.2 billion was returned to investors through fund distribution or capital reduction.

Although the volatility of the overall capital market increased in 2022, compressing the investment performance, CDIB Capital's overall investment positions still performed better than the market returns in the same period. Furthermore, the management team continues to promote cross-selling and operational partnerships within the Group. It is monetizing existing investment positions and establishing investment portfolios with potential growth. The company is expanding the use of bank facilities and disposing non-core real estate assets to gradually lift leverage ratio and increase the overall capital utilization efficiency. The company also focused on cost improvements, operating efficiency increases, and procedural upgrades in terms of operational management and implemented several digitization initiatives.

(IV) Securities business

KGI Securities' share in the brokerage market was 10.4% in 2022, maintaining its second place in industry. In addition to providing extensive and complete wealth management

products and professional services to customers, the company is actively optimizing its customer experience, and launched the first "video digital signing" service among Taiwan's brokers. Through this service, it can provide investors with convenient online services and investment flexibility. Moreover, the company has introduced online ETF initial offering (IPO) combined with wealth management accounts. The first IPO cooperated with KGI SITE's "KGI Taiwan Selected High Dividend 30 ETF Fund" showed more than 70% of transactions coming from online transaction, demonstrating the reach of digital innovation. The company maintained first with a 15.8% share on the foreign institutional investor brokerage and second with a 20.3% share of the securities lending business market, demonstrating the high recognition of its professional research and services by international corporations. There were 34 cases of underwriting of initial listings and secondary market fundraising, accounting for a 15% market share and leading the market for ten consecutive years. The combined primary underwriting of corporate bonds in NTD and international bonds reached NT\$131.9 billion, reflecting a market share of 12.6% and second position in the industry. The issued call (put) warrants totaled NT\$96.4 billion and 9,779 warrants, with market shares of 18% and 20% respectively. The annual warrant transactions accounted for 17% of the market, ranking second in the market. In addition, KGI SITE's public offering funds and ETFs ranked 8th and 6th with NT\$162.1 billion and NT\$127.6 billion, respectively.

In addition to maintaining its leading position in various businesses of the industry, KGI Securities is dedicated to promoting and implementing responsible finance, friendly finance, various environmental sustainability issues, and diverse green financial products and services. As of the end of 2022, the company's underwriting and equity financing related to ESG, environmental protection, and green energy reached NT\$80 billion. KGI SITE has four public offering funds that comply with the information disclosure and review principles for ESG related funds by regulators, being the most ESG domestic funds issuer in the investment industry.

In 2022, CDF was once again listed as a constituent stock in DJSI World and DJSI Emerging Markets for three consecutive years. The overall score ranked CDF fourth in the world and first in Taiwan in the insurance sector. Its overall score ranked fourth internationally and first in Taiwan among the insurance industry. It also ranked in the top 5% of the S&P Global Sustainability Yearbook. The company has been included as a constituent stock in the FTSE4Good Emerging Market Index and FTSE4Good TIP Taiwan ESG Index for six consecutive years. In addition to being included in the Top 100 Taiwan Sustainability Model Companies of the TCSA, the company has also earned the highest "A" score from the Carbon Disclosure Project (CDP). CDF has long been championing education projects via China Development Foundation, KGI Charity Foundation, and our subsidiaries, such as "Heritage 100 & Tutoring 100," "Perfect Nutrition," and "Scholarship for skilled vocational high school students," in advocating the development of a sustainable society. We aim to implement the core value of the "co-creation of society" and eight

of the United Nations' Sustainable Development Goals (SDGs). Furthermore, the company continues to promote corporate volunteer projects. In 2022, the total number of service hours of the entire group reached a record high of 77,660 hours, enhancing the attention paid to environmental protection, care for the disadvantaged, elderly care, and local creation by the Group's employees. Aided by thriving social enterprises and innovation, we integrate resources from the Group, social enterprises, and local creative teams to create a mutually beneficial model for a sustainable local revitalization ecosystem. Volunteering has enhanced the employees' identification with the Company's ESG philosophy, creating positive engagement for our staff and our partners.

In April of 2021, the company committed to reaching “net zero carbon emissions for its full portfolio by 2045”; moreover, the headquarters building on Dunhua North Road and the KGI Securities Dazhi building introduced green energy in December of 2022. Green energy is expected to account for 12% of the Group's total energy usage, which is equivalent to a 10% annual reduction of carbon emissions from operations.

In 2023, we expect interest rates to remain high, which will affect the economy and trade of many countries impacting global trade. In terms of domestic demand, international travel should drive private consumption. Investment is restricted by the pressure for manufacturers to reduce inventory, and some companies will be more cautious when investing. It is projected that economic growth in Taiwan will slower in 2023 compared to the previous two years.

Finally, 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. CDF will continue to enhance risk control mechanism to mitigate operational risks and focus on core strategies to maintain long-term stable business development. We remain committed to the implementation of our ABCDE strategy as we embrace innovation and talent to deliver sustainable financial solutions to our clients, shareholders, and to the community.

Chairman:

Chief Executive Officer:

Chief Accounting Officer:

Appendix 2

Independent Auditors' Report

The Board of Directors and Shareholders

China Development Financial Holding Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the guidelines issued by the authority and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Corporation and its subsidiaries 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 are as follows:

Estimated Impairment of Discounts and Loans

The management assesses impairment of discounts and loans according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans ("the Procedures") issued by the FSC of the ROC and IFRS 9, respectively, and then recognizes the higher estimated amount as a reserve for asset impairment. Under the Procedures, impairment is based on the length of time overdue and the status of the collaterals; and, under IFRS 9, impairment is assessed by considering the probability of default and loss given default estimated based on historical experience, present market situation and forward-looking information. The estimation of impairment requires the use of critical judgments and estimates and impairment has significant impact on the financial statements; therefore, the impairment of discounts and loans is deemed to be a key audit matter for the year ended December 31, 2022.

Refer to Notes 4, 5 and 53 for the significant accounting policies, critical judgment, estimation uncertainty and related disclosure of the impairment of discounts and loans.

Our key audit procedures performed in respect of the above matter included the following:

We understood the accounting policies and internal controls related to the recognition of impairment. We verified that the impairment assessment procedures including the classification of the credit assets, the length of time overdue and the status of the collaterals complied with the Procedures. We evaluated that the methodology, assumptions and parameters adopted in the impairment model conform to IFRS 9 and had appropriately reflected the actual situation of the discounts and loans. We selected samples of discounts and loans and evaluated the reasonableness of recognized impairment.

Assessment of Insurance Liabilities and Liability Adequacy Reserve

As stated in Note 5, management uses actuarial models and several material assumptions when assessing the insurance liabilities and liability adequacy reserve. The assumptions were based on the principles embodied in the relevant laws and regulations, which cover the unique risk exposure, product characteristics and experiences from target markets of China Life Insurance Co., Ltd. (China Life Insurance). The assessment of liability adequacy reserve is in compliance with the relevant norms promulgated by The Actuarial Institute of the Republic of China. When China Life Insurance assesses the liability adequacy reserve, the estimated present value of future cash flows of insurance contracts is based on a reasonable estimate of future insurance payments, premium income and related expenses. Since any change in the actuarial model and material assumptions will have a significant influence on insurance liabilities and liability adequacy reserve, we consider them as key audit matters for the year ended December 31, 2022.

Refer to Notes 4, 5 and 52 for the relevant accounting policy, critical accounting judgments, and estimation uncertainty, and disclosures of assessment of insurance liabilities and liability adequacy reserve.

We understood and assessed China Life Insurance's internal controls related to insurance liabilities and liability adequacy reserve. We requested and our internal actuarial specialists assisted us in performing our audit procedures regarding insurance liability including the evaluation of the rationale of relevant assumptions and actuarial models adopted by management. As for the liability adequacy reserve, we assessed the reasonableness of the underlying assumptions and outcomes.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the guidelines issued by the authority and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 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 the 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 the 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 auditors' 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 judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. 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 for the year ended December 31, 2022 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.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2023

Appendix 3

2022 financial statements

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Assets	Amount	Liabilities and Equity	Amount
Cash and cash equivalents	\$ 132,489,379	Liabilities	
Due from the central bank and call loans to financial institutions	54,451,552	Deposits from the Central Bank and financial institutions	\$ 11,972,428
Financial assets at fair value through profit or loss	466,530,498	Financial liabilities at fair value through profit or loss	82,361,141
Financial assets at fair value through other comprehensive income	215,165,592	Financial liabilities for hedging	581,359
Debt investments measured at amortized cost	1,678,606,935	Notes and bonds issued under repurchase agreements	101,183,895
Financial assets for hedging	2,511,620	Commercial paper payable, net	24,778,477
Securities purchased under resell agreements	31,770,532	Payables	90,722,635
Receivables, net	111,420,657	Current tax liabilities	548,915
Current tax assets	148,379	Deposits and remittances	529,644,019
Discounts and loans, net	427,835,924	Bonds payable	91,643,007
Reinsurance assets, net	1,016,200	Other borrowings	23,675,664
Investments accounted for using the equity method, net	20,100,667	Provisions	2,094,580,716
Other financial assets	166,905,284	Other financial liabilities	205,120,359
Investment property, net	58,626,748	Lease liabilities	4,603,517
Property and equipment, net	33,670,962	Deferred tax liabilities	13,904,031
Right-of-use assets, net	12,623,300	Other liabilities	53,042,811
Intangible assets, net	18,342,534	Total liabilities	3,328,362,974
Deferred tax assets	18,068,348	Equity attributable to owners of the parent	
Other assets, net	86,863,239	Capital	
		Common stock	168,453,886
		Preferred stock	15,821,424
		Capital surplus	33,626,805
		Retained earnings	
		Legal reserve	13,703,864
		Special reserve	410,006
		Unappropriated earnings	50,476,328
		Other equity	(73,829,040)
		Total equity attributable to owners of the parent	208,663,273
		Non-controlling interests	122,103
		Total equity	208,785,376
TOTAL	\$ 3,537,148,350	TOTAL	\$ 3,537,148,350

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

Item	Amount
INTEREST REVENUE	\$ 80,244,713
INTEREST EXPENSE	(9,386,699)
INTEREST PROFIT, NET	70,858,014
NONINTEREST PROFITS AND GAINS, NET	
Service fee and commission, net	(517,188)
Net income from insurance operations	(6,284,631)
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss, net	(127,915,536)
Realized gain (loss) on financial assets measured at fair value through other comprehensive income	2,369,243
Gain (loss) on disposal of financial assets measured at amortized cost	341,584
Foreign exchange gain (loss), net	90,094,660
Impairment loss on assets, net	(1,890,463)
Share of the profit (loss) of associates and joint ventures	(165,708)
Gain (loss) on reclassification using the overlay approach	65,253,132
Gain on disposal of property	35,862
Other miscellaneous net income (loss)	3,676,434
Total noninterest profits and gains, net	24,997,389
TOTAL NET REVENUE	95,855,403
REVERSAL FOR BAD DEBTS AND LOSSES ON COMMITMENTS AND GUARANTEES, NET	146,568
NET CHANGE IN RESERVE FOR INSURANCE LIABILITIES	(44,989,888)
OPERATING EXPENSES	
Employee benefits	(16,340,602)
Depreciation and amortization	(4,069,381)
Other general and administrative expenses	(8,661,235)
Total operating expenses	(29,071,218)
NET PROFIT BEFORE INCOME TAX	21,940,865
INCOME TAX EXPENSE	(5,551,678)
NET PROFIT FOR THE YEAR	16,389,187
OTHER COMPREHENSIVE INCOME (LOSS)	
Items that will not be reclassified subsequently to profit or loss, net of income tax	
Remeasurement of defined benefit plans	547,846
Share of the other comprehensive income (loss) of associates and joint ventures	(958,909)
Gain (loss) on equity instruments measured at fair value through other comprehensive income	(10,656,072)
Income tax relating to the items that will not be reclassified subsequently to profit or loss	461,805
Items that will be reclassified subsequently to profit or loss, net of income tax	
Exchange differences on translation of financial statements of foreign operations	3,397,017
Share of the other comprehensive income (loss) of associates and joint ventures	617,418
Income tax relating to items that may be reclassified subsequently to profit or loss	3,215,828
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(15,434,825)
Other comprehensive income (loss) on reclassification using the overlay approach	(65,253,132)
Other comprehensive income (loss) for the year, net of income tax	(84,063,024)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ (67,673,837)
NET PROFIT ATTRIBUTABLE TO:	
Owners of parent	\$ 16,365,629
Non-controlling interests	23,558
	\$ 16,389,187
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:	
Owners of parent	\$ (67,700,361)
Non-controlling interests	26,524
	\$ (67,673,837)
EARNINGS PER SHARE	
Basic	<u>\$0.98</u>
Diluted	<u>\$0.98</u>

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars,
Except Per Share Amount)

