

Stock Code : 2880



華南金融控股股份有限公司
HUA NAN FINANCIAL HOLDINGS CO., LTD.

Hua Nan Financial Holdings Co., Ltd.
Handbook for 2024 Annual General Shareholders' Meeting

Time: 9:00 a.m. on Friday, June 21, 2024.

Venue: 2F, No.123, Songren Rd., Xinyi District, Taipei City
(HNBK International Convention Center)

If there is any discrepancy between English version and Chinese version, the Chinese version shall prevail.

Hua Nan Financial Holdings Co., Ltd. 2024 Annual General Shareholders' Meeting Agenda

Time: 9 AM, Friday, June 21, 2024.

Location: 2F, No.123, Songren Rd., Xinyi District, Taipei City (HNBK International Convention Center)

Method of Convening the Meeting: Physical Shareholders' Meeting

1. Report the number of shares in attendance and announcement of the opening of the meeting.
2. Chairman's welcoming remarks.
3. Management Presentation (Company Reports):
 - (1) The Company's 2023 business report.
 - (2) The Audit Committee's review report on the 2023 Financial Statements.
 - (3) The Company's Report on Remuneration Distribution of Directors and Employees for 2023.
4. Matters for Ratification:
 - (1) Ratification of the 2023 business report and financial statements.
 - (2) Ratification of the Distribution of 2023 Profits.
5. Discussion Matters:
 - (1) Amendments to the Articles of Incorporation of the Company.
 - (2) Amendments to the Company's Regulations Governing Election of Directors.
 - (3) Issue New Shares through Capitalization of the 2023 Earnings.
 - (4) Proposal for Releasing the Prohibition on Directors from Participation in Competitive Business.
6. Questions and Motions
7. Adjournment

Report No.1

Report: The Company's 2023 business report.

Details:

Please refer to pages 4 to 9 of this Handbook for the 2023 Annual Business Report.

Report No.2

Report: The Audit Committee's review report on the 2023 Financial Statements.

Details:

Please refer to pages 10 of this Handbook for the auditor's report and financial statements for 2023.

Report No.3

Report: The Company's Report on Remuneration Distribution of Directors and Employees for 2023.

Details:

- I. To be executed pursuant to Article 235-1 of the Company Act and Article 36 of the Company's Article of Incorporation.
- II. The Company's 3rd interim meeting of the 8th Board of Directors passed resolution to distribute remuneration to Directors NTD215,374,512 and Employee's compensation NTD21,363,511, all of which will be distributed by cash.

Matters for Ratification (1)

Proposed by the Board of Directors

Proposal: Ratification of the 2023 business report and financial statements.

Details:

The Company's 2023 business report and financial report have been approved by all members of the Company's Audit Committee and passed in the 3rd interim meeting of the Company's 8th Board of Directors. The financial report has been audited and certified by CPAs YI-JUN, WU and HAN-NI, FANG of Deloitte & Touche and are hereby submitted for ratification.

Please refer to pages 4 to 22 of this Handbook for the 2023 Annual Business.

Resolution:

Hua Nan Financial Holdings Co., Ltd.

2023 Business Report

I.Domestic and International Finance Environment in 2023

In 2023, with inflation cooling down, the end of the interest rate hike cycle, and new business opportunities such as artificial intelligence and high-performance computing, the global economy showed signs of stabilization after the challenges posed by significant inflation and interest rate hikes in the previous year. The key international institutions (IMF, World Bank, OCED, among others) released the 2023 global economic growth rate to be between 2.6%~3.0%. It is about 0.4 percentage points lower than that in 2022. The U.S. economy displayed resilience and is expected to achieve a soft landing, while China's economic recovery was weak due to sluggish real estate demand.

Based on the statistics of the Directorate General of Budget, Accounting and Statistics, Executive Yuan on February 29, 2024, the estimated full-year economic growth rate of Taiwan in 2023 is 1.31%, a decrease of 1.28%, compared to 2022. This was mainly due to weak global end-product demand and ongoing inventory adjustments in the supply chain, causing decreased investment and subdued foreign trade dynamics. However, private consumption saw significant growth due to continued improvements in the job market, wage increases, and the resurgence of cross-border tourism, leading to a contrastingly lukewarm internal economic environment compared to the weakening external conditions.

In the financial sector, Taiwan's entire financial industry pre-tax net profit amounted to approximately NT\$703.6 billion, an increase of 47% from 2022, mainly driven by rebounds in the stock, bond, and foreign exchange markets. Specifically, the banking industry's pre-tax net profit was NT\$505.7 billion, up 17%, driven by growth in investment net income and net fee income. The securities and futures industry saw a pre-tax net profit of NT\$99.8 billion, up 51%, buoyed by the bullish stock market and increased profits from brokerage and proprietary trading. The insurance sector turned a profit with a pre-tax net profit of NT\$98.1 billion, reversing a loss from 2022, thanks to the rebound in stocks and bonds and the expiration of pandemic insurance claims.

II.Business Plan and Results of Business Strategies

In 2023, the Group was impacted by the aforesaid evolutions of the domestic and international financial situations and the following measures were taken as responses: (1) A three-year profit enhancement plan to improve capital utilization and profitability compared to peers. (2) Capitalizing on the widening interest rate spreads between Taiwan and the U.S., the Group actively engaged in SWAP transactions, yielding about NT\$10 billion. (3) With the recovery of financial markets, investment income and wealth management fee income increased. (4) We obtained approval from the Financial Supervisory Commission to start high-asset wealth management services. (5) We enhanced digital financial services like "SnY Digital Account," "Hua Nan Bank +," "Hua Nan e-Trading," and "One-Click Dual Opening," optimizing processes and user experience. (6) We planned an employee stock trusts to strengthen employee loyalty, retain talent, and support their retirement planning.

In 2023, the Company's net profit after tax was NT\$21.618 billion, with an increase of NT\$4.31 billion, compared to 2022; EPS was NT\$ 1.58 and ROE was 11.01%, respectively. Again, the profit reached new record highs. The net profit after tax of the subsidiary Hua Nan Commercial Bank was NT\$ 20.051 billion, the increase in profit was primarily due to expanded SWAP transaction income from the U.S.-Taiwan interest rate spreads, with a non-performing loan ratio of 0.15%, and the coverage rate of bad debt was 846.33%, indicating robust asset quality. Hua Nan Securities posted a net profit of NT\$1.506 billion, up mainly due to the rebound in stock and bond markets and an 18% increase in trading volume, with a brokerage market share of 2.88%, ranking 9th in the industry. Hua Nan Property Insurance's net profit of NT\$916 million increased mainly due to fewer major claims and higher

investment income. The income of the insurance policy premium was NT\$13.247 billion with an annual growth of 8.86%, and market share was 5.43 ranking 6th among the peers.