	Equity Attributable to Owners of the Parent															Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
	Capital				Retained Earnings				Other Equity									
	Common Stock	Preferred Stock	Advance Receipts for Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Other Comprehensive Income Reclassified Using the Overlay Approach	Equity on Hedging Instruments	Others	Treasury Shares					
BALANCE AT JANUARY 1, 2022	\$ 171,896,598	\$ 18,930,436	\$ 31,175	\$ 36,147,480	\$ 10,035,815	\$ 298,120	\$ 52,021,923	\$ (5,126,549)	\$ 13,669,003	\$ 5,406,323	\$ -	\$ (1,458,485)	\$ (9,071,501)	\$ 292,780,338	\$ 330,414	\$ 293,110,752		
Appropriation of the 2021 earnings																		
Legal reserve	-	-	-	-	3,668,049	-	(3,668,049)	-	-	-	-	-	-	-	-	-		
Special reserve	-	-	-	-	-	123,680	(123,680)	-	-	-	-	-	-	-	-	-		
Cash dividends - common shares	-	-	-	-	-	-	(16,848,554)	-	-	-	-	-	-	(16,848,554)	-	(16,848,554)		
Cash dividends - preferred shares	-	-	-	-	-	-	(3,077)	-	-	-	-	-	-	(3,077)	-	(3,077)		
	-	-	-	-	3,668,049	123,680	(20,643,360)	-	-	-	-	-	-	(16,851,631)	-	(16,851,631)		
Reversal of special reserve	-	-	-	-	-	(11,794)	11,794	-	-	-	-	-	-	-	-	-		
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	54,623	-	-	-	-	-	-	-	-	-	54,623	-	54,623		
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	16,365,629	-	-	-	-	-	-	16,365,629	23,558	16,389,187		
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	418,390	4,009,738	(25,048,211)	(63,449,208)	3,301	-	-	(84,065,990)	2,966	(84,063,024)		
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	16,784,019	4,009,738	(25,048,211)	(63,449,208)	3,301	-	-	(67,700,361)	26,524	(67,673,837)		
Retirement of treasury share	(3,407,137)	(3,109,012)	-	(2,555,352)	-	-	-	-	-	-	-	-	9,071,501	-	-	-		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	4,978	-	-	-	-	1,132	-	-	-	-	6,110	(214,497)	(208,387)		
Share-based payments	(35,575)	-	(31,175)	(24,924)	-	-	1,855	-	-	-	-	514,747	-	424,928	-	424,928		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,338)	(20,338)		
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	2,350,831	-	(2,350,831)	-	-	-	-	-	-	-		
Net changes in special reserve of subsidiaries	-	-	-	-	-	-	(50,734)	-	-	-	-	-	-	(50,734)	-	(50,734)		
BALANCE AT DECEMBER 31, 2022	\$ 168,453,886	\$ 15,821,424	\$ -	\$ 33,626,805	\$ 13,703,864	\$ 410,006	\$ 50,476,328	\$ (1,116,811)	\$ (13,728,907)	\$ (58,042,885)	\$ 3,301	\$ (943,738)	\$ -	\$ 208,663,273	\$ 122,103	\$ 208,785,376		

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount
CASH FLOWS FROM OPERATING ACTIVITIES	
Net profit before income tax	\$ 21,940,865
Adjustments for reconciliation with net profit	
Depreciation expenses	2,624,415
Amortization expenses	1,447,524
Allowance for bad debts and losses on commitments and guarantees, net	(146,568)
Loss (gain) on financial assets and liabilities measured at fair value through profit or loss, net	141,412,636
Interest expense	9,424,129
Interest revenue	(80,244,713)
Dividend income	(15,251,805)
Net changes in insurance liabilities	93,770,868
Net changes in reserve for changes in foreign exchange valuation	7,535,803
Share-based payments	423,072
Share of loss (profit) of associates and joint ventures	155,519
Loss (gain) on reclassification using the overlay approach	(65,253,132)
Gain on disposal of property and equipment	(35,097)
Gain on disposal of investments	(920,508)
Impairment loss on financial assets	1,864,385
Unrealized gain on foreign currency exchange	(120,632,312)
Others	(316,818)
Changes in operating assets and liabilities	
Due from the Central Bank and call loans to financial institutions	(3,061,543)
Financial assets at fair value through profit or loss	5,584,725
Financial assets at fair value through other comprehensive income	29,695,422
Debt investments measured at amortized cost	(45,875,258)
Securities purchased under resell agreements	(459,489)
Receivables	22,961,066
Discounts and loans	(20,205,512)
Other financial assets	(7,261,081)
Other assets	14,917,736
Deposits from the Central Bank and financial institutions	(8,851,118)
Financial liabilities at fair value through profit or loss	(30,945,428)
Notes and bonds issued under repurchase agreements	(700,915)
Payables	(14,916,650)
Deposits and remittances	46,141,562
Other financial liabilities	29,029,482
Other liabilities	(26,179,225)
Cash used in operations	(12,327,963)
Interest received	70,175,615
Dividends received	15,351,414
Interest paid	(7,267,371)
Income tax paid	(5,765,448)
Net cash generated from operating activities	60,166,247
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of financial assets at fair value through other comprehensive income	(18,264,712)
Proceeds from sale of financial assets at fair value through other comprehensive income	98,275,756
Acquisition of financial assets measured at amortized cost	(197,099,410)
Proceeds from sale of financial assets measured at amortized cost	55,354,373
Principal from financial assets measured at amortized cost	10,987,090
Acquisition of financial assets at fair value through profit or loss	(1,880,809)
Acquisition of investments accounted for using equity method	(632,832)
Acquisition of property and equipment	(1,730,261)
Proceeds from sale of property and equipment	183,188
Acquisition of investment property	(23,668,779)
Proceeds from disposal of investment properties	669,848
Others	1,004,084
Net cash used in investing activities	(76,802,464)
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in short-term borrowings	(221,740)
Decrease in funds from the central bank and financial institutions	(129,490)
Increase in commercial paper payable	3,564,237
Repayments of corporate bonds	(310,000)
Proceeds from long-term borrowings	1,699,998
Repayments of long-term borrowings	(360,117)
Repayments of the principal portion of lease liabilities	(879,663)
Cash dividends paid	(16,851,631)

Acquisition of ownership interests in subsidiaries	\$ (208,387)
Net Changes in non-controlling interests	(20,338)
Others	413
Net cash used in financing activities	(13,716,718)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	450,474
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,902,461)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	230,064,311
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 200,161,850
Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheet as of December 31, 2022:	
Cash and cash equivalents in consolidated balance sheet	\$ 132,489,379
Due from the Central Bank and call loans to banks which qualify as cash and cash equivalents as defined in IAS 7	36,416,453
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	31,256,018
Cash and cash equivalents in consolidated statement of cash flows	\$ 200,161,850

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION

BALANCE SHEET
DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Assets	Amount	Liabilities and Equity	Amount
Cash and cash equivalents	\$ 4,081,769	Liabilities	
Receivables, net	249,151	Commercial paper payable, net	\$ 7,899,888
Current tax assets	3,791,497	Payables	1,802,426
Investments accounted for using the equity method, net	266,062,665	Current tax liabilities	2,867,858
Other financial assets	300	Bonds payable	48,000,000
Right-of-use assets, net	862,301	Other borrowings	5,299,852
Property and equipment, net	285,578	Provisions	74
Other assets, net	113,945	Lease liabilities	912,855
		Other liabilities	980
		Total liabilities	66,783,933
		Equity	
		Capital	
		Common stock	168,453,886
		Preferred stock	15,821,424
		Capital surplus	33,626,805
		Retained earnings	
		Legal reserve	13,703,864
		Special reserve	410,006
		Unappropriated earnings	50,476,328
		Other equity	(73,829,040)
		Total equity	208,663,273
TOTAL	\$ 275,447,206	TOTAL	\$ 275,447,206

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars,
Except Earnings Per Share)

Item	Amount
REVENUES	
Share of profit of subsidiaries, associates and joint ventures	\$ 19,810,740
Others	245,906
Total revenues	20,056,646
EXPENSES AND LOSSES	
Operating expenses	(1,922,503)
Others	(670,708)
Total expenses and losses	(2,593,211)
NET PROFIT BEFORE INCOME TAX	17,463,435
INCOME TAX EXPENSES	(1,097,806)
NET PROFIT FOR THE YEAR	16,365,629
OTHER COMPREHENSIVE INCOME (LOSS)	
Items that will not be reclassified subsequently to profit or loss, net of income tax	
Remeasurement of defined benefit plans	36,292
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(11,105,054)
Income tax relating to the items that will not be reclassified subsequently to profit or loss	461,863
Items that will be reclassified subsequently to profit or loss, net of income tax	
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(76,674,920)
Income tax relating to the items that may be reclassified subsequently to profit or loss	3,215,829
Other comprehensive income (loss) for the year, net of income tax	(84,065,990)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ (67,700,361)
BASIC EARNINGS PER SHARE	<u>\$0.98</u>
DILUTED EARNINGS PER SHARE	<u>\$0.98</u>

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars,
Except Per Share Amount)

	Capital				Retained Earnings			Other Equity						
	Common Stock	Preferred Stock	Advance Receipts for Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Other Comprehensive Income Reclassified Using the Overlay Approach	Equity on Hedging Instruments	Others	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 171,896,598	\$ 18,930,436	\$ 31,175	\$ 36,147,480	\$ 10,035,815	\$ 298,120	\$ 52,021,923	\$ (5,126,549)	\$ 13,669,003	\$ 5,406,323	\$ -	\$ (1,458,485)	\$ (9,071,501)	\$ 292,780,338
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	-	3,668,049	-	(3,668,049)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	123,680	(123,680)	-	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	-	(16,848,554)	-	-	-	-	-	-	(16,848,554)
Cash dividends - preferred shares	-	-	-	-	-	-	(3,077)	-	-	-	-	-	-	(3,077)
	-	-	-	-	3,668,049	123,680	(20,643,360)	-	-	-	-	-	-	(16,851,631)
Reversal of special reserve	-	-	-	-	-	(11,794)	11,794	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	54,623	-	-	-	-	-	-	-	-	-	54,623
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	16,365,629	-	-	-	-	-	-	16,365,629
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	418,390	4,009,738	(25,048,211)	(63,449,208)	3,301	-	-	(84,065,990)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	16,784,019	4,009,738	(25,048,211)	(63,449,208)	3,301	-	-	(67,700,361)
Retirement of treasury share	(3,407,137)	(3,109,012)		(2,555,352)	-	-	-	-	-	-	-	-	9,071,501	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	4,978	-	-	-	-	1,132	-	-	-	-	6,110
Share-based payments	(35,575)	-	(31,175)	(24,924)	-	-	1,855	-	-	-	-	514,747	-	424,928
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	2,350,831	-	(2,350,831)	-	-	-	-	-
Net changes in special reserve of subsidiaries	-	-	-	-	-	-	(50,734)	-	-	-	-	-	-	(50,734)
BALANCE AT DECEMBER 31, 2022	\$ 168,453,886	\$ 15,821,424	\$ -	\$ 33,626,805	\$ 13,703,864	\$ 410,006	\$ 50,476,328	\$ (1,116,811)	\$ (13,728,907)	\$ (58,042,885)	\$ 3,301	\$ (943,738)	\$ -	\$ 208,663,273

CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount
CASH FLOWS FROM OPERATING ACTIVITIES	
Net profit before income tax	\$ 17,463,435
Adjustments for:	
Depreciation and amortization expenses	120,265
Interest expense	635,141
Interest income	(44,355)
Share-based payment compensation cost	85,489
Share of profit of subsidiaries, associates and joint ventures	(19,560,510)
Changes in operating assets and liabilities	
Receivables	1,573,564
Other assets	(393)
Payables	(487,440)
Other Liabilities	5,105
Interest paid	(638,826)
Interest received	42,568
Dividend received	22,543,359
Income tax paid	(1,192,952)
Net cash generated from operating activities	20,544,450
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from capital return on investments accounted for using the equity method	4,897,759
Legal reserve be distributable as dividend shares by cash on investments accounted for using the equity method	735,698
Acquisition of property and equipment	(101,793)
Others	(42,716)
Net cash generated from investing activities	5,488,948
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in commercial paper payable	(7,899,171)
Increase in other borrowings	1,399,998
Cash dividend paid	(16,851,631)
Others	(81,619)
Net cash used in financing activities	(23,432,423)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,600,975
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,480,794
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 4,081,769

Agenda 2: Audit Committee's 2022 review report

Explanation:

1. The Audit Committee's 2022 review report is attached hereto as Appendix 4.
2. The details of discussions amongst the Audit Committee, the chief internal auditor and CPAs made available on the Company's website (<https://www.cdfholding.com/zh-tw/esg/governance>).

China Development Financial Holding Corporation

Audit Committee's Review Report

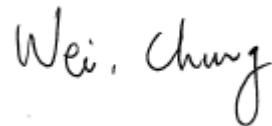
The Board of Directors has prepared this Company's 2022 business report, financial statements and the earnings distribution plan, among which the financial statements have been audited by CPAs Yi-Chun Wu and Jr-Shian Ke of Deloitte who have submitted an audited report. The above statements and reports have been examined by the Audit Committee and no irregularities were found. We hereby report as above, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2023 Annual General Shareholders Meeting of this company

Audit Committee

Convener Wei Chung

A handwritten signature in black ink, appearing to read "Wei, Chung", written in a cursive style.

Date: May 5, 2023

Agenda 3: Amendment to the Company's "Code of Ethical Conduct"

Explanation:

1. The report is processed in accordance with Article 15 of "Code of Ethical Conduct".
2. Pursuant to Article 7-1 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", adding that when a director discovers the Company is in danger of sustaining material loss or damage, the director should immediately notify the audit committee or independent directors or supervisors and report to the board of directors, and also supervise the Company to report to the competent authority. (Article 13)
3. The Code have been approved at the 18th meeting of the 8th term Board of Directors, implemented from the date of announcement.
4. The comparison table of the articles before and after the amendment to the "Code of Ethical Conduct", and the consolidated draft "Code of Ethical Conduct" are attached hereto as Appendix 5 and Appendix 6, respectively.

Appendix 5

**Comparison Table of the Articles Before and After
Amendment to the “Code of Ethical Conduct”**

Amendment	Current	Explanation
<p>Article 13</p> <p>When a director discovers that the Company is in danger of sustaining material loss or damage, the director should immediately notify the audit committee <u>or independent directors</u> or supervisors, and report to the board of directors, <u>and also supervise the Company to report to the competent authority.</u></p>	<p>Article 13</p> <p>When a director discovers that the company is in danger of sustaining material loss or damage, the director should promptly take appropriate actions and immediately notify the audit committee or supervisors, and report to the board of directors.</p>	<p>Pursuant to Article 7-1 of “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries”, adding that when a director discovers the Company is in danger of sustaining material loss or damage, the director should immediately notify the audit committee or independent directors or supervisors and report to the board of directors, and also supervise the Company to report to the competent authority.</p>

Appendix 6

Codes of Ethical Conduct of China Development Financial Holding Corporation

Competent Authority: Secretariat, Board of Directors
Date of Drafting: November 23, 2015
Date of Issuance: March 27, 2023

Article 1 The Codes of Ethical Conduct (the “Codes”) are established to provide guidance for directors (including independent directors, hereinafter the same), supervisors, and management of the Company and its subsidiaries, to act in line with ethical standards, as well to help interested parties further understand the ethical standards adopted by the Company and its subsidiaries.

Article 2 The terms “directors”, “supervisors”, and “managerial officers” as used in the Codes refer to directors, supervisors, and managerial officers of the Company and its subsidiaries.

The term “subsidiaries” as used in the Codes refer to entities defined under Article 2 of the Supervisory Principles of Subsidiaries of the Company.

Article 3 The terms “managerial officers” as used in the Codes refer to the president and his equivalents, the executive vice president and his equivalents, the senior vice president and his equivalents, vice president and his equivalents, department heads and any other persons who are authorized to manage affairs and sign documents in the name of the Company and its subsidiaries.

Article 4 Directors, supervisors, and managerial officers shall perform their duties in an objective and efficient manner, and shall not take advantage of their positions in the Company or its subsidiaries to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship.

When an enterprise at which any of the persons of the preceding paragraph works and acts as responsible persons, or singly or jointly holds more than fifty percent of its shares, involves dealings of loans of funds, provisions of guarantees, or major asset transactions with the Company or its subsidiaries, the directors, supervisors, and managerial officers shall voluntarily explain whether there is any potential conflict of interests between them and the Company or any of its subsidiaries.

Article 5 When the Company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company, and to prevent the following engagements:

- (1) Seeking an opportunity to pursue personal gain by using the Company’s or any of its subsidiaries’ property or information or taking advantage of their positions.

- (2) Obtaining personal gain by using the Company's or any of its subsidiaries' property or information or taking advantage of their positions.
- (3) Competing against the Company or any of its subsidiaries, without the release of prohibition from participation in competitive business in accordance with laws and regulations.

Article 6 The directors, supervisors, and managerial officers shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or any of its subsidiaries or its clients, except when authorized or required by law to disclose such information

Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the clients.

Article 7 Directors, supervisors, and managerial officers shall treat all clients, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 8 All directors, supervisors, and managerial officers have the responsibility to safeguard the Company's and any of its subsidiaries' assets and to ensure that they can be effectively and lawfully used for official business purposes.

Article 9 Directors, supervisors, and managerial officers shall abide by the Financial Holding Company Act, the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 10 The Company and its subsidiaries shall raise awareness of ethics internally and encourage employees to report to an independent director, supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the Codes.

To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system that allows anonymous reporting, and make employees aware that the Company and its subsidiaries will use their best efforts to ensure the safety of whistle-blowers and protect them from reprisals.

Article 11 When a director, supervisor, or managerial officer violates the Codes, the appropriate department shall immediately report to its internal audit department for review and investigation. After verification, appropriate disciplinary action against the violator shall be enforced according to relevant bylaws of the Company or its subsidiaries. If the violation concerns with government laws and regulations, it shall be handled pursuant to applicable laws and regulations.

The Company shall disclose without delay, on the Market Observation Post System ("MOPS") the date of the violation by the violator, reasons for the violation, the provisions of the Codes violated, and the disciplinary actions taken.

A person who has been punished for violating the Codes may file an appeal through appropriate procedures

- Article 12 If a director, supervisor, or managerial officer requires an exemption from compliance with the Codes, it shall be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, so that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the Codes, and to safeguard the interests of the Company and its subsidiaries by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.
- Article 13 When a director discovers that the Company is in danger of sustaining material loss or damage, the director should immediately notify the audit committee or independent directors or supervisors, and report to the board of directors, and also supervise the Company to report to the competent authority.
- Article 14 The Company and its subsidiaries shall disclose the Codes it has adopted, and any amendments hereto, on the Company website, in its annual reports and prospectuses and on the MOPS.
- Article 15 The Codes, and any amendments hereto, shall be adopted by a resolution of the Board of Directors and take effect from the date of issuance, and shall further be submitted to a general shareholders meeting.

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

Explanation:

1. The report is processed in accordance with Article 25 of CDFH “Ethical Corporate Management Best Practice Principles”.
2. The Principle used to be formulated with reference to TWSE "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct". It is proposed to move some articles of the Principle to the newly formulated CDFH “Procedures for Ethical Management and Guidelines for Conduct”, and also modify relevant regulations to be in line with current practice.
3. The key points of the amendment are summarized as follows:
 - (1) In order to cope with the spirit of corporate governance and the independence of subsidiaries, each subsidiary shall formulate its own regulations related to ethical management. (Revised article 1)
 - (2) The prevention programs for unethical conduct involve the planning of the programs and the risks to be reduced, and the effect may be revealed after realizing the actual situation. Therefore, it is not appropriate to periodically review the program uniformly, so the paragraph 4 is amended. When follow up by reviewing the appropriateness and effectiveness of the prevention programs, the review period and measures of each program will be discussed respectively. (Revised article 6)
 - (3) Add the provisions by stipulating the prohibition of bribery. (Revised article 8)
 - (4) Add the provisions by stipulating the prohibition of unreasonable presents, hospitality or other improper benefits. (Revised article 11)
 - (5) Delete the provisions related to the responsibilities of the Ethical Corporate Management Committee since they have been stipulated in the Committee Charter. (Revised article 16)
 - (6) Add the provisions by stipulating the evaluations of ethical management. (Revised article 24)
 - (7) Delete some articles as they are moved to the newly formulated

“Procedures for Ethical Management and Guidelines for Conduct”.
(Deleted current article 8-10, Paragraph 2 of article 15)

4. According to the amendment to paragraph 2 of article 1 of the Principle, each subsidiary shall formulate its own ethical management regulations. The effective date of the amendment is set as July 1, 2023, so that the subsidiaries can complete the formulation before the Principle becomes effective.
5. The proposal has been approved by the BOD held on April 24 2023.
6. The comparison table of the articles before and after the amendment to the “Ethical Corporate Management Best Practice Principles”, and the consolidated draft “Ethical Corporate Management Best Practice Principles” are attached hereto as Appendix 7 and Appendix 8, respectively.

Appendix 7

**Comparison Table of the Articles Before and After
Amendment to “Ethical Corporate Management Best Practice Principles”**

Amendment	Current	Explanation
<p>Article 1 In order to foster a corporate culture of ethical management and sound development, CDFH <u>formulated</u> the “Ethical Corporate Management Best Practice Principles” (hereinafter referred to as these “Principles”) based on Taiwan Stock Exchange Corporation’s “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.</p> <p><u>The subsidiaries of CDFH can refer to these Principles and formulate their own codes of conducting ethical management.</u></p>	<p>Article 1 In order to foster a corporate culture of ethical management and sound development, CDFH adopted the “Ethical Corporate Management Best Practice Principles” (hereinafter referred to as these “Principles”) based on Taiwan Stock Exchange Corporation’s “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and “Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct.”</p> <p>These Principles are applicable to CDFH’s subsidiaries, any foundation with direct or indirect contribution of funds by CDFH exceeding 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by CDFH.</p>	<p>1. This amendment is to move some articles originally formulated with reference to TWSE “Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct” to a newly formulated “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter referred to as “Procedures”), so the referred decree mentioned in the 1st paragraph is deleted.</p> <p>2. In order to cope with the spirit of corporate governance and the independence of subsidiaries, the amendment adds the 2nd paragraph that each subsidiary shall formulate its own regulations related to ethical management.</p>
<p>Article 2 The CDFH “personnel” referred to in these Principles are directors, managers and employees of CDFH.</p> <p>“Benefits” referred to in these Principles are money, endowments, commissions, positions, services, preferential treatment, rebates, bribes or other valuable things of any</p>	<p>Article 2 The CDFH “personnel” referred to in these Principles are (independent) directors, supervisors, managers and employees of CDFH.</p> <p>“Benefits” referred to in these Principles are money, endowments, commissions, positions, services, preferential treatment, rebates,</p>	<p>As the independent directors are also directors, it is not necessary to be addressed specifically; in addition, there are no supervisors in CDFH, so the related decree is deleted.</p>

type or in any name. Benefits received or given in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.	bribes or other valuable things of any type or in any name. Benefits received or given in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.	
<p>Article 3 When engaging in commercial activities, CDFH personnel shall not directly or indirectly offer, accept, promise to offer or request any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (<u>hereinafter referred to as “unethical conduct”</u>).</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees, substantial controllers or other stakeholders.</p>	<p>Article 3 When engaging in commercial activities, CDFH personnel shall not directly or indirectly offer, accept, promise to offer or request any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty.</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	Add the abbreviation for “unethical conduct”.
Article 4 CDFH shall comply with the Financial Holding Company Act, Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	Article 4 CDFH shall comply with the Financial Holding Company Act, Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	unmodified
Article 5 CDFH shall abide by the operational philosophies of honesty, transparency and responsibility and establish good corporate governance	Article 5 CDFH shall abide by the operational philosophies of honesty, transparency and responsibility and establish good	unmodified

and risk control and management mechanism so as to create an operational environment for sustainable development.	corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	
<p>Article 6 CDFH shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>CDFH's board of directors and management shall commit to a rigorous and thorough implementation of ethical corporate management policies and shall carry out the policies in internal management and in commercial activities.</p> <p>CDFH shall <u>properly preserve</u> the ethical management statement, commitment and implementation, <u>etc.</u> mentioned in the first paragraph.</p> <p>CDFH shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p><u>Prevention programs shall</u> include preventive measures against the following:</p>	<p>Article 6 CDFH shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>CDFH's board of directors and management shall commit to a rigorous and thorough implementation of ethical corporate management policies and shall carry out the policies in internal management and in commercial activities.</p> <p>CDFH shall compile documented information on the ethical management statement, commitment and implementation mentioned in the first paragraph and retain said information properly.</p> <p>CDFH shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</p> <p>These Principles shall clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "prevention programs") and include preventive measures against the following :</p>	<p>1. The prevention programs for unethical conduct involve the planning of the programs and the risks to be reduced, and the effect may be revealed after realizing the actual situation. Therefore, it is not appropriate to periodically review the program uniformly, so the paragraph 4 is amended. When follow up by reviewing the appropriateness and effectiveness of the prevention programs, the review period and measures of each program will be discussed respectively.</p> <p>2. Modify the wording of paragraph 3 and 5 as appropriate.</p>

<ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Disclosing or inquiry of company secrets and using them to engage in insider trading. 7. Engaging in unfair competition. 8. Damaging the rights or interests of stakeholders. 	<ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Disclosing or inquiry of company secrets and using them to engage in insider trading. 7. Engaging in unfair competition. 8. Damaging the rights or interests of stakeholders. 	
<p>Article 7 CDFH shall engage in commercial activities in a fair and transparent manner based on the principles of ethical management</p> <p>Prior to any commercial transactions, CDFH shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them have a record of unethical conduct, and shall avoid any dealings with persons with a record.</p> <p>When entering into contracts, CDFH shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, CDFH may at any time terminate or rescind the contracts.</p>	<p>Article 7 CDFH shall engage in commercial activities in a fair and transparent manner based on the principles of ethical management.</p> <p>Prior to any commercial transactions, CDFH shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them have a record of unethical conduct, and shall avoid any dealings with persons with a record.</p> <p>When entering into contracts, CDFH shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, CDFH may at any time terminate or rescind the contracts.</p>	unmodified
	<p>Article 8 Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly,</p>	Move the article to article 4 of Procedures.

	<p>any benefits, the conduct of the given personnel of CDFH shall comply with the provisions of these Principles and relevant procedures shall have been carried out :-</p> <ol style="list-style-type: none"> 1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination. 2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships. 3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance. 4. Attendance at folk festivals that are open to and invite the attendance of the general public. 5. Other conduct that complies with the rules of CDFH. 	
Article 8 CDFH personnel may not <u>directly or indirectly providing, promising, demanding, or accepting any form of improper benefits to/from customers, agents, contractors, suppliers, civil servant, or other stakeholders in the course of conducting business.</u>		Add the provisions by stipulating the prohibition of offering and accepting bribery, with reference to article 10 of the TWSE "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
	Article 9 Except under any of the circumstances set forth in the	Move this article to article 5 of Procedures.