In 2023, the Group remained committed to our core values "HEART": Honesty, Efficiency, Activeness, Responsibility, and Teamwork. We implemented these throughout our operations, continually striving to enhance our efforts in corporate governance, green finance, environmental sustainability, corporate social responsibility, digital financial innovation, and quality consumer goods. Talent is a crucial asset to the Group, which is why we invest in training and recruiting the talent needed for our growth each year. We also provide a comprehensive compensation system and various employee benefits, aiming to enhance our competitiveness with excellent talent and achieve outstanding results. The main achievements for 2023 are as follows:

i.Strengthened the Management

A.Capital Adequacy Ratio: At the end of 2023, the Group's capital adequacy ratio was 122.77%. Hua Nan Bank's capital adequacy ratio stood at 14.46%, with a Tier 1 capital ratio of 12.61%, which conforms to the legal capital standard.

B.Corporate Governance: The Company ranked in the 6% to 20% range in the Taiwan Stock Exchange's 2022 (9th edition) corporate governance evaluation and was also selected for inclusion in the "FTSE4Good Emerging Index", "Taiwan Sustainability Index", "Corporate Governance 100 Index Constituent Stocks", "Taiwan HC100 Index", and "Taiwan RAFI EMp99 Index" respectively.

C.Risk management:

a.The regular meetings of the Group's Risk Management Committee and Asset and Liability Management Committee are convened to implement the management mechanism of risk limits.

b.Monitor exposure changes, timely provide analysis and recommendations to aid business decisions and mitigate potential risks.

c.In response to financial market fluctuations, strengthen bond investment risk control mechanisms, and dynamically review and adjust various limit management in response to significant market events to enhance risk management effectiveness.

d.Continuous implementation of group mandatory reporting events and risk management information reporting mechanisms to enable senior management to immediately receive significant risk information.

e.Aligned with the Group's three-year profit enhancement plan and in response to the upcoming new capital provisioning system by the Financial Supervisory Commission, assessed impacts on the Group's capital adequacy over the next three years and devised corresponding measures.

f.According to the "Fundamental Review of the Trading Book" (FRTB) from the "Regulations Governing the Capital Adequacy and Capital Category of Banks," established market risk capital provisioning rules in the "Group's Market Value at Risk (VaR) System" to facilitate the calculation of capital required for market risks.

g.Implemented the Framework of Task Force on Climate-related Financial Disclosure (TCFD) and, in June 2023, passed an audit by the British Standards Institution (BSI), achieving the highest-level BSI "Level-5+:Excellence".

D.Legal compliance:

a.Implement key legal compliance tasks within the Group:

(a)Mandating all subsidiaries to adhere to the Group's personal data protection management. In 2023, supervision was enhanced for the banking, securities, investment trust, and futures subsidiaries to establish an accountability system. We developed self-assessment checks to strengthen measures for legal

compliance, specifying the scope of incidents that must be reported to ensure effective control of legal compliance risks within the Group.

(b) Continuously promoting a unified policy across the Group for anti-money laundering and countering terrorism financing, and establishing a group standard for negative news.

(c) Moreover, to optimize the quality of investigations into whistleblower cases, we revised the investigative procedures in 2023 to facilitate compliance by the investigation units.

b. Continually convene Group meetings for legal compliance communication and management:

To effectively drive the Group's legal compliance activities, regular meetings of the Legal Compliance Committee, forums, and meetings on legal compliance and anti-money laundering and counter-terrorism financing are held. These meetings help oversee significant regulatory changes affecting all subsidiaries, self-assessments in light of penalties within the industry, and reviews of personal data protection controls. They facilitate communication on critical legal compliance issues and ensure the effective oversight and execution of the Group's legal compliance efforts.

c. Implement a risk-based, differentiated management for subsidiaries:

The Group has adopted a hierarchical management mechanism for compliance management of its subsidiaries, and has continued to implement differentiated management measures, refine the matters to be handled and reported by each subsidiary, plan for the frequency of supervision and visits by the parent company, and strengthen the compliance mechanism of each of the Group's subsidiaries as well as the management of major litigation cases. Besides, the Group also conducts regular visits to its subsidiaries and second-tier subsidiaries to examine the effectiveness of the compliance system and to review the implementation of the compliance system of each subsidiary.

ii. Strengthened Cross-Selling

A. Group cross-selling benefits: The achievement rate of the Group's cross-selling business operations as the amount of contribution to income was 126% in 2023.

B. Build financial ecological circle by cyber-physical integration: In response to the development of digital channels, we continued to integrate resources from subsidiaries, enhancing the application of cyber-physical integration. By linking online and offline for customer solicitation, we optimized the functionality within the Group's ecological circle to enhance the service experience across subsidiary products and financial interactions. Moreover, data analytics are used dynamically to adjust digital marketing strategies, improving customer solicitation and acquisition within the Group.

C. Enhance the momentum of group cross-selling activities: Hua Nan Financial Holdings actively integrates resources from its subsidiaries to enhance capital utilization and cross-selling activities, allowing for resource sharing among subsidiaries. Through the Group's overall marketing channels, locations, and personnel, cross-industry marketing exploits the integrated benefits of the financial holding company to meet diverse customer needs and increase overall group sales performance.

iii. Promoted Digital Finance

A. Develop FinTech Patents: As of the end of 2023, the Group obtained 297 FinTech patents in mobile platforms, big data, artificial intelligence, security and control mechanisms, and biometrics.

- B. Establish group-level teams: Through the "digitized finance promotion team" and "group digital agile action workshop" at group-level, the Group comprehensively integrates the digital finance initiatives of its subsidiaries. Combining the manpower, resources, and technology of the financial holding company and its subsidiaries, the workshop model facilitates the coordination and integration of cross-selling and development across subsidiaries, achieving a redefined end-to-end customer journey for inter-subsidiary transactions.
- C. Promote digital transformation: Hua Nan Financial Holdings aims to meet the digital financial needs of various generations, aspiring to be a leading group with a significant voice in digital finance. Future strategies include "converging value-added information, enhancing synergistic services, and accompanying customer journeys," along with digital teams, digital talent, and data governance with infrastructure to coordinate and integrate digital transformation strategies of subsidiaries such as Hua Nan Commercial Bank, Hua Nan Securities, and South China Insurance.

iv. Corporate Social Responsibility

A. Promote charitable activities:

- a. In 2023, public welfare activities included the "Hua Nan is Great, Forever Young" Elderly Appreciation event, "Financial Services Charity Carnival," "President Face-to-Face Forum with High School Students," "Influence Forum," "Hua Nan Financial Holdings Cup National Little League and Youth League Championships," "World Cup Little League Championship," "National Community Student Baseball Competition," "Youth Baseball Catcher Training Camp," "Dream Baseball Camp," sponsorship of gymnasts Jialong Zhuang and ZhengYe and coach Yuxin Lin," "the Ministry of Finance's "Unified Invoice Cup Road Race," supported for the "The 5 Browns Piano Concert Tour," and the "United Ballet of Ukraine" charity project.
- b. The Company has always supported sports activities and received the "Sports Activists Awards" of the Sports Administration of the Ministry of Education in 2023. It was the Company's 12 consecutive times award and the seventh consecutive award for Gold Sponsorship, Long Term Sponsorship, and Promotional Bronze Awards.
- c. Following a severe earthquake near the Syrian border in southern Turkey on February 6, 2023, the Group donated NT\$ 4 million to help the affected areas in Turkey and wish for swift recovery as part of fulfilling corporate social responsibility.