	<p>preceding article, when any personnel of CDFH are provided with or are promised, either directly or indirectly, any benefits by a third party, the matter shall be handled in accordance with the following procedures :—</p> <ol style="list-style-type: none"> 1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of CDFH's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the Compliance department shall be notified if necessary. 2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of CDFH's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the Compliance department. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the Compliance department for handling. <p>"A relationship of interest between the party providing or offering the benefit and the official duties of CDFH's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances :—</p> <ol style="list-style-type: none"> 1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses. 2. When a contracting, trading, or other contractual relationship is 	
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	<p>being sought, is in progress, or has been established.</p> <p>3. Other circumstances in which a decision regarding CDFH's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.</p> <p>The Compliance department of CDFH shall make a proposal, based on the nature and value of the benefit, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the President.</p>	
	<p>Article 10 CDFH shall neither provide nor promise any facilitating payment.</p> <p>If any personnel of CDFH provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the Compliance department.</p> <p>Upon receipt of the report under the preceding paragraph, the Compliance department shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Compliance department shall also immediately notify the Legal department to report to the relevant judicial agency.</p>	Move this article to article 6 of Procedures.
Article 9 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, CDFH shall comply with the Political Donations Act and	Article 14 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, CDFH shall comply with the Political Donations Act and	Modify the article number.

relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	
Article 10 When making or offering donations and sponsorship, CDFH personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Article 12 When making or offering donations and sponsorship, CDFH personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Modify the article number.
Article 11 CDFH personnel may not <u>directly or indirectly offering nor acceptance of unreasonable presents or hospitality, or other improper benefits to establish business relationships or influence commercial transactional behavior.</u>		Add the provisions stipulating the prohibition of providing or accepting unreasonable presents, hospitality or other improper benefits with reference to article 13 of TWSE "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
Article 12 CDFH personnel shall observe applicable laws and regulations, CDFH's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Article 13 CDFH personnel shall observe applicable laws and regulations, CDFH's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Modify the article number.
Article 13 CDFH personnel may not disclose to any other party any trade secrets of CDFH and may not be allowed to inquire or collect CDFH's trade secrets that are not related to the official duties of the personnel.	Article 14 CDFH personnel may not disclose to any other party any trade secrets of CDFH and may not be allowed to inquire or collect CDFH's trade secrets that are not related to the official duties of the personnel.	Modify the article number.
Article 14 CDFH personnel shall adhere to the provisions of the Securities and Exchange Act, and	Article 15 CDFH personnel shall adhere to the provisions of the Securities and Exchange Act, and	Move paragraph 2 to article 11 of Procedures.

<p>may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</p>	<p>may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</p> <p>Any organization or person outside of CDFH that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by CDFH shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of CDFH acquired as a result, and that they may not use such information without the prior consent of CDFH.</p>	
<p><u>Article 15</u> CDFH shall engage in business activities in accordance with applicable competition laws and regulations and international standards, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce, and so forth.</p> <p>CDFH shall set up a designated page for interested parties on CDFH website in order to prevent damage to the rights or interests of interested parties.</p>	<p>Article 16 CDFH shall engage in business activities in accordance with applicable competition laws and regulations and international standards, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce, and so forth.</p> <p>CDFH shall set up a designated page for interested parties on CDFH website in order to prevent damage to the rights or interests of interested parties.</p>	<p>Modify the article number.</p>
<p><u>Article 16</u> CDFH personnel shall exercise the due care of good administrators to urge CDFH to prevent unethical conduct, always review the results of the preventive</p>	<p>Article 17— The directors, managers, employees, mandataries, and substantial controllers of CDFH shall exercise the due care of good administrators to urge CDFH to</p>	<p>1. Delete the provisions related to the responsibilities of the Ethical Corporate Management</p>

<p>measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, CDFH established an Ethical Corporate Management Committee responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, <u>and</u> report to the board of directors on a regular basis.</p>	<p>prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.</p> <p>To achieve sound ethical corporate management, CDFH established an Ethical Corporate Management Committee responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Committee is in charge of the following matters, and shall report to the board of directors on a regular basis.</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into CDFH's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting preventative programs and setting out in each program the standard operating procedures and conduct guidelines with respect to the operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check and balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics 	<p>Committee since they have been stipulated in the Committee Charter.</p> <ol style="list-style-type: none"> 2. Modify the wordings as appropriate.
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	<p>policy.</p> <p>5. Developing a whistleblowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>	
<p><u>Article 17</u> When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other <u>persons</u> attending or present at board meetings of CDFH, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of CDFH, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director</p>	<p>Article 18—When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of CDFH, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of CDFH, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p> <p>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the</p>	<p>Modify the article number and wordings as appropriate.</p>

<p>shall be deemed to have a personal interest in the matter.</p> <p>CDFH personnel shall not take advantage of their positions or influence in CDFH to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>preceding paragraph, such director shall be deemed to have a personal interest in the matter.</p> <p>CDFH personnel shall not take advantage of their positions or influence in CDFH to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
<p><u>Article 18</u> CDFH's accounting systems and internal control systems shall comply with the establishment and implementation of the principles of ethical management, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit department of CDFH shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit department may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p>The results of examination in the preceding paragraph shall be reported to senior management and the Ethical Corporate Management Committee and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>Article 19 CDFH's accounting systems and internal control systems shall comply with the establishment and implementation of the principles of ethical management, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.</p> <p>The internal audit department of CDFH shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit department may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p>The results of examination in the preceding paragraph shall be reported to senior management and the Ethical Corporate Management Committee and put down in writing in the form of an audit report to be submitted to the board of directors.</p>	<p>Modify the article number.</p>
<p><u>Article 19</u> CDFH shall <u>regularly</u> organize training or awareness programs <u>to promote the importance of ethic to personnel</u>. Each responsible business unit shall promote awareness to CDFH's</p>	<p>Article 20 CDFH shall organize training and awareness programs, and each responsible business unit shall promote awareness to CDFH's commercial transaction counterparties so that they</p>	<p>Modify the article number and wordings as appropriate.</p>

commercial transaction counterparties so that they understand CDFH's resolve to implement ethical corporate management and the consequences of committing unethical conduct.	understand CDFH's resolve to implement ethical corporate management and the consequences of committing unethical conduct.	
<p><u>Article 20</u> CDFH shall establish a whistleblowing system pursuant to Article 34-2 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the Compliance department will act as the handling unit for the whistleblowing cases on illegal and unethical or dishonest conduct.</p> <p>If CDFH personnel discover violations of the provisions of ethical corporate management, he or she shall report to the appropriate supervisor or according to the whistleblowing system mentioned in the preceding paragraph. The identity of the whistleblower and the content of the reported cases shall be protected and actively investigated.</p> <p>When material misconduct or likelihood of material impairment to the CDFH comes to awareness upon investigation, the whistleblowing case shall be immediately made into a report and the independent directors notified in written form.</p> <p>Violators of the provisions of ethical corporate management will be disciplined pursuant to relevant CDFH regulations. Serious violations shall lead to dismissal of the personnel from his or her position or termination of his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of CDFH. CDFH will disclose on its intranet information the actions</p>	<p>Article 21 CDFH shall establish a whistleblowing system pursuant to Article 34-2 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the Compliance department will act as the handling unit for the whistleblowing cases on illegal and unethical or dishonest conduct.</p> <p>If CDFH personnel discover violations of the provisions of ethical corporate management, he or she shall report to the appropriate supervisor or according to the whistleblowing system mentioned in the preceding paragraph. The identity of the whistleblower and the content of the reported cases shall be protected and actively investigated.</p> <p>When material misconduct or likelihood of material impairment to the CDFH comes to awareness upon investigation, the whistleblowing case shall be immediately made into a report and the independent directors notified in written form.</p> <p>Violators of the provisions of ethical corporate management will be disciplined pursuant to relevant CDFH regulations. Serious violations shall lead to dismissal of the personnel from his or her position or termination of his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of CDFH. CDFH will</p>	Modify the article number.

taken in response and other relevant information.	disclose on its intranet information the actions taken in response and other relevant information.	
<u>Article 21</u> CDFH shall disclose the measures taken for implementing ethical corporate management and the status of implementation on CDFH's website, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.	<u>Article 22</u> CDFH shall disclose the measures taken for implementing ethical corporate management and the status of implementation on CDFH's website, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.	Modify the article number.
<u>Article 22</u> CDFH shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage CDFH employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	<u>Article 23</u> CDFH shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	Modify the article number and wordings as appropriate.
<u>Article 23</u> When CDFH submits these Principles to the board of directors for discussion, the board of directors shall take into full consideration of each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	<u>Article 24</u> When CDFH submits these Principles to the board of directors for discussion, the board of directors shall take into full consideration of each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	Modify the article number.

Article 24 <u>CDFH should integrate ethical management with employee performance evaluations and human resources policies, and establish clear and effective reward and punishment mechanisms.</u>		Add the provisions stipulating the evaluations of ethical management, with reference to article 12 of TWSE “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.
Article 25 These Principles shall be enforced from the date of publication after the approval of the Ethical Corporate Management Committee and Board of Directors, followed by reporting to the Audit Committee and the Shareholders Meeting. The same applies to any amendment thereto.	Article 25 These Principles shall be enforced from the date of publication after the approval of the Ethical Corporate Management Committee and Board of Directors, followed by reporting to the Audit Committee and the Shareholders Meeting. The same applies to any amendment thereto.	As stipulated in paragraph 2 of Article 1, each subsidiary needs to formulate its own ethical management regulations. The effective date of this amendment is set as July 1, 2023, so that the subsidiaries can complete the formulation before the Principle becomes effective.

Appendix 8

“Ethical Corporate Management Best Practice Principles”

Competent Authority: Compliance Department

Date of Drafting: November 23, 2015

Date of Issuance: July 1, 2023

Article 1 In order to foster a corporate culture of ethical management and sound development, CDFH formulated the “Ethical Corporate Management Best Practice Principles” (hereinafter referred to as these “Principles”) based on Taiwan Stock Exchange Corporation’s “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.

The subsidiaries of CDFH can refer to these Principles and formulate their own codes of conducting ethical management.

Article 2 The CDFH “personnel” referred to in these Principles are directors, managers and employees of CDFH.

“Benefits” referred to in these Principles are money, endowments, commissions, positions, services, preferential treatment, rebates, bribes or other valuable things of any type or in any name. Benefits received or given in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 3 When engaging in commercial activities, CDFH personnel shall not directly or indirectly offer, accept, promise to offer or request any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as “unethical conduct”).

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees, substantial controllers or other stakeholders.

Article 4 CDFH shall comply with the Financial Holding Company Act, Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 CDFH shall abide by the operational philosophies of honesty, transparency and responsibility and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 CDFH shall request their directors and senior management to issue a statement

of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

CDFH's board of directors and management shall commit to a rigorous and thorough implementation of ethical corporate management policies and shall carry out the policies in internal management and in commercial activities.

CDFH shall properly preserve the ethical management statement, commitment and implementation, etc. mentioned in the first paragraph.

CDFH shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

Prevention programs shall include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Disclosing or inquiry of company secrets and using them to engage in insider trading.
7. Engaging in unfair competition.
8. Damaging the rights or interests of stakeholders.

Article 7 CDFH shall engage in commercial activities in a fair and transparent manner based on the principles of ethical management.

Prior to any commercial transactions, CDFH shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them have a record of unethical conduct, and shall avoid any dealings with persons with a record.

When entering into contracts, CDFH shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, CDFH may at any time terminate or rescind the contracts.

Article 8 CDFH personnel may not directly or indirectly providing, promising, demanding, or accepting any form of improper benefits to/from customers, agents, contractors, suppliers, civil servant, or other stakeholders in the course of conducting business.

Article 9 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, CDFH shall comply with the Political Donations Act and relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 10 When making or offering donations and sponsorship, CDFH personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 11 CDFH personnel may not directly or indirectly offering nor acceptance of unreasonable presents or hospitality, or other improper benefits to establish business relationships or influence commercial transactional behavior.

Article 12 CDFH personnel shall observe applicable laws and regulations, CDFH's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 13 CDFH personnel may not disclose to any other party any trade secrets of CDFH and may not be allowed to inquire or collect CDFH's trade secrets that are not related to the official duties of the personnel.

Article 14 CDFH personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Article 15 CDFH shall engage in business activities in accordance with applicable competition laws and regulations and international standards, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce, and so forth.

CDFH shall set up a designated page for interested parties on CDFH website in order to prevent damage to the rights or interests of interested parties.

Article 16 CDFH personnel shall exercise the due care of good administrators to urge CDFH to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, CDFH established an Ethical Corporate Management Committee responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and report to the board of directors on a regular basis.

Article 17 When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other persons attending or present at board meetings of CDFH, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest

of CDFH, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

CDFH personnel shall not take advantage of their positions or influence in CDFH to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 18 CDFH's accounting systems and internal control systems shall comply with the establishment and implementation of the principles of ethical management, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit department of CDFH shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit department may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the Ethical Corporate Management Committee and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 19 CDFH shall regularly organize training or awareness programs to promote the importance of ethic to personnel. Each responsible business unit shall promote awareness to CDFH's commercial transaction counterparties so that they understand CDFH's resolve to implement ethical corporate management and the consequences of committing unethical conduct.

Article 20 CDFH shall establish a whistleblowing system pursuant to Article 34-2 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the Compliance department will act as the handling unit for the whistleblowing cases on illegal and unethical or dishonest conduct.

If CDFH personnel discover violations of the provisions of ethical corporate management, he or she shall report to the appropriate supervisor or according to the whistleblowing system mentioned in the preceding paragraph. The identity of the whistleblower and the content of the reported cases shall be protected and actively investigated.

When material misconduct or likelihood of material impairment to the CDFH comes to awareness upon investigation, the whistleblowing case shall be immediately made into a report and the independent directors notified in written form.

Violators of the provisions of ethical corporate management will be disciplined

pursuant to relevant CDFH regulations. Serious violations shall lead to dismissal of the personnel from his or her position or termination of his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of CDFH. CDFH will disclose on its intranet information the actions taken in response and other relevant information.

Article 21 CDFH shall disclose the measures taken for implementing ethical corporate management and the status of implementation on CDFH's website, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 22 CDFH shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage CDFH employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 23 When CDFH submits these Principles to the board of directors for discussion, the board of directors shall take into full consideration of each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 24 CDFH should integrate ethical management with employee performance evaluations and human resources policies, and establish clear and effective reward and punishment mechanisms.

Article 25 These Principles shall be enforced from the date of publication after the approval of the Ethical Corporate Management Committee and Board of Directors, followed by reporting to the Audit Committee and the Shareholders Meeting. The same applies to any amendment thereto.

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

Explanation:

1. According to Article 33 of the Company's "Articles of Incorporation", it is proposed to set aside employees' compensation and directors' remuneration at the rates no less than 1% and no higher than 1%, respectively, of pretax profit before deducting employees' compensation and directors' remuneration. However, if the Company still has accumulated losses from previous years, it shall first set aside reserve to offset such losses. The Company's 2022 pretax profit before deducting employees' compensation and directors' remuneration is NT\$17,820,435,023. As a result, it is proposed to issue NT\$179,000,000 and NT\$178,000,000 in cash, respectively, as employees' compensation and directors' remuneration.
2. This proposal has been approved by the 11st meeting of the 5th term Compensation Committee held on March 27, 2023 and the 18th meeting of the 8th term Board of Directors held on March 27, 2023.

Agenda 6: Director Remuneration Policy

Explanation:

1. Pursuant to Article 59 of “Corporate Governance Best-Practice Principles of Financial Holding Companies” by the Bankers Association and Article 63-1 of “Corporate Governance Best-Practice Principles of CDF,” the Company should report the director remuneration policy at the annual shareholders’ meeting.
2. The director remuneration policy is summarized as follows:
 - (1) In compliance with the Company’s “Articles of Incorporation”, the Company shall set aside no more than 1% of its profit for directors’ remuneration. The percentage and total amount shall be submitted to the Compensation Committee and the Board for approval and be distributed upon report at the annual shareholders’ meeting. The directors shall be rated with allocated weight points based on their duties, individual participation and contribution to the Company’s operations, in addition to consideration of whether there is a violation of statutory obligations or laws. The independent directors of the Company are compensated on a fixed-rate basis and therefore do not participate in the annual distribution of directors’ remuneration as provided in the Articles of Incorporation.
 - (2) The directors of the Company receive fixed monthly allowance and additional allowance per month if they serve as members of the functional committees. However, if a director of the Company is a managerial officer of the Company or a subsidiary, he shall not receive the fixed monthly compensation nor the additional allowance as a functional committee member.
 - (3) The directors also receive attendance fees for attending the BOD and functional committee meetings in person per meeting. However, if a director of the Company is a managerial officer of the Company or a subsidiary, he shall not receive the attendance fee when attending functional committee meetings.
 - (4) Directors who serve as managerial officers of the Company or a subsidiary shall be paid employee remuneration by each respective company in accordance with its regulations. The payment methods include long-term rewards, such as restricted stock units (RSU), which will be paid upon certain performance conditions. The value of RSU and

the Company's future stock price are correlated; that is, they shall jointly bear the future business risks with the Company.

3. The matrix table of directors' remuneration, please refer to 2022 Annual Report 3.3.1 Remuneration of Directors.
4. This report have been submitted for review at the 19th meeting of the 8th term Board of Directors and 12th meeting of the 5th term Compensation Committee convened on April 24, 2023.

B. Matters for Recognition

Agenda 1: 2022 business report and financial statements

Explanation:

The Company's 2022 business report, independent auditors' report and financial statements are attached hereto as Appendices 1 to 3.

Agenda 2: 2022 earnings distribution plan

Explanation:

1. The Company's net income for fiscal year 2022 was NT\$16,365,628,512. With the beginning undistributed earnings of NT\$31,378,563,051, reversal of special reserve for adopting International Financial Reporting Standards of NT\$11,793,645, arising from defined benefit plans of NT\$418,390,364, adjustments for share-based payment of NT\$1,855,143, and disposal gains of investments in equity instruments measured at fair value through other comprehensive income of NT\$2,350,830,638, and deducting disposal losses of participating policies measured as equity instruments at fair value through other comprehensive income and transferred into special reserve of NT\$50,733,379, in addition to appropriating 10% as the legal reserve in the amount of NT\$1,909,776,492. With a provision made for special reserve of NT\$48,566,551,482 appropriated in accordance with Article 41 of the "Securities and Exchange Act", the Company's distributable earnings for fiscal year 2022 are NT\$0.
2. The 2022 earnings distribution plan is attached hereto as Appendix 9.

Resolution:

Appendix 9

China Development Financial Holding Corporation

2022 Earnings Distribution Plan

Unit : NT\$

Items	Amount
Unappropriated earnings at beginning	31,378,563,051
Add: Reversal of special reserve for adopting International Financial Reporting Standards	11,793,645
Add: Actuarial gains arising from defined benefit plans	418,390,364
Add: Adjustment for share-based payment	1,855,143
Add: Disposal gains of investments in equity instruments measured at fair value through other comprehensive income	2,350,830,638
Less: Disposal losses of participating policies measured as equity instruments at fair value through other comprehensive income and transferred into special reserve	(50,733,379)
Add: Net income	16,365,628,512
Less: Legal reserve	(1,909,776,492)
Less: Special reserve	(48,566,551,482)
Earnings available for distribution	0

Chairman

Chief Executive Officer

Chief Accounting Officer

C. Matters for Discussion

Proposal 1: Amendment to the “Articles of Incorporation”

Explanation:

1. The amendment is in accordance with the “Company Act” and “Securities and Exchange Act” and in reference to the industry practice.
2. The key points of the amendment are summarized as follows:
 - (1) Pursuant to Paragraph 3 of Article 208 of the “Company Act”, some wordings are modified accordingly. (Article 14-1)
 - (2) Pursuant to Article 14-3 of the “Securities and Exchange Act”, some new duties of the Board are added and the wordings are modified, and the subparagraph numbers are adjusted. (Amended Article 22)
 - (3) Article 25 is deleted because it was the transitional clause for the supervisor system changed to the independent director system. The functions and powers of the audit committee are now in line with the provisions of the Securities and Exchange Act and relevant regulations (Removed Article 25).
 - (4) In reference to the industry practice, some wordings are modified accordingly. (Amended Article 33-1)
 - (5) The date and times of amendment are added. (Article 35)
3. The proposal has been approved by the 13th meeting of the 5th term Audit Committee and the 20th meeting of the 8th term Board of Directors convened on May 5, 2023.
4. The comparison table of the articles before and after the amendment to the “Articles of Incorporation”, and the consolidated draft “Articles of Incorporation” are attached hereto as Appendix 10 and Appendix 11, respectively.

Appendix 10

Comparison Table of the Articles before and after Amendment to the “Articles of Incorporation”

Amendment	Current	Explanation
<p>Article 14-1</p> <p>The Chairman shall chair the shareholders meeting. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf, <u>or where there is no managing directors, one of the directors to act on his behalf.</u> In the absence of such designation, the managing directors <u>or the directors</u> shall elect one from among themselves to act on behalf of the Chairman. Shareholders meetings shall be handled in accordance with “Rules of Procedure for Shareholders Meetings” of the Company.</p>	<p>Article 14-1</p> <p>The Chairman shall chair the shareholders meeting. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf. In the absence of such designation, the managing directors shall elect one from among themselves to act on behalf of the Chairman. Shareholders meetings shall be handled in accordance with “Rules of Procedure for Shareholders Meetings” of the Company.</p>	<p>Pursuant to Paragraph 3 of Article 208 of the “Company Act”, some wordings are modified accordingly.</p>
<p>Section 5 Directors and Board of Directors</p>	<p>Section 5 Board of Directors and Audit Committee</p>	<p>The title is renamed because the section includes directors, independent directors, Board of Directors and functional committees.</p>
<p>Article 22</p> <p>Duties of the Board of Directors are as follows:</p> <ol style="list-style-type: none"> 1. To review and approve the business guideline and plans of the Company; 2. To review and approve budget and final accounting of revenue and expenditure. 3. To review and approve the organization rules of the 	<p>Article 22</p> <p>Duties of the Board of Directors are as follows:</p> <ol style="list-style-type: none"> 1. To review and approve the business guideline and plans of the Company; 2. To review and approve budget and final accounting of revenue and expenditure. 3. To review and approve the organization rules of the 	<p>Pursuant to Article 14-3 of the “Securities and Exchange Act”, some new duties of the Board are added and the wordings are modified and the subparagraph numbers are</p>

<p>Company;</p> <p>4. To review and approve important internal rules of the Company;</p> <p>5. To consider the proposal regarding the increase or decrease of the Company's capital and the issuance of shares;</p> <p>6. To consider earnings distribution plans;</p> <p>7. To review and adopt the proposal regarding the issuance of corporate bonds;</p> <p>8. To review and adopt the proposal regarding treasury stock buyback;</p> <p><u>9. To appoint and discharge an attesting CPA, or the compensation given thereto;</u></p> <p><u>10. To appoint and discharge a financial, accounting, internal auditing officer and managers;</u></p> <p><u>11. To review and approve the disposal or acquisition of material assets;</u></p> <p><u>12. To determine the date for convening annual general and extraordinary shareholders' meetings;</u></p> <p><u>13. To appoint directors and supervisors of subsidiaries; and</u></p> <p><u>14. To perform other duties prescribed by the laws and regulations or conferred by the shareholders meetings</u></p>	<p>Company;</p> <p>4. To review and approve important internal rules of the Company;</p> <p>5. To consider the proposal regarding the increase or decrease of the Company's capital and the issuance of shares;</p> <p>6. To consider earnings distribution plans;</p> <p>7. To review and adopt the proposal regarding the issuance of corporate bonds;</p> <p>8. To review and adopt the proposal regarding treasury stock buyback;</p> <p>9. To appoint and discharge managers (including internal chief auditor);</p> <p>10. To review and approve the disposal or acquisition of material assets;</p> <p>11. To determine the date for convening annual general and extraordinary shareholders' meetings;</p> <p>12. To appoint directors and supervisors of subsidiaries; and</p> <p>13. To perform other duties prescribed by the laws and regulations or conferred by the shareholders meetings</p>	<p>adjusted accordingly.</p>
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<p>Article 24</p> <p>The Company shall set up an Audit Committee, composed of all the independent directors. The number of persons in the Audit Committee shall not be less than three. One shall be the convener, and at least one shall have accounting or financial expertise. The exercise of authority and other requirements regarding Audit Committee shall be determined and handled in accordance with the relevant laws and regulations and the Company's internal rules.</p>	<p>Article 24</p> <p>According to Article 14-4 of the "Securities and Exchange Act", the Company shall set up an Audit Committee, composed of all the independent directors. The number of persons in the Audit Committee shall not be less than three. One shall be the convener, and at least one shall have accounting or financial expertise. The exercise of authority and other requirements regarding Audit Committee shall be determined and handled in accordance with the relevant laws and regulations and the Company's internal rules.</p>	<p>Superfluous words are deleted and paragraph 1 and paragraph 2 are combined to the one.</p>
<p>Article 25 (Deleted)</p>	<p>Article 25— Upon the establishment of Audit Committee, Supervisors' function shall be replaced by Audit Committee pursuant relevant laws and regulations.</p>	<p>Original Article 25 is deleted because it was the transitional clause for the supervisory system changed to the independent director system. The functions and powers of the audit committee are now in line with the Securities and Exchange Act and relevant regulations.</p>

<p>Article 33-1</p> <p>Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Company adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.</p> <p>Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period <u>can</u> be used as the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining <u>can be</u> subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the Board of Directors and resolved in the annual general shareholders meeting.</p>	<p>Article 33-1</p> <p>Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Company adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.</p> <p>Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period shall be used as the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining is subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the Board of Directors and resolved in the annual general shareholders meeting.</p>	<p>In reference to the industry practice, some wordings are modified accordingly.</p>
<p>Article 35</p> <p>These Articles of Incorporation were adopted on June 20, 2001.</p> <p>The First amendment was made on June 26, 2002.</p> <p>The Second amendment was made on June 27, 2003.</p> <p>The Third amendment was made on April 5, 2004.</p> <p>The Fourth amendment was made on June 10, 2005.</p> <p>The Fifth amendment was made on June 30, 2006.</p> <p>The Sixth amendment was made on June 15, 2007; Article 7,</p>	<p>Article 35</p> <p>These Articles of Incorporation were adopted on June 20, 2001.</p> <p>The First amendment was made on June 26, 2002.</p> <p>The Second amendment was made on June 27, 2003.</p> <p>The Third amendment was made on April 5, 2004.</p> <p>The Fourth amendment was made on June 10, 2005.</p> <p>The Fifth amendment was made on June 30, 2006.</p> <p>The Sixth amendment was made on June 15, 2007; Article 7,</p>	<p>The date and times of this amendment are added.</p>