B. Promote and develop diverse and inclusive financial products:

- a. Upholding the social responsibility of housing justice, we proposed the "Three Strategies of Urban Renewal," actively engaging in financing for urban renewal, trust services, and individual mortgages to meet the financial needs of residents rebuilding their homes. In 2023, we undertook 92 cases of urban renewal financing, with approved credit amounts to NT\$69.4 billion.
- b. Actively promoting the "Comfortable Retirement Legacy Trust," helping customers secure their economic safety through retirement trust planning, aimed at ensuring future care and comfort. In 2023, it was recognized with the "Retirement Trust Award" by the Financial Supervisory Commission under the Phase 2 of the Trust 2.0 Implementation Plan.
- c. Promoting regular small-amount systematic investment plan in securities, assisting young customers with financial management and planning. By the end of 2023, the number of accounts which have small-amount systematic investment plans in securities increased by 31.64% from the previous year.

d. Offering micro-insurance products that allow economically disadvantaged families and specific demographic groups to purchase basic insurance protection with lower premiums, preventing financial distress in the event of accidents and filling the gaps left by government social insurance or assistance programs. In 2023, micro-insurance premium income grew by 6.5% from the previous year.

III. Budget Implementation, Financial income, and Profitability Analysis

In 2023, the Company and its subsidiaries generated consolidated net income after tax of NT\$21.618 billion with an after-tax EPS of NT\$1.58. The budget achievement rate was about 120%. The details of the main subsidiaries are as follows:

i. Hua Nan Commercial Bank

In 2023, the net income after tax was NT\$ 20.051 billion. The budget achievement rate was roughly 118%, up about NT\$3.324 billion from the previous year, mainly due to an increase in FX gains of roughly NT\$7.363 billion, net fee income of roughly NT\$1.236 billion, financial assets and liabilities of roughly NT\$1.035 billion, and net interest income measured at fair value through profit or loss increased of roughly NT\$768 million, as well as a decrease in net provision for bad debts of roughly NT\$1.105 billion. The decrease in net interest income of approximately NT\$4.907 billion and the increase in operating expenses of approximately NT\$1.941 billion also contributed to this result.

ii. Hua Nan Securities

In 2023, net income after tax was NT\$1.506 billion. The budget achievement rate was roughly 108%, up about NT\$399 million from the previous year, mainly due to an increase in brokerage commission income of roughly NT\$337 million, under-writing revenue of roughly NT\$151 million, proprietary trading of roughly NT\$297 million, interest income of roughly NT\$187 million, dividend income of roughly NT\$179 million, operating expenses of roughly NT\$297 million, and other expenses of roughly NT\$445 million.

iii. South China Insurance

In 2023, the net income after tax was NT\$ 916 million. The budget achievement rate was roughly 127%, up about NT\$458 million from the previous year, mainly due to an increase in insurance business profits due to the absence of significant commercial fire, water, and hull insurance claims from the previous year of roughly NT\$263 million, as well as a rise of investment income of roughly NT\$213 million.

Hua Nan Financial Holdings Condensed Financial Statements of 2023

Company	2023 NPAT(Audited)	2023 NPAT (Budget)	2021NPAT(Audited)	EPS	ROE
Hua Nan Financial Holdings	NTD21.618 billion	NTD17.956 billion	NTD17.308 billion	NTD1.58	11.01%
Hua Nan Bank	NTD20.051 billion	NTD16.989 billion	NTD16.727 billion	NTD2.05	9.30%
Hua Nan Securities	NTD1.506 billion	NTD1.397 billion	NTD1.107 billion	NTD2.30	12.19%
South China Insurance	NTD916 million	NTD723 million	NTD900 million	NTD4.58	13.73%

Hua Nan Investment Trust	NTD(10) million	NTD1 million	NTD(3) million	NTD(0.31)	(2.57)%
Hua Nan Venture Capital	NTD78 million	NTD23 million	NTD47 million	NTD0.39	4.31%
Hua Nan Assets Management	NTD27 million	NTD23 million	NTD146 million	NTD0.27	2.27%

IV.Economic Outlook and Development Strategies for 2024

Looking ahead to 2024, key international institutions such as the IMF, World Bank, and OECD anticipate a slight decrease in the global economic growth rate to between 2.4% and 2.9%, a marginal decline of 0.2 percentage points from 2023. This forecast is influenced by several factors including the direction of the Fed's interest rate policies, the impact of China's economic performance relative to the global economy, the evolution of the U.S.-China tech war and international geopolitical relations, and the effects of the Russia-Ukraine war and Israeli-Palestinian conflict on international raw material prices.

According to the statistics of the Directorate General of Budget, Accounting and Statistics, Executive Yuan on February 29, 2024, Taiwan's economic growth rate is projected at 3.43%. With global consumer demand for end products recovering, inventories returning to healthy levels, and the continued expansion of emerging technologies like artificial intelligence, high-performance computing, and automotive electronics, boosts in exports and investments are expected.

In response to these domestic and international financial conditions, the Group has formulated the following development strategies for 2024: (1) Establish a three-year profit enhancement plan, improve capital utilization efficiency management to boost EPS ranking, and continue to refine and develop an up-to-date group risk management mechanism to enhance its early warning capabilities. (2) Through digital transformation with a strategy focused on "integrating value-added information, strengthening comprehensive services, and accompanying the customer journey," integrate subsidiaries for digital transformation to enhance customer management and promote cross-selling business, leveraging group synergy. (3) Promote innovative financial products and services aimed at ABC+S (AI & Automation, Big Data, Cloud, Security), developing through the synergy of finance and technology to maintain the pace of digital transformation, support business development, and attract a younger customer base to enhance overall competitive advantage. (4) Continuously monitor compliance and fintech trends, utilizing AI models and robotic process automation (RPA) to enhance the Group's compliance risk controls and operational efficiency. (5) To safeguard shareholders' interests and strengthen corporate sustainability, beside pursuing dividend growth, the Group will continue to actively participate in international ESG initiatives and ratings to enhance our visibility in the ESG field.

Lastly, we would like to thank our shareholders for their sustaining support and encouragement. We will continue to enhance capital efficiency and formulate various medium and long-term strategic blueprints to create better returns for shareholders' equity. Through green and digital transformation, we strive to be an outstanding financial institution committed to sustainable operation.

Hua Nan Financial Holdings Co., Ltd.
Audit Committee's Audit Report

The Company's Board of Directors prepared and submitted the 2023 business report, financial statements, and earnings distribution proposal. The financial statements have been audited by Yi-Chun Wu, CPA, and Han-Ni Fang, CPA, of Deloitte & Touche Taiwan. The statements and reports prepared and submitted by the Board of Directors have been audited by the Audit Committee and no inconsistencies have been found. The Committee has prepared an Audit Report following unanimous agreement in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To
Hua Nan Financial Holdings Co., Ltd.
2023 Shareholders' Meeting

Hua Nan Financial Holdings Co., Ltd.
Ming-Hsien Yang, Convener of the Audit Committee

April 29, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hua Nan Financial Holdings Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Hua Nan Financial Holdings Co., Ltd. (the Company) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and 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 Company and its subsidiaries as of December 31, 2023 and 2022, 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 Securities Issuers, 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 Insurance Companies, 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 regulations and 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 Company 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, 2023. 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.

Key audit matters for the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Impairment Loss of Discounts and Loans

As detailed in Note 5 to the consolidated financial statements, the Company and its subsidiaries' management assess the impairment loss of discounts and loans based on the assumptions about the probability of default and the loss given default. The Company and its subsidiaries uses judgment in timely amending these assumptions and in adjusting the inputs to the impairment evaluation, based on the Company and its subsidiaries' historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Amending and adjusting key assumptions and inputs used are critical judgments and estimates and complied with the relevant laws and regulations. Therefore, the impairment loss of discounts and loans is identified as a key audit matter.

Please refer to Note 4 to the consolidated financial statements for the accounting policies related to impairment evaluation on discounts and loans, Note 5 for critical accounting judgments and key sources of estimation uncertainty, significant assumptions and input values used refer to Note 51 and Note 14 for related presentation and disclosure.

Our audit procedures performed in respect of the above key audit matter include understanding the methodology, key assumptions and parameter settings used by the management to measure the financial asset impairment model in accordance with International Financial Reporting Standard No.9. Assessing whether it is appropriate to reflect the actual situation of discounts and loans and whether the key assumptions and inputs used are reasonable and consistent with the calculation of expected credit losses. Obtain the information related to the evaluation of such financial assets by the management, test the completeness of the related information, and then select samples from the cases of discounts and loans to verify the accuracy of the calculation. In addition, confirm the classification and the provision of allowance for impairment loss complied with the relevant laws and regulations.

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 Securities Issuers, 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 Insurance Companies, 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 Company and its subsidiaries' 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 Company and its subsidiaries 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 Company and its subsidiaries' 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 Company and its subsidiaries' 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 Company and its subsidiaries' 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 Company and its subsidiaries 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 the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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 audit resulting in this independent auditors' report are Yi-Chun Wu and Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HUA NAN FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 39,596,420	1	\$ 57,466,418	2
DUE FROM THE CENTRAL BANK CALL LOANS TO AND OTHER BANKS (Notes 4, 7, 44 and 47)	245,757,463	6	238,125,369	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 44)	118,793,903	3	92,345,662	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 5, 9, 11 and 47)	379,784,939	10	358,704,522	10
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST, NET (Notes 4, 5, 10, 11 and 47)	686,891,136	18	716,234,166	20
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	2,481,443	-	1,999,158	-
RECEIVABLES, NET (Notes 4, 5, 13 and 44)	67,252,591	2	47,020,578	1
CURRENT TAX ASSETS (Notes 4, 42 and 44)	398,393	-	169,667	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	2,243,451,690	58	2,037,419,759	56
REINSURANCE CONTRACTS ASSETS, NET	6,917,297	-	6,404,284	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET (Notes 4 and 15)	351,351	-	359,584	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 5, 16 and 44)	19,050,712	1	17,573,908	-
INVESTMENT PROPERTIES, NET (Notes 4, 19 and 47)	14,863,175	-	12,627,100	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 17, 44 and 47)	31,978,737	1	32,718,699	1
RIGHT-OF-USE ASSETS (Notes 3, 4, 18 and 44)	2,268,659	-	2,021,323	-
INTANGIBLE ASSETS, NET (Notes 4 and 20)	919,111	-	968,134	-
DEFERRED TAX ASSETS (Notes 4 and 42)	3,850,295	-	4,018,272	-
OTHER ASSETS, NET (Notes 4, 21, 44 and 47)	<u>4,594,464</u>	<u>-</u>	<u>3,985,125</u>	<u>-</u>
TOTAL	<u>\$ 3,869,201,779</u>	<u>100</u>	<u>\$ 3,630,161,728</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 22 and 44)	\$ 190,550,622	5	\$ 182,391,496	5
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	8,651,418	-	6,233,545	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10 and 24)	109,103,919	3	53,361,205	2
COMMERCIAL PAPER PAYABLE, NET (Notes 23 and 46)	36,316,177	1	19,879,471	1
PAYABLES (Note 25)	48,200,920	2	37,923,753	1
CURRENT TAX LIABILITIES (Notes 4, 42 and 44)	3,640,732	-	3,599,175	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	3,065,364,627	79	2,943,462,133	81
BONDS PAYABLE (Notes 27 and 46)	80,586,915	2	86,584,626	2
OTHER BORROWINGS (Notes 28 and 46)	3,412,328	-	1,856,000	-
PROVISIONS (Notes 4, 29 and 30)	23,659,550	1	23,891,682	1
OTHER FINANCIAL LIABILITIES (Notes 31 and 46)	76,978,878	2	64,876,567	2
LEASE LIABILITIES (Notes 3, 4, 18, 44 and 46)	2,325,107	-	2,075,114	-
DEFERRED TAX LIABILITIES (Notes 4 and 44)	6,139,717	-	6,126,380	-
OTHER LIABILITIES (Notes 4, 32 and 44)	<u>6,458,533</u>	<u>-</u>	<u>13,073,475</u>	<u>-</u>
Total liabilities	<u>3,661,389,443</u>	<u>95</u>	<u>3,445,334,622</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNER OF THE PARENT (Notes 4 and 33)				
Share capital				
Ordinary shares	<u>136,427,459</u>	<u>3</u>	<u>136,427,459</u>	<u>4</u>
Capital surplus	<u>17,761,804</u>	<u>-</u>	<u>17,758,986</u>	<u>-</u>
Retained earnings				
Legal reserve	22,273,772	1	20,380,779	-
Special reserve	18,503,358	-	6,471,594	-
Unappropriated earnings	<u>23,117,999</u>	<u>1</u>	<u>22,023,668</u>	<u>1</u>
Total retained earnings	<u>63,895,129</u>	<u>2</u>	<u>48,876,041</u>	<u>1</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(619,865)	-	(292,639)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	10,697,410	-	8,570,902	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(20,563,285)	-	(26,224,250)	-
Unrealized gain (loss) on other comprehensive income reclassified by overlay approach	<u>211,430</u>	<u>-</u>	<u>(291,568)</u>	<u>-</u>
Total other equity	<u>(10,274,310)</u>	<u>-</u>	<u>(18,237,555)</u>	<u>-</u>
Total equity attributable to owner of the parent	207,810,082	5	184,824,931	5
NON-CONTROLLING INTERESTS	<u>2,254</u>	<u>-</u>	<u>2,175</u>	<u>-</u>
Total equity	<u>207,812,336</u>	<u>5</u>	<u>184,827,106</u>	<u>5</u>
TOTAL	<u>\$ 3,869,201,779</u>	<u>100</u>	<u>\$ 3,630,161,728</u>	<u>100</u>