<p>paragraph 3 was effective on January 1, 2008.</p> <p>The Seventh amendment was made on June 13, 2008.</p> <p>The Eighth amendment was made on June 19, 2009.</p> <p>The Ninth amendment was made on June 18, 2010.</p> <p>The Tenth amendment was made on June 24, 2011.</p> <p>The Eleventh amendment was made on June 22, 2012.</p> <p>The Twelfth amendment was made on June 20, 2014.</p> <p>The Thirteenth amendment was made on May 16, 2016.</p> <p>The Fourteenth amendment was made on June 16, 2017.</p> <p>The Fifteenth amendment was made on June 14, 2019.</p> <p>The Sixteenth amendment was made on June 12, 2020.</p> <p>The Seventeenth amendment was made on October 1, 2021.</p> <p>The Eighteenth amendment was made on June 17, 2022.</p> <p><u>The Nineteenth amendment was made on 00, 2023.</u></p> <p>For matters not provided herein, the shareholders meeting shall resolve to amend this Articles of Incorporation.</p> <p>This Articles of Incorporation shall be implemented as from the date of promulgation after approval by the shareholders meeting, and the same procedures shall apply to amendments.</p>	<p>paragraph 3 was effective on January 1, 2008.</p> <p>The Seventh amendment was made on June 13, 2008.</p> <p>The Eighth amendment was made on June 19, 2009.</p> <p>The Ninth amendment was made on June 18, 2010.</p> <p>The Tenth amendment was made on June 24, 2011.</p> <p>The Eleventh amendment was made on June 22, 2012.</p> <p>The Twelfth amendment was made on June 20, 2014.</p> <p>The Thirteenth amendment was made on May 16, 2016.</p> <p>The Fourteenth amendment was made on June 16, 2017.</p> <p>The Fifteenth amendment was made on June 14, 2019.</p> <p>The Sixteenth amendment was made on June 12, 2020.</p> <p>The Seventeenth amendment was made on October 1, 2021.</p> <p>The Eighteenth amendment was made on June 17, 2022.</p> <p>For matters not provided herein, the shareholders meeting shall resolve to amend this Articles of Incorporation.</p> <p>This Articles of Incorporation shall be implemented as from the date of promulgation after approval by the shareholders meeting, and the same procedures shall apply to amendments.</p>	
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Consolidated Draft Articles of Incorporation

Section 1 General Principles

- Article 1 This Company is organized in accordance with the “Financial Holding Company Act” and the “Company Act” with the approval of the government for the purpose of enhancing economies of scale and operation synergies.
- Article 2 The Company bears the name of 中華開發金融控股股份有限公司 in Chinese, and China Development Financial Holding Corporation in English.
- Article 3 The headquarters of the Company is located in Taipei.
- Article 4 Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Section 2 Business

- Article 5 The Company is engaged in financial holding company business (Code H801011).
- Article 6 The scope of the Company’s business is as follows:
1. The Company may apply for the competent authority’s approval to invest in the following enterprises:
 - A. Financial holding companies;
 - B. Banking enterprises;
 - C. Bills finance enterprises;
 - D. Credit card businesses;
 - E. Trust enterprises;
 - F. Insurance enterprises;
 - G. Securities enterprises;
 - H. Futures enterprises;
 - I. Venture capital enterprises;
 - J. Foreign financial institutions which have been approved for investment by the competent authority; and
 - K. Other enterprises for which the competent authorities determine to be financial related business.
 2. Management of the above enterprises;
 3. The Company may apply for the competent authority’s approval to invest in other enterprises out of the scope of Article 6(1); however, the Company is not allowed to engage in managing such enterprise.
 4. Other businesses approved by the competent authority.

Article 6-1 The Company specializes in investment, and therefore, the Company's total investment amount may exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the "Company Act".

Article 6-2 Delegations of responsibilities among the Company and its subsidiaries will be stipulated in the Company's internal rules.

Section 3 Shares

Article 7 The authorized capital of the Company is NT\$250,000,000,000, which is divided into 25,000,000,000 shares, with a par value of NT\$10 per share, and may be issued in installments with the authorization of the Board of Directors, and a portion of these shares may be in the form of preferred shares.

Within the authorized capital stated above, NT\$5,000,000,000, divided into 500,000,000 shares with a par value of NT\$10 per share, may be issued in installments with the authorization of the Board of Directors and shall be reserved for issuance of warrants.

When the exercise price of employee stock warrants is lower than the closing price of the Company as of the issuance date, or the transferring price of treasury stocks to the employees is lower than the average buy-back price, the resolution should be adopted by a majority of the shareholders present who represent two-thirds or more of the total number of the outstanding shares.

Eligible recipients, assignees and purchasers of employee stock warrants issued by the Company, share buybacks, and new restricted employee stocks may include employees of parents or subsidiaries of the Company pursuant to certain requirements stipulated by the Board of Directors.

Article 7-1 The Company may issue new restricted employee stocks pursuant to Article 267 of the "Company Act".

The qualified employees of restricted employee stocks specified in the preceding paragraph may include the employees of subsidiaries of the Company as specified in the terms and conditions thereupon.

Article 7-2 The rights and obligations of the Company's preferred shares and other important issuance terms are as follows:

1. Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve, setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit shall be used as the basis for the distribution of dividends to preferred shareholders.
2. The dividend rate of preferred shares is capped at 8% per annum on the issue price. Dividends will be distributed in cash annually. Once the Company's audited financial reports have been acknowledged in an annual general shareholders meeting, the Board of Directors shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall

be calculated based on the actual number of days the preferred shares remain outstanding in that year.

3. The Company has sole discretion on the distribution of preferred share dividends. If, after annual audited accounts are prepared, there is no earnings or insufficient earnings for distributing preferred share dividends, or if such distribution will cause the Company's capital adequacy ratio to fall below the minimum requirement stipulated by the law or the competent authorities, or due to any other concern, the Company may resolve not to distribute the preferred share dividends, in which case preferred shareholders shall not raise any objection. If the preferred shares issued are specified as non-cumulative, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative or become payable in subsequent profitable years.
4. If the preferred shares are specified as non-participating, except for the dividends stipulated in the 2nd subparagraph of this paragraph, the preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard of the common shares derived from earnings or capital reserves.
5. The Company's remaining asset shall be first distributed to the preferred shareholders, among whom shall be distributed equally regardless of types of preferred shares, prior to common shareholders. Also the distribution amount is capped at the issue amount of preferred shares.
6. Preferred shareholders have no 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.
7. Convertible preferred shares issued by the Company shall not be converted within one year after the date of issuance. The Board of Directors is authorized to set the conversion period in the actual issuance terms. Convertible shareholders may, pursuant to the issuance terms, apply for conversion of their preferred shares, in whole or in part, to common shares pursuant to the conversion ratio (i.e. 1:1) set out in the issuance terms. After conversion, the converted shares shall have the same rights and obligations as common shares. Dividend distribution at the year of conversion shall be calculated based on the ratio between the actual issuance days and total days of the conversion year, provided, however, that when said shares are converted prior to the ex-dividend date of any given year, the shareholders may not be entitled to the preferred share dividend distribution of that year and the year afterwards, but such shareholders may be entitled to the distribution of profit and capital reserve to common shareholders.
8. If the Company issues perpetual preferred shares, such preferred shareholders have no right to request the Company to redeem such shares. In addition, the Company may set redemption date at a date no earlier than the day following the seventh anniversary of the issuance date. When redeeming the preferred shares, either in whole or in part, the Company shall redeem such preferred shares at the price the same as the issue price, and the rights and obligations of the preferred shares, which have not been redeemed yet, shall remain the same. If the Company resolves to issue dividends, the dividends to be received upon the redemption date shall be calculated according the actual issuance days of said year.

9. If the Company issues non-perpetual preferred shares, the issuance period shall not be shorter than seven years, and preferred shareholders have no right to request the Company to redeem such shares. Upon expiry date of the issuance period or from the day following the seventh anniversary of the issuance date, the Company may, pursuant to the issuance price and relevant issuance terms, redeem such shares in cash, or redeem such shares in other manners permissible by law. If at the time when the Company is unable to redeem all or a part of the preferred shares due to force majeure or otherwise, the rights and obligations of the outstanding preferred shares will remain unchanged until full redemption by the Company.

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

Article 8 The shares of the Company are in the form of registered shares, and shall be issued in accordance with the "Company Act" and other relevant laws and regulations. The shares issued by the Company may be exempt from printing share certificates. However, a centralized securities-depository enterprise shall be engaged to register the shares issued.

Article 9 Shareholders shall have their names or titles, residence addresses, seals or signature samples, and any amendments thereto recorded by the Company. Shareholders shall collect the dividends from the Company or exercise other rights in accordance with the "Regulations Governing Handling of Stock Affairs by Public Companies".

Article 10 Share transfer is suspended during sixty days immediately preceding to annual general shareholders meetings, thirty days immediately preceding to extraordinary shareholders meetings, five days period immediately preceding to the record day for distributing dividends or other interests determined by the Company.

Article 11 The share related matters shall be handled in accordance with the regulations prescribed by the competent authority.

Section 4 Shareholders meetings

Article 12 Shareholders meetings shall be one of two types:

1. Annual general shareholders meetings shall be convened by the Board of Directors once a year, within six months from the end of each fiscal year. Shareholders shall be notified thirty days prior to an annual general shareholders meeting.
2. Extraordinary shareholders meetings shall be convened by the Board of Directors when necessary, unless otherwise provided in the "Company Act". Shareholders shall be notified fifteen days prior to an extraordinary shareholders meeting.

Preferred shareholders meetings shall be convened when necessary in accordance with applicable laws and regulations.

Article 12-1 Shareholders meetings can be held by means of visual communication network or other methods promulgated by the competent authority.

Article 13 Unless otherwise provided by relevant laws and regulations or the Articles of Incorporation, resolutions at a shareholders meeting shall be adopted by a majority vote of the shareholders present who represent more than one-half of the shareholders. Each shareholder shall be entitled to one vote on each share of stock held by him or her.

Article 14 When a shareholder cannot attend the shareholders meeting, he or she may appoint a proxy to attend on his or her behalf through the execution of a power of attorney stating therein the scope of power authorized to the proxy. 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 or 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.

Article 14-1 The Chairman shall chair the shareholders meeting. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such designation, the managing directors or the directors shall elect one from among themselves to act on behalf of the Chairman. Shareholders meetings shall be handled in accordance with “Rules of Procedure for Shareholders Meetings” of the Company.

Article 15 A judicial shareholder may have more than one representative; however, the voting is calculated based on such shareholder’s shareholding. Two or more representatives of a judicial shareholder shall jointly cast their votes.

Section 5 Directors and Board of Directors

Article 16 The Company shall have 7 to 11 directors to constitute the Board of Directors elected by shareholders meetings.
The Company adopts a “candidate nomination system” for the election of its directors, and shareholders elect directors from among the nominees listed in the roster of director candidates.
The Company may purchase liability insurance for its directors to insure them against the liabilities due to carrying out their respective duties during the term of office.

Article 16-1 Among the Company’s directors, there shall be at least 3 independent directors, and the number of independent directors shall be no less than 1/5 of director seats. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.
The professional qualifications, restrictions on shareholding and concurrent post, determination of independence, nomination and election processes, exercise of

authority and other requirements regarding independent directors shall be determined and handled in accordance with the Securities and Exchange Law and related laws and regulations.

- Article 17 The total shareholding of all the directors of the Company may not be less than the percentage prescribed by the competent authority.
- Article 18 Directors each shall have a term of office of three years and may be re-elected. In case the tenure of directors is due and no new directors have been elected, the term of existing directors may be extended until the newly elected directors take their office.
- Article 19 The Company may have 3 to 5 managing directors, and the number of managing directors may not exceed a third of the total seats of directors. Managing directors shall be elected among and by the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman and Vice Chairman of the Board of Directors shall be elected among and by the managing directors in the same manner. No less than one-fifth of the managing directors shall also be independent directors. In the case that the Company has no managing directors, the Chairman and Vice Chairman of the Board of Directors shall be elected among and by the directors by a majority vote at a meeting attended by over two-thirds of the directors.
- Article 20 The Chairman shall chair the shareholders meetings, the board meetings, and meetings of the managing directors, and shall represent the Company. In case the Chairman is on leave or otherwise unable to perform his or her duties, the Vice Chairman shall act on his or her behalf. In case there is no Vice Chairman or the Vice Chairman is also on leave or unable to perform his or her duties, the Chairman shall appoint one managing director to act on his or her behalf. In case the Company has no managing directors, the Chairman shall appoint a director to act on his or her behalf. In the absence of such designation, the managing directors, or directors shall elect one from among themselves to act on behalf of the Chairman.
- Article 21 Except as otherwise provided by laws and regulations, the board meeting shall be convened by the Chairman. In case of emergency, the board meeting may be convened anytime by the Chairman by written, facsimile notice or electronic transmission notice. Except as otherwise provided by laws and regulations, the board resolutions shall be adopted by a majority vote of the directors present who represent more than one-half of the directors. When the board meeting is convened, the directors shall attend in person. Where a director cannot attend the meeting, he or she may appoint a proxy to attend on his or her behalf through the execution of a power of attorney stating therein the scope of power authorized to the proxy. A proxy may only represent one director. When the board meeting is convened through a video conference, directors who participate through the video conference are deemed as having attended in person.
- Article 22 Duties of the Board of Directors are as follows:
1. To review and approve the business guideline and plans of the Company;
 2. To review and approve budget and final accounting of revenue and expenditure.
 3. To review and approve the organization rules of the Company;

4. To review and approve important internal rules of the Company;
5. To consider the proposal regarding the increase or decrease of the Company's capital and the issuance of shares;
6. To consider earnings distribution plans;
7. To review and adopt the proposal regarding the issuance of corporate bonds;
8. To review and adopt the proposal regarding treasury stock buyback;
9. To appoint and discharge an attesting CPA, or the compensation given thereto;
10. To appoint and discharge a financial, accounting, internal auditing officer and managers;
11. To review and approve the disposal or acquisition of material assets;
12. To determine the date for convening annual general and extraordinary shareholders' meetings;
13. To appoint directors and supervisors of subsidiaries; and
14. To perform other duties prescribed by the laws and regulations or conferred by the shareholders meetings.

Article 23 During the adjournment of board meetings, the managing directors shall perform the duties and responsibilities of directors through meetings convened by the Chairman from time to time on the condition that the Company has managing directors. A resolution of the managing directors meeting shall be adopted by a majority of the managing directors who attend the meeting and represent more than the one-half of the managing directors.

Article 24 The Company shall set up an Audit Committee, composed of all the independent directors. The number of persons in the Audit Committee shall not be less than three. One shall be the convener, and at least one shall have accounting or financial expertise.
The exercise of authority and other requirements regarding Audit Committee shall be determined and handled in accordance with the relevant laws and regulations and the Company's internal rules.

Article 25 (Deleted)

Article 26 The Company may establish various functional committees pursuant to organization rules and internal rules approved by the Board of Directors according to relevant laws and regulations.

Article 27 Directors of the Company may act as directors or supervisors of its subsidiaries.

Article 28 Board of directors is authorized to determine the remuneration of directors in accordance with their involvement and contribution to the Company's operation by taking into account of the Company's performance and the market level.

Section 6 Managers

Article 29 The Company shall have one president. The president shall be nominated by the Chairman and appointed via a resolution adopted by majority of the directors. The

same procedure shall be applied to the discharge of the president. The president shall oversee the entire business of the Company in accordance with the resolutions adopted by the Board of Directors. If the president is unable to perform his or her duty due to leave or other reasons, the Chairman may appoint one of the Company's vice presidents to act on his or her behalf, or the Chairman may perform relevant duties temporarily upon the approval of the regulatory authorities.

Article 30 The Company could have one or more managers and the appointment and discharge of the managers should follow relevant laws and regulations as well as the Company's internal rules.

Article 31 Except for the duties of the shareholders meeting and Board of Directors pursuant to the laws and regulations and conferred by the Articles of Incorporation of the Company, the managers of the Company have the rights to represent the Company for all actions necessary for the business in accordance with his or her duties, and the scope of managers' authority is determined in accordance with the Company's internal rules.

Section 7 Final Accounts and Earnings Distribution

Article 32 The fiscal year of the Company shall begin on the 1st of January and end on the 31st of December. After the end of each fiscal year, the Board of Directors shall prepare the following reports and records, and present the same to the annual general shareholders meeting for recognition according to required procedures:

1. Business report;
2. Financial report; and
3. Proposal for earnings distribution or loss make-up.

Article 33 If making any profit for a fiscal year, the Company shall set aside no less than 1% of the profit for employees' compensation and no more than 1% of the profit for directors' remuneration. However, if the Company still has cumulative losses from previous years, it shall first set aside reserve to offset such losses.

The afore-mentioned profits mean pretax profits before deducting employees' compensation and directors' remuneration.

The Board of Directors is authorized to stipulate distribution rules for employees' compensation for eligible employees of the Company and subsidiaries.

The Board of Directors shall determine remuneration as stipulated in the first paragraph given to directors according to each director's contribution.

Article 33-1 Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Company adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.

Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period can be used as

the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining can be subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the Board of Directors and resolved in the annual general shareholders meeting.

Section 8 Supplementary Regulations

Article 34 For matters not provided herein, relevant provisions of the “Financial Holding Company Act”, the “Company Act”, the “Banking Act”, the “Securities and Exchange Act”, and other related laws and regulations shall govern.

Article 35 These Articles of Incorporation were adopted on June 20, 2001.
The First amendment was made on June 26, 2002.
The Second amendment was made on June 27, 2003.
The Third amendment was made on April 5, 2004.
The Fourth amendment was made on June 10, 2005.
The Fifth amendment was made on June 30, 2006.
The Sixth amendment was made on June 15, 2007; Article 7, paragraph 3 was effective on January 1, 2008.
The Seventh amendment was made on June 13, 2008.
The Eighth amendment was made on June 19, 2009.
The Ninth amendment was made on June 18, 2010.
The Tenth amendment was made on June 24, 2011.
The Eleventh amendment was made on June 22, 2012.
The Twelfth amendment was made on June 20, 2014.
The Thirteenth amendment was made on May 16, 2016.
The Fourteenth amendment was made on June 16, 2017.
The Fifteenth amendment was made on June 14, 2019.
The Sixteenth amendment was made on June 12, 2020.
The Seventeenth amendment was made on October 1, 2021.
The Eighteenth amendment was made on June 17, 2022.
The Nineteenth amendment was made on 〇〇, 2023.
For matters not provided herein, the shareholders meeting shall resolve to amend this Articles of Incorporation.
This Articles of Incorporation shall be implemented as from the date of promulgation after approval by the shareholders meeting, and the same procedures shall apply to amendments.

Proposal 2: Amendment to the Company's "Regulations for Election of Directors"

Explanation:

1. With reference to the "Sample Template for OO Co., Ltd. Procedures for Election of Directors" amended by the Taiwan Stock Exchange Corp. on June 3, 2020, as well as in line with practical operations, the Regulations are revised accordingly.
2. This proposal was approved by the 18th meeting of the 8th term Board of Directors on March 27, 2023. The comparison table of the articles before and after the amendment to the "Regulations for Election of Directors", and the consolidated draft of "Regulations for Election of Directors" are attached hereto as Appendix 12 and Appendix 13, respectively.

Appendix 12

**Comparison Table of the Articles before and after
Amendment to the “Regulations for Election of Directors”**

Amended Name	Current Name	Explanation
“Regulations for Election of Directors” <u>董事選舉規則</u>	“Regulations for Election of Directors” <u>董事選舉辦法</u>	In accordance with Article 10 of the company’s “Rules Governing Promulgation of Regulations”, the Chinese name of the Regulations is amended.
Amendment	Current	Explanation
<u>Article 1</u> <u>To ensure a just, fair, and open election of directors, the Regulations are adopted in accordance with the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” of the Taiwan Stock Exchange Corp. and Article 31 of the “Corporate Governance Best-Practice Principles” of the Company.</u>		1. New Article. 2. With reference to Article 1 of the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors”(hereinafter referred to as the “Sample Template”) amended by the Taiwan Stock Exchange Corp. on June 3, 2020, the purpose and basis of the Regulations are added.
<u>Article 2</u> <u>Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with the Regulations.</u>	<u>Article 4</u> The election of directors of the Company shall be handled in accordance with the provisions of these Regulations.	1. Changed the order of Article. 2. With reference to Article 2 of the “Sample Template”, the current Article 11 is merged into this Article.
<u>Article 3</u> <u>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the “Company Act”.</u>	<u>Article 2</u> The election of directors of the company adopts the nomination system of candidates. Shareholders shall appoint candidates from the list of candidates for directors. Unless otherwise stipulated in the articles of association of the company,	1. Changed the order of Article. 2. With reference to Article 4~6 of the “Sample Template”, to separately stipulate the candidate nomination system, the cumulative voting method, the qualifications and

	<p>each share has the same voting rights as the number of directors to be elected, and one person may be elected in a centralized manner, or assign the number of people to be elected.</p> <p>The independent directors and non-independent directors of the Company shall be elected together, and the number of elected candidates shall be calculated separately, and the votes obtained represent those with the most number of votes.</p> <p>The qualifications and election of the Company's independent directors shall be proceeded in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</p>	<p>election of independent directors, the latter part of paragraph 1, as well as paragraphs 2 and 3, are deleted accordingly.</p>
<p><u>Article 4</u> <u>The qualifications and election for the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</u></p>		<ol style="list-style-type: none"> 1. New Article. 2. With reference to Article 4 of the "Sample Template", to stipulate the qualifications and election of independent directors separately, paragraph 3 of current Article 2 is moved to this Article, and wording is amended.
<p><u>Article 5</u> <u>The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single</u></p>		<ol style="list-style-type: none"> 1. New Article. 2. With reference to Article 6 of the "Sample Template", to stipulate the cumulative voting method separately, the latter part of paragraph 1 of current Article 2 is moved to this Article,

<u>candidate or split among multiple candidates.</u>		and wording is amended.
<p><u>Article 6</u> The board of directors shall prepare <u>separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u></p>	<p><u>Article 3</u> The board of directors shall prepare ballots equal to the number of directors to be elected, fill in their weights, and distribute them to shareholders attending the shareholders' meeting.</p>	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. With reference to Article 7 of the “Sample Template”, to add the provision regarding the preparation of ballots and recording names, wording is amended.
<p><u>Article 7</u> The number of directors will be as specified in the Company's articles of incorporation and announcements, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>		<ol style="list-style-type: none"> 1. Changed the order of Article. 2. With reference to Article 8 of the “Sample Template”, to clearly state the method of election of directors of the Company, current Article 8 is moved to this Article, and wording is amended.

<p>Article 8 Before the election begins, the chair shall <u>appoint vote counters and</u> a number of <u>persons</u> with shareholder status to perform <u>the duties</u> of <u>vote monitoring personnel</u>. <u>The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</u></p>	<p>Article 4 Before the election begins, the chairman shall designate a number of tellers and scrutineers with shareholder status to perform various relevant duties.</p>	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. With reference to Article 9 of the “Sample Template”, current Article 5 is moved to paragraph 2 of this article, and wording is amended.
	<p>Article 5 For the election of directors, the board of directors shall set up ballot boxes, which shall be opened by the scrutineers before voting.</p>	<p>Current Article 5 is deleted and moved to amended paragraph 2 of Article 8.</p>
<p>Article 9 The <u>elector</u> shall fill in the name of the candidate <u>on</u> the candidate column <u>of</u> the ballot <u>according to the</u> <u>announced list of director candidates.</u></p>	<p>Article 6 In the event the candidate is a shareholder, the voter shall specifically filled in the account name and shareholder’s account number of the candidate in the candidate’s column on the ballot; in the event the candidate is a non-shareholder, the voter shall specifically filled in the name and ID document number/Government Publication Number (GPN) of the candidate. Provided that, the government or the corporate shareholders are the candidates, such names of the government or corporate shareholders shall be filled in the candidate’s column on the ballot, the names of such government or legal person and the names of its representatives may also be filled in. In the event the representatives are two or more than two</p>	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. The method of filling in directors’ ballot is revised to state that the elector only needs to fill in the name of the candidate, and wording is amended.

	persons, the names of the representatives shall be additionally filled separately.	
<p>Article 10</p> <p><u>A ballot is invalid under any of the following circumstances:</u></p> <ol style="list-style-type: none"> 1. The ballot <u>was not</u> prepared by <u>the Regulations</u>. 2. <u>A blank ballot is placed in</u> the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate <u>whose name is entered in the ballot does not conform to the director candidate list</u>. <p>5. <u>Other words or marks are entered in addition to the number of voting</u></p>	<p>Article 7</p> <p>Ballots are invalid if one of the following occurs:</p> <ol style="list-style-type: none"> 1. Person who does not use the ballot prepared by these regulations. 2. Person who puts a blank ballot into the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. In the event the candidate is a shareholder, which its account name and shareholder's account number do not conform with the shareholders' name book, or its account name is the same as the other shareholder and the shareholder's account number has not filled in to distinguish from the two. 5. In the event the candidate is a shareholder, which its account name and shareholder's account number do not conform with the shareholders' name book; and if the candidate is a non-shareholder, which its name and ID number/Government Publication Number do not conform with each other after verification. 6. In addition to the candidate's account name (title or name) or 	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. With reference to Article 10 of the "Sample Template", to revise specific circumstances in which ballots are invalid, wording is amended.