HUA NAN FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 4, 34 and 44)	\$ 87,744,182	148	\$ 54,851,569	102	60
INTEREST EXPENSES (Notes 4, 34 and 44)	<u>(59,876,234)</u>	<u>(101)</u>	<u>(21,673,878)</u>	<u>(40)</u>	176
NET INTEREST	<u>27,867,948</u>	<u>47</u>	<u>33,177,691</u>	<u>62</u>	(16)
NET REVENUES OTHER THAN INTEREST					
Commission and service fee revenues, net (Notes 4, 35 and 44)	11,315,694	19	9,752,363	18	16
Income from insurance premiums, net (Notes 4 and 36)	3,606,790	6	3,928,063	7	(8)
Gain or Loss on financial assets and liabilities at fair value through profit or loss, net (Notes 4, 8, 37 and 44)	12,916,502	22	18,219,954	34	(29)
Gain on investment properties, net (Note 19)	639,265	1	460,702	1	39
Realized gain on financial assets at fair value through other comprehensive income (Notes 4 and 38)	2,044,839	3	1,292,130	3	58
Net gain or loss on derecognition of financial assets at amortized cost (Note 4)	(2,365)	-	7,500	-	(132)
Foreign exchange (loss) gain, net (Notes 4 and 37)	1,759,702	3	(13,881,269)	(26)	113
Impairment loss on assets (Notes 4 and 11)	(31,077)	-	(22,017)	-	41
Share of profit of associates accounted for using the equity method (Notes 4 and 15)	(2,421)	-	8,822	-	(127)
Gain or Loss on reclassification of overlay approach (Notes 4, 8 and 11)	(517,243)	(1)	629,375	1	(182)
Other non-interest income, net (Notes 4 and 44)	<u>(130,187)</u>	<u>-</u>	<u>93,438</u>	<u>-</u>	(239)
Total net revenues other than interest	<u>31,599,499</u>	<u>53</u>	<u>20,489,061</u>	<u>38</u>	54
TOTAL NET REVENUES	<u>59,467,447</u>	<u>100</u>	<u>53,666,752</u>	<u>100</u>	11

(Continued)

HUA NAN FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
ALLOWANCE FOR DOUBTFUL ACCOUNTS, COMMITMENTS, AND GUARANTEES (Notes 4, 13 and 14)	\$ (2,294,134)	(4)	\$ (3,311,768)	(6)	(31)
CHANGE IN PROVISIONS FOR INSURANCE LIABILITIES, NET (Notes 4 and 29)	(187,812)	-	(1,095,681)	(2)	(83)
OPERATING EXPENSES (Notes 30, 40, 41, 42 and 44)					
Employee benefits	(19,275,795)	(32)	(18,012,364)	(34)	7
Depreciation and amortization	(2,091,880)	(4)	(2,079,937)	(4)	1
Others	(9,422,521)	(16)	(8,174,011)	(15)	15
Total operating expenses	(30,790,196)	(52)	(28,266,312)	(53)	9
NET PROFIT BEFORE INCOME TAX	26,195,305	44	20,992,991	39	25
INCOME TAX EXPENSE (Notes 4 and 44)	(4,576,885)	(8)	(3,684,520)	(7)	24
NET PROFIT FOR THE YEAR	21,618,420	36	17,308,471	32	25
OTHER COMPREHENSIVE (LOSS) INCOME (Notes 4, 8, 33 and 42)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	(200,616)	-	796,549	1	(125)
Gain or Loss on investments in equity instruments at fair value through other comprehensive income	3,736,763	6	(2,784,241)	(5)	234
Income tax relating to items that will not be reclassified subsequently to profit or loss	40,419	-	(157,745)	-	126

(Continued)

HUA NAN FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations	\$ (327,226)	(1)	\$ 3,398,601	7	(110)
Gain or Loss on investments in debt instruments at fair value through other comprehensive income	5,696,851	10	(23,657,832)	(44)	124
Gain or Loss on other comprehensive income reclassified by overlay approach	517,243	1	(629,375)	(1)	182
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(50,131)</u>	<u>-</u>	<u>137,391</u>	<u>-</u>	(136)
Other comprehensive income (loss) for the year	<u>9,413,303</u>	<u>16</u>	<u>(22,896,652)</u>	<u>(42)</u>	141
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 31,031,723</u>	<u>52</u>	<u>\$ (5,588,181)</u>	<u>(10)</u>	655
NET PROFIT ATTRIBUTABLE TO:					
Owner of the parent	\$ 21,618,294	36	\$ 17,308,343	32	25
Non-controlling interests	<u>126</u>	<u>-</u>	<u>128</u>	<u>-</u>	(2)
	<u>\$ 21,618,420</u>	<u>36</u>	<u>\$ 17,308,471</u>	<u>32</u>	25
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owner of the parent	\$ 31,031,554	52	\$ (5,588,357)	(10)	655
Non-controlling interests	<u>169</u>	<u>-</u>	<u>176</u>	<u>-</u>	(4)
	<u>\$ 31,031,723</u>	<u>52</u>	<u>\$ (5,588,181)</u>	<u>(10)</u>	655
EARNINGS PER SHARE (Note 43)					
Basic and diluted	<u>\$ 1.58</u>		<u>\$ 1.27</u>		

(Concluded)

Hua Nan Financial Holdings Co., Ltd.