<p><u>rights allotted.</u></p> <p>6. Two or more than two candidates are filled on the same ballot.</p>	<p>shareholders account number (ID number/Government Publication Number (GPN)) and the number of votes allocated, other words or marks are entered.</p> <p>7. The account name (name) or shareholder account number (uniform number) of the electee is not filled in.</p> <p>8. Two or more than two candidates are filled on the same ballot.</p>	
	<p>Article 8</p> <p>The directors of the company shall be elected by the shareholders meeting with the ability to act, and in accordance with the number of persons specified in the articles of association of the company, the votes obtained represent those with more voting rights, and they shall be elected as directors in sequence. If two or more people have the same number of weights and the quota is exceeded, the winners will draw lots to decide, and those who do not attend will be drawn by the chairperson.</p> <p>If a director elected in accordance with the preceding paragraph has been checked and confirmed that his personal information does not meet the requirements of relevant laws and regulations, the vacancy shall be handled in accordance with relevant laws and regulations.</p>	<p>Current Article 8 is deleted and moved to amended Article 7.</p>

<p><u>Article 11</u> The voting rights shall be calculated on site immediately after the end of the poll, <u>and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</u> 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.</p>	<p>Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and announcing the list of persons elected as directors on the spot, shall be by the chairman.</p>	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. With reference to Article 11 of the “Sample Template”, the way of announcing voting results is revised. To regulate the storage of ballots, paragraph 2 is added.
<p><u>Article 12</u> The board of directors of <u>the Company</u> shall issue notifications to the persons elected as directors.</p>	<p>Article 10 The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>	<p>Changed the order of Article.</p>
	<p>Article 11 Matters not stipulated in these Measures shall be handled in accordance with the provisions of the Company Law, the Articles of Association of the Company and relevant laws and regulations.</p>	<p>Current Article 11 is deleted and merged into amended article 2.</p>
<p><u>Article 13</u> The <u>Regulations</u>, and any amendments hereto, shall be <u>approved by a shareholders meeting and implemented from the date of publication.</u></p>	<p><u>Article 12</u> These Matters, and any amendments hereto, shall be implemented after adoption by shareholders meetings.</p>	<ol style="list-style-type: none"> 1. Changed the order of Article. 2. Amend the implementation date to the date of publication.

Consolidated Draft Regulations for Election of Directors

- Article 1** To ensure a just, fair, and open election of directors, the Regulations are adopted in accordance with the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" of the Taiwan Stock Exchange Corp. and Article 31 of the "Corporate Governance Best-Practice Principles" of the Company.
- Article 2** Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with the Regulations.
- Article 3** Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the "Company Act".
- Article 4** The qualifications and election for the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- Article 5** The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 6** The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 7** The number of directors will be as specified in the Company's articles of incorporation and announcements, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 8** Before the election begins, the chair shall appoint vote counters and a number of persons with shareholder status to perform the duties of vote monitoring personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

- Article 9** The elector shall fill in the name of the candidate on the candidate column of the ballot according to the announced list of director candidates.
- Article 10** A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the Regulations.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
 6. Two or more than two candidates are filled on the same ballot.
- Article 11** The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- 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 12** The board of directors of the Company shall issue notifications to the persons elected as directors.
- Article 13** The Regulations, and any amendments hereto, shall be approved by a shareholders meeting and implement from the date of publication.

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

Explanation:

1. To fund working capital, enhance financial structure, repay debt, further support business growth, and facilitate long-term strategic development, we hereby propose to submit for resolution at the Shareholders' Meeting to authorize the Board of Directors to raise long-term funding at an appropriate timing in consideration of market conditions and future capital requirements and in accordance with the Company's Articles of Incorporation and relevant regulations. Fundraising may be done through one or a combination of the following measures: capital increase by offering common shares and/or preferred shares in Taiwan for cash consideration, issuance of common shares and/or preferred shares to sponsor the issuance of overseas depositary receipts, and issuance of common shares or preferred shares for cash through private placement.
2. In principle, the total number of shares authorized for issuance or private placement shall not exceed 2,500,000,000 shares.
3. It is proposed that the Shareholders' Meeting authorize the Board of Directors with full power to decide, adjust, and implement matters related to this capital raising plan, including underwriting methods, actual issue or private placement price, number of shares to be issued, issuance or private placement terms, project proposals to achieved, capital raising size, schedules and anticipated benefits, as well as all other matters related to offerings and private placement. It is also proposed that the Shareholders' Meeting authorize the Chairman or his/her designated person(s) to approve and sign all documents related to this capital raising plan and handle all relevant matters on behalf of the Company.
4. Please refer to Appendix 14 for details on relevant methods of issuance or private placement and contents of the proposal.

Appendix 14

Long-Term Capital Raising Plan Including Offering and Private Placement

I. Capital Increase for Cash Consideration in Taiwan:

1. This round of capital increase for cash via offering of common shares or preferred shares will be conducted by either of Book-Building or Public Subscription, or both.
2. In case of Book-Building:
 - 1) Except for 10% to 15% of new shares that shall be reserved for subscription by employees of the Company (including employees of its subsidiaries) in accordance with Article 267 of the Company Act, it is proposed that the remaining 85% to 90% of the new shares be publicly underwritten by way of Book-Building through a resolution of the Shareholders' Meeting pursuant to Article 28-1 of the Securities and Exchange Act. It is further proposed that the Chairman be authorized to allot the remaining shares for subscription by Designated Persons in the case where employees waive their rights to subscribe or any shares remain unsubscribed.
 - 2) Pursuant to Article 7 of the "Taiwan Securities Association Self-regulatory Rules Governing the Provision of Advisory Services by Underwriter Members to Issuing Companies Offering and Issuing Securities" ("TSA Bylaws"), the issue price of common shares shall not be less than 90% of the simple arithmetic average of the closing prices of the common shares for either one, three or five business days prior to the pricing date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in consideration of overall market conditions.
 - 3) Pursuant to Article 12 of TSA Bylaws, the theoretical price of preferred shares shall be calculated using an appropriate model taking into account all rights set forth in issuance terms and the difference between the actual issue price and the theoretical price shall be less than 10%. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in consideration of overall market conditions.
3. In case of public subscription:
 - 1) 10% to 15% of new shares shall be reserved for subscription by employees of the Company (including employees of its subsidiaries), 10% will be reserved for public offering, and the remaining 75% to 80% of the shares shall be allotted for subscription by existing shareholders in proportion to their respective shareholdings on the record date. It is further proposed that in the case the existing shareholders or employees waive their rights to subscribe or any shares remain unsubscribed, the Chairman be authorized to allot the remaining shares for subscription by Designated Persons.
 - 2) Pursuant to Article 6 of the TSA Bylaws, the issue price of common shares shall not be less than 70% of the simple arithmetic average of the closing prices of the common

shares for either one, three or five business days prior to the pricing date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in consideration of overall market conditions.

- 3) Pursuant to Article 12 of TSA Bylaws, the theoretical price of preferred shares shall be calculated using an appropriate model taking into account all rights set forth in issuance terms and the difference between the actual issue price and the theoretical price shall be less than 10%. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in consideration of overall market conditions.

II. Issuance of New Shares (Common Shares or Preferred Shares) to Sponsor the Issuance of Overseas Depository Receipts:

1. For issuance of new common or preferred shares in this round to sponsor the issuance of overseas depository receipts ("DR issuance"), 10% to 15% of the new shares shall be reserved for subscription by employees of the Company (including employees of its subsidiaries) in accordance with Article 267 of the Company Act and it is proposed that the remaining 85% to 90% of the new shares shall be offered to the public to sponsor the DR issuance through a resolution of the Shareholders' Meeting pursuant to Article 28-1 of the Securities and Exchange Act. It is further proposed that the Chairman be authorized to allot the remaining shares for subscription by Designated Persons or in consideration of market conditions to be the underlying shares of overseas deposit receipts in the case employees waive their rights to subscribe or any shares remain unsubscribed.
2. Pursuant to Article 9 of the TSA Bylaws, the issue price for common shares sponsoring the DR issuance may not be less than 80% of the simple arithmetic average of the closing prices of the common shares for either one, three or five business days prior to the pricing date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in consideration of overall market conditions.
3. Pursuant to Article 12 of TSA Bylaws, the theoretical price for preferred shares sponsoring the DR issuance shall be calculated using an appropriate model taking into account all rights set forth in issuance terms and the difference between the actual issue price and the theoretical price shall be less than 10%. It is proposed that the Board of Directors or the person to be authorized by the Board of Directors be authorized to negotiate with the lead underwriter and determine the actual issue price within the aforementioned price range and in light of overall market conditions.

III. Issuance of Common Shares or Preferred Shares for Cash Consideration Through a Private Placement

1. According to Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", the price of the

common shares subscribed through private placement shall be no less than 80% of the higher of the following reference prices:

- 1) 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.
 - 2) 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.
2. 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:
- 1) 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.
 - 2) 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.
 - 3) 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.
 - 4) 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 subparagraph 2 above.
 - 5) 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.
 - 6) 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.

- 7) 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.
 - 8) If the Company issues 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 un-redeemed 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.
 - 9) 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 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.
 - 10) 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.
3. 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.

4. In accordance with Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placements of Securities", as the Company had a net profit after tax in its most recent year and no accumulated losses, this private placement is limited to the introduction of strategic investors. The method, objective, necessity and expected benefits of selection of placees are explained as follows:

- 1) 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.

- 2) 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.

- 3) 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.

5. Rationale of private placement:

- 1) 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.

- 2) Issue amount of the private placement:

In principle, up to 2.5 billion shares.

- 3) 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.

6. 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.

IV. Impact on Shareholders' rights and interests

It is proposed that, subject to a total of 2,500,000,000 shares, the Shareholders' Meeting authorize the Board of Directors to issue common and preferred shares for cash through offering, private placement, or using the shares issued as underlying shares to sponsor DR issuance. Shareholders' equity would be diluted, assuming 2,500,000,000 shares, which is approximately 13.6% of the current outstanding shares of the Company, are all issued. However, the capital increase can enhance the Company's competitiveness, which should be able to result in positive effects on the shareholders' rights and interests.

- V. The long-term capital raising plan is expected to achieve one or a combination of the following objectives: fund working capital, improve financial structure, repay debts, and meet the Company's needs for business growth and long-term strategic development. The implementation of this plan is expected to strengthen the competitiveness of the Company and enhance operating efficiency.
- VI. It is proposed that the Shareholders' Meeting authorize the Board of Directors with full power to decide, adjust, and implement matters related to this capital raising plan, including underwriting methods, actual issue or private placement price, number of shares to be issued, issuance or private placement terms, project proposals to be achieved, capital raising size, schedules and anticipated benefits, as well as all other matters related to offerings and private placement. It is also proposed that the Shareholders' Meeting authorize the Chairman or his/her designated person(s) to approve and sign all documents related to this capital raising plan and handle all relevant matters on behalf of the Company.
- VII. The Board of Directors and/or the Chairman is fully authorized to handle any matters not fully provided for above in accordance with laws and regulations.

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

Explanation:

1. Pursuant to Paragraph 1, Article 209 of the Company Act, a director who does anything for himself/herself or on behalf of another person, and the behavior coincides with the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. The directors (including juristic persons and their representatives) of the 8th term Board of Directors may concurrently hold positions in other companies and engage in activities that coincide with the scope of the Company's business or with similar nature. The 2022 AGM has approved the proposals to release them from non-compete restrictions, and the details are enclosed in Appendix 15.
3. Details of the newly-appointed positions held by the Company's directors added after the 2023 AGM are enclosed in Appendix 16. To the extent not in conflict with the interest of the Company, it is proposed to release the directors from non-compete restrictions as set forth in Appendix 16.
4. This proposal has been approved by the 19th meeting of the 8th term Board of Directors on April 24, 2023 and will be submitted to the 2023 AGM for final approval.

Resolution:

China Development Financial Holding Corporation
Summary of Lift of Non-Compete Restriction on the 8th term Board of
Directors Approved by the 2022 AGM

Director Candidate	Company / Position
Chi Jie Investment Co., Ltd.	None
GPPC Chemical Corp.	None
Lionel de Saint-Exupéry Delegate of GPPC Chemical Corp.	1. World Fitness Asia Limited / Director 2. World Fitness Services Ltd./ Director 3. Eighteen48 Asset Management Limited / Director 4. BTQ A.G. / Advisor
Jing Hui Investment Co., Ltd.	None
Stefano Paolo Bertamini Delegate of Jing Hui Investment Co., Ltd.	Al Rajhi Bank, KSA / Director
Hung Yi Hsiao Delegate of Jing Hui Investment Co., Ltd.	1. China Electric Manufacturing Corporation / Chairman 2. Chunghwa Telecom Co., Ltd. / Director
Paul Yang	1. KKR Asia Limited / Partner & Head of Greater China 2. SUISHOU Technology Holding Inc./ Director 3. Kareway Health Investment Group / Legal Representative & Executive Director 4. Beijing Capital Juda Limited / Non-executive Director 5. Carlton Holdings (Cayman) Limited / Director 6. Asian Equity Limited / Director 7. DHC One Dalton (HK) Limited / Director 8. Blue Light (HK) Trading Co., Limited / Director
Tyzz-Jiun Duh	1. USI Corporation / Independent Director 2. Macronix International Co., Ltd. / Independent Director 3. Shinfox Energy Co. Ltd. / Director
Shih-Chieh Chang	POU CHEN CORPORATION / Independent Director
Wei Chung	HI SHARP ELECTRONICS CO., LTD. / Independent Director

Appendix 16

China Development Financial Holding Corporation
Summary of Lift of Non-Compete Restriction on the Directors
Proposed to the 2023 AGM

Director	Company / Position
Hung Yi Hsiao	Taiwan CyberSecurity Foundry Company/Chairman
Paul Yang	1. KKR Asia Limited / Advisor 2. Sercomm Corporation/Independent Director(Note : Currently the independent director candidate; shall be effective upon an election made by AGM on June 13, 2023)
Tyzz-Jiun Duh	Walsin Lihwa Corporation /Independent Director(Note : Currently the independent director candidate; shall be effective upon an election made by AGM on May 19, 2023.)