Balance Sheets
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Assets	2023	2022	Liabilities	2023	2022
Cash and cash equivalents	\$ 376,150	\$ 7,373,577	Commercial paper payable, net	\$ 24,250,017	\$ 17,357,504
Financial assets at fair value through other comprehensive income	1,363,092	1,089,593	Payables	2,463,820	2,498,908
Receivables, net	41,064	77,229	Current tax liabilities	2,835,200	2,965,014
Current tax assets	3,028,701	3,092,970	Bonds payable	19,186,915	26,184,626
Investments accounted for using equity method, net	251,773,982	222,229,603	Provision	42,397	40,962
Property and equipment, net	2,397	2,250	Lease liabilities	232,214	73,167
Right-of-use assets	229,801	72,446	Other liabilities	<u>677</u>	<u>677</u>
Intangible assets, net	3,327	5,113	Total liabilities	<u>49,011,240</u>	<u>49,120,858</u>
Deferred tax assets	2,808	2,808			
Other assets, net	<u>-</u>	<u>200</u>	Equity		
			Share capital		
			Ordinary shares	<u>136,427,459</u>	<u>136,427,459</u>
			Capital surplus	<u>17,761,804</u>	<u>17,758,986</u>
			Retained earnings		
			Legal reserve	22,273,772	20,380,779
			Special reserve	18,503,358	6,471,594
			Unappropriated earnings	<u>23,117,999</u>	<u>22,023,668</u>
			Total retained earnings	<u>63,895,129</u>	<u>48,876,041</u>
			Other equity		
			Exchange differences on translating the financial statements of foreign operations	(619,865)	(292,639)
			Unrealized gain on investments in equity instruments at fair value through other comprehensive income	10,697,410	8,570,902
			Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(20,563,285)	(26,224,250)
			Unrealized gain (loss) on other comprehensive income reclassified by overlay approach	<u>211,430</u>	<u>(291,568)</u>
			Total other equity	<u>(10,274,310)</u>	<u>(18,237,555)</u>
			Total equity	<u>207,810,082</u>	<u>184,824,931</u>
Total	<u>\$ 256,821,322</u>	<u>\$ 233,945,789</u>	Total	<u>\$ 256,821,322</u>	<u>\$ 233,945,789</u>

Hua Nan Financial Holdings Co., Ltd.

Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023	2022
REVENUES		
Interest revenue	\$ 8,603	\$ 5,413
Share of profit of subsidiaries and associates	22,572,136	18,202,679
Other non-interest income, net	<u>33,607</u>	<u>31,099</u>
Total revenues	<u>22,614,346</u>	<u>18,239,191</u>
OPERATING EXPENSES AND LOSSES		
Interest expenses	(643,871)	(349,280)
Employee benefits	(440,171)	(383,583)
Depreciation and amortization expenses	(61,545)	(73,253)
Other operating expenses	<u>(124,885)</u>	<u>(132,134)</u>
Total operating expenses and losses	<u>(1,270,472)</u>	<u>(938,250)</u>
NET PROFIT BEFORE INCOME TAX	21,343,874	17,300,941
INCOME TAX BENEFIT	<u>274,420</u>	<u>7,402</u>
NET PROFIT FOR THE YEAR	<u>21,618,294</u>	<u>17,308,343</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	1,479	7,824
Share of other comprehensive income or loss of subsidiaries and associates accounted for using the equity method	3,261,126	(1,847,691)
Gain or loss on equity instruments at fair value through other comprehensive income	273,499	(147,873)
Income tax of items that will not be reclassified subsequently to profit or loss	40,419	(157,745)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income or loss of subsidiaries and associates accounted for using the equity method	5,886,868	(20,888,606)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(50,131)</u>	<u>137,391</u>
Total other comprehensive income (loss) for the year	<u>9,413,260</u>	<u>(22,896,700)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 31,031,554</u>	<u>\$ 5,588,357</u>
EARNINGS PER SHARE		
Basic and diluted	<u>\$ 1.58</u>	<u>\$ 1.27</u>

HUA NAN FINANCIAL HOLDINGS CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

							Retained Earnings				Other Equity				Total Equity
	Share Capital Capital Stock	Share Premium	Treasury Stock	Capital Surplus Donated Assets	Others	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Overlay Approach	Exchange Dif- ferences on Translating the Financial State- ments of Foreign Operations	Unrealized Gain (loss) on Invest- ment in Equity Instruments at Fair Value Through Other Comprehensive Income	Unrealized Gain (loss) on Invest- ment in Debt In- struments at Fair Value Through Other Comprehensive Income	Unrealized Gain (loss) on Other Comprehensive Income Reclassi- fied by Overlay Approach	
BALANCE AT JANUARY 1, 2022	\$ 131,941,450	\$ 17,702,376	\$ 52,349	\$ 2,936	\$ 1,325	\$ 17,758,986	\$ 18,593,434	\$ 6,471,594	\$ 19,658,539	\$ 44,723,567	\$ (3,691,240)	\$ 12,337,960	\$ (2,676,360)	\$ 310,358	\$ 200,704,721
Appropriation of 2021 earnings															
Legal reserve	-	-	-	-	-	-	1,787,345	-	(1,787,345)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(10,291,433)	(10,291,433)	-	-	-	-	(10,291,433)
Stock dividends	4,486,009	-	-	-	-	-	-	-	(4,486,009)	(4,486,009)	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	-	17,308,343	17,308,343	-	-	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	-	638,804	638,804	3,398,601	(2,784,289)	(23,547,890)	(601,926)	(22,896,700)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	-	17,947,147	17,947,147	3,398,601	(2,784,289)	(23,547,890)	(601,926)	(5,588,357)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	982,769	982,769	-	(982,769)	-	-	-
BALANCE AT DECEMBER 31, 2022	136,427,459	17,702,376	52,349	2,936	1,325	17,758,986	20,380,779	6,471,594	22,023,668	48,876,041	(292,639)	8,570,902	(26,224,250)	(291,568)	184,824,931
Appropriation of 2021 earnings															
Legal reserve	-	-	-	-	-	-	1,892,993	-	(1,892,993)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	12,031,764	(12,031,764)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(8,049,221)	(8,049,221)	-	-	-	-	(8,049,221)
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	-	-	-	2,818	2,818	-	-	-	-	-	-	-	-	2,818
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-	21,618,294	21,618,294	-	-	-	-	21,618,294
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	-	(160,197)	(160,197)	(327,226)	3,736,720	5,660,965	502,998	9,413,260
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	-	21,458,097	21,458,097	(327,226)	3,736,720	5,660,965	502,998	31,031,554
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	1,610,212	1,610,212	-	(1,610,212)	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 136,427,459	\$ 17,702,376	\$ 52,349	\$ 2,936	\$ 4,143	\$ 17,761,804	\$ 22,273,772	\$ 18,503,358	\$ 23,117,999	\$ 63,895,129	\$ (619,865)	\$ 10,697,410	\$ (20,563,285)	\$ 211,430	\$ 207,810,082

Hua Nan Financial Holdings Co., Ltd.

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	\$ 21,343,874	\$ 17,300,941
Adjustments for		
Depreciation expenses	59,697	71,423
Amortization expenses	1,848	1,830
Interest expenses	643,871	349,280
Interest income	(8,603)	(5,413)
Dividend income	(44,066)	(38,179)
Share of profit of subsidiaries and associates accounted for using the equity method	(22,572,136)	(18,202,679)
Gain on change in leasing contracts	(68)	(21)
Changes in operating assets and liabilities		
Decrease in receivables	35,098	59,745
Increase in payables	235,160	145,854
Increase (decrease) in provisions	2,914	(9,456)
Interest received	9,670	4,278
Dividend received	2,212,923	4,497,822
Interest paid	(712,058)	(384,647)
Income tax paid	<u>(24,777)</u>	<u>(508)</u>
Net cash generated from operating activities	<u>1,183,347</u>	<u>3,790,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,196)	(1,453)
Acquisition of intangible assets	(62)	(311)
Decrease in other assets	<u>200</u>	<u>-</u>
Net cash used in investing activities	<u>(1,058)</u>	<u>(1,764)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper payables	6,900,000	4,300,000
Proceeds from corporate debentures	-	9,200,000
Repayments of corporate bonds	(7,000,000)	-
Repayment of the principal portion of lease liabilities	(56,888)	(59,918)
Cash dividends paid	<u>(8,022,828)</u>	<u>(10,259,126)</u>
Net cash (used in) generated from financing activities	<u>(8,179,716)</u>	<u>3,180,956</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(6,997,427)	6,969,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,373,577</u>	<u>404,115</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 376,150</u>	<u>\$ 7,373,577</u>

Matters for Ratification (2)

Proposed by the Board of Directors

Proposal: Ratification of the Distribution of 2023 Profits.

Details:

- I. The Company's undistributed earnings at the beginning of 2023 was NTD (same here under) 49,689,826. After accounting for the 21,618,294,105 in net profits after current year taxes, remeasured amount in defined benefit plans of 160,197,731, and disposal of equity instruments measured at fair value through other comprehensive income was 1,610,211,993, the earnings shall be distributed as follows in accordance of the Article of Incorporation and related regulations (please refer to pages 25 to 26 of this Handbook):
 - (I) Provision for legal reserve: 2,306,830,837.
(Pursuant to Article 237 of the Company Act and Ministry of Economic Affairs—Jan., 9, 2020-- Letter No. of Ching-shang-tzu-- 10802432410)
 - (II) Reversed special surplus reserve: 7,963,245,234.
(According to Article 41 of the Securities and Exchange Act and Order No. Financial-Supervisory-Securities-Corporate-1090150022)
 - (III) Distribution of shareholder dividends--cash (1.20 per share):
A total of 16,371,295,078.
 - (IV) Distribution of shareholder dividends--stock (0.10 per share):
A total of 1,364,274,580.
 - (V) Ending undistributed earnings: 11,038,842,932.
 - (VI) The current year's distribution is prioritized by the 2023 after-tax net profit.
- II. After the distribution proposal is passed in the annual general shareholder's meeting:
 - (I) Cash dividends:
The Board of Directors shall separately establish a distribution base day.
 - (II) Stock dividends:
Once the plan for capital increase is applied to the competent authority for the effective registration, the Board of Directors will be authorized to set the base date for the distribution of dividends.

III.If the Company's shares in external circulation are subsequently changed due to re-acquisition, transfer or cancellation of its treasury stock or other reasons, which impact the shareholder dividend ratio and dividend ratio, a proposal is to be submitted to authorize the Board of Directors to process the changes.

Resolution:

Hua Nan Financial Holdings Co., Ltd.
Statement of Earnings Distribution
2023

Item		Unit: NTD
1	Undistributed earnings at the beginning of the period	49,689,826
2	Net profit after tax	21,618,294,105
3	Less: Remeasurements of defined benefit plans	160,197,731
4	Add: gain on disposal of equity instruments at fair value through other comprehensive income	1,610,211,993
5	The net profit after tax of this period plus items other than the net profit after tax of this period are included in the undistributed earnings of the current year	23,068,308,367
6	Appropriations	
7	Less: Legal reserve (10%)	2,306,830,837
8	Reversed items	
9	Add: Special surplus reserve - net decrease in other equity items	7,963,245,234
10	Retained earnings available for distribution for this period	28,774,412,590
11	Allocation	
12	Shareholder dividends-cash (\$1.20 per share)	16,371,295,078
13	Shareholder dividends-stock (\$0.10 per share)	1,364,274,580
14	Ending undistributed earnings	11,038,842,932

Note 1: Item 9 according to March 2021 No. Order Financial-Supervisory-Securities-Corporate-1090150022 of the Financial Supervisory Commission, when a public company distributes the distributable earnings, it shall set aside a special reserve with the same amount as the amount of the net profit after tax for the period plus Items other than the net profit after tax for the period included in the beginning retained earnings for the period for the net amount as a deduction to other equity that occurred during the current period. In addition, if the company has already set aside a special reserve according to First-time Adoption of the International Financial Reporting Standards (IFRSs), a special reserve shall be additionally set aside for the difference between the amount already set aside and the amount to be set aside as a special reserve as stipulated above. The Company's deduction to other equity deduction was NTD10,274,308,358. After deducting the special reserve of NTD6,205,789,620 for the first-time adoption of IFRSs, the special surplus reserve to be provisioned amounts to NTD4,068,518,738, which is lower than the previously provisioned amount of NTD12,031,763,972. Therefore, the

reversal of the special surplus reserve amounts to NTD7,963,245,234.

Note2: For this period's motion to distribute cash dividends, the dividend will be calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down. Shares below one dollar NTD will be adjusted from the largest decimal place and foremost account number until the total amount of cash dividends has been distributed.

Discussion Matters (1)

Proposed by the Board of Directors

Proposal: Amendments to the Articles of Incorporation of the Company.

Details:

- I. The main purpose is to amend certain articles of the Company's Articles of Incorporation based on the Guidelines for Setting up and Exercising the Authority of the Board of Directors of Listed Companies amended and issued by the Taiwan Stock Exchange on August 23, 2023; the revised content is specified as follows:
 - (I) The minimum number of independent directors has been raised to three instead of two, and the proportion of independent directors must not be less than one-third of the total board directors instead of one-fifth. (Amended Article 22)
 - (II) Additions include the amendment date, number of amendments, and the buffer time for the implementation of the amended Article 22. (Amended Article 39)
- II. For the comparative table of the amended articles and the full text after amendments, please refer to pages 28 to 40 of the meeting handbook.

Resolution:

**Comparison List for Amendments to
Hua Nan Financial Holdings Co., Ltd.
Articles of Incorporation**

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 22</p> <p>The Company's Board of Directors shall have 15 to 21 Directors. Directors shall be elected based on a candidate nomination system at the shareholders' meeting from among the shareholders with disposing capacity. The term of office for Directors shall be three years, and Directors are eligible for re-election. When a Director's term expires and another Director cannot be elected in time, he or she shall extend his or her duties until the re-elected director takes office.</p> <p><u>The Company shall have no less than three Independent Directors among the aforementioned number of Directors, and Independent Directors shall account for no less than one third of the Board of Directors. They shall be elected from the list of nominees for Independent Directors at the shareholders' meeting. The professional</u></p>	<p>Article 22</p> <p>The Company's Board of Directors shall have 15 to 21 Directors. Directors shall be elected based on a candidate nomination system at the shareholders' meeting from among the shareholders with disposing capacity. The term of office for Directors shall be three years, and Directors are eligible for re-election. When a Director's term expires and another Director cannot be elected in time, he or she shall extend his or her duties until the re-elected director takes office.</p> <p><u>Pursuant to Article 183 of the Securities and Exchange Act, the Company shall have no less than two Independent Directors among the aforementioned number of Directors, and Independent Directors shall account for no less than one fifth of the Board of Directors. They shall be elected from the list of nominees for Independent</u></p>	<p>I. I. Considering the establishment of the audit committee of the Company, in accordance with the provisions of Paragraph 2, Article 14.4 of the current Securities Exchange Act, the committee should be composed entirely of in-dependent directors, with a minimum of three members. Furthermore, the establishment of in-dependent directors is aimed at leveraging their expertise and independence to maximize the Company's interests, while strengthening in-ternal control within the board and enhancing the self-regulatory function of the board. Thus, to enhance the functions of the Company's board and monitor and leverage the management, based on Paragraphs 1 and 3 of Article 4 of the Guidelines for</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>qualifications, shareholdings, restrictions on concurrent posts, nomination and election methods and other compliance of the Independent Directors shall be subject to the relevant provisions of the competent authority of securities.</p> <p>An elected Director representing the government, a judicial person shareholder, or its representative may be replaced at any time by another representative to complete the remainder of the term of office of the replaced Director as the result of a change of his or her job duties.</p>	<p>Directors at the shareholders' meeting. The professional qualifications, shareholdings, restrictions on concurrent posts, nomination and election methods and other compliance of the Independent Directors shall be subject to the relevant provisions of the competent authority of securities.</p> <p>An elected Director representing the government, a judicial person shareholder, or its representative may be replaced at any time by another representative to complete the remainder of the term of office of the replaced Director as the result of a change of his or her job duties.</p>	<p>Setting up and Exercising the Authority of the Board of Directors of Listed Companies (hereinafter referred to as the Guide-lines), Paragraph 2 of this article was amended to raise the minimum numbers of independent directors and the proportion they account for in the board , and deleted texts related to the date of effectiveness of the Securities Exchange Act.</p> <p>II. Upon reviewing points 2 and 4 on gender diversity and the limits of terms of independent directors in the aforementioned Guidelines, Article 3 of the Company's Regulations for Electing Board of Directors was stipulated. Moreover, according to external legal counsel, it is not necessary to stipulate the aforementioned restriction on the term of independent directors in the Articles of Incorporation.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
		ration.
<p>Article 39</p> <p>The Articles of Incorporation were established on November 14, 2001.</p> <p>The 1st amendment was made on May 24, 2002.</p> <p>The 2nd amendment was made on June 6, 2003.</p> <p>The 3rd amendment was made on June 11, 2004.</p> <p>The 4th amendment was made on December 17, 2004.</p> <p>The 5th amendment was made on June 9, 2006.</p> <p>The 6th amendment was made on June 9, 2010.</p> <p>The 7th amendment was made on June 24, 2011.</p> <p>The 8th amendment was made on June 22, 2012. The deletion of relevant regulations regarding Supervisors shall take effect from the date of the establishment of the Audit Committee.</p> <p>The 9th amendment was made on June 20, 2014.</p> <p>The 10th amendment was made on June 12, 2015.</p> <p>The 11th amendment was made on June 24, 2016.</p> <p>The 12th amendment was</p>	<p>Article 39</p> <p>The Articles of Incorporation were established on November 14, 2001.</p> <p>The 1st amendment was made on May 24, 2002.</p> <p>The 2nd amendment was made on June 6, 2003.</p> <p>The 3rd amendment was made on June 11, 2004.</p> <p>The 4th amendment was made on December 17, 2004.</p> <p>The 5th amendment was made on June 9, 2006.</p> <p>The 6th amendment was made on June 9, 2010.</p> <p>The 7th amendment was made on June 24, 2011.</p> <p>The 8th amendment was made on June 22, 2012. The deletion of relevant regulations regarding Supervisors shall take effect from the date of the establishment of the Audit Committee.</p> <p>The 9th amendment was made on June 20, 2014.</p> <p>The 10th amendment was made on June 12, 2015.</p> <p>The 11th amendment was made on June 24, 2016.</p> <p>The 12th amendment was</p>	<p>An amendment has been made to specify the date and number of this amendment. In particular, Article 22, Paragraph 2 of the Articles, regarding the amendment on raising the minimum number of independent directors, refer to the grace period provisions set forth in the Paragraph 3 of Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. Therefore, it is explicitly stated that these provisions will take effect upon the expiration of the term of the eighth Board of Directors of the Company (from June 17, 2022 to June 16, 2025).</p>

Content of Article after Amendment	Content of Article before Amendment	Description
made on June 14, 2019. <u>The 13th amendment was made on June 21, 2024. The amendments shall take effect upon the expiration of the term of the eighth board of directors of the Company.</u>	made on June 14, 2019.	

Hua Nan Financial Holdings Co., Ltd.

Articles of Incorporation (Draft)

Chapter 1 General Provisions

- Article 1. The Company is incorporated in accordance with the Financial Holding Company Act, the Company Act, and related laws and regulations to expand the economic scale and categories in consideration of developed synergies of the Company.
- Article 2. The Company is named "Hua Nan Financial Holdings Co., Ltd." (Chinese: 華南金融控股股份有限公司).
- Article 3. The Company's head office is established in Taipei City, and the Company may establish domestic or overseas branches at appropriate locations in response to business requirements.
- Article 4. Any announcement made by the Company shall be published in newspapers, electronic newsletters, or a website set up or designated by the central competent authority.

Where the competent authority of securities prescribes other regulations regarding matters in the preceding paragraph, such regulations shall apply.

Chapter 2 Shares

- Article 5. The Company has one hundred eighty billion New Taiwan Dollars (NTD180 billion) in authorized capital, which is divided into 18 billion shares with a face value of NTD10 each. The Board of Directors is authorized to issue the shares in separate installments.
- Article 6. Shares issued by the Company are not required to be printed. The Company, however, shall register the shares with the centralized securities depository enterprise institution, and comply with the regulations of the institution.
- Article 7. Shareholders of the Company shall provide their seal specimens which shall be kept by the Company. Claims for collection of dividends, exercising the rights of a shareholder in writing, or written communication with the Company, shall be verified with the seal shown in the specimens.
- Article 8. Except as otherwise provided by laws and regulations, the transfer of the Company's shares shall be signed by both the shareholder and the transferee. The shareholder shall fill out the share transfer application form set by the Company and file the application along with the shares to be transferred to the Company. Unless it is registered in the shareholders roster, the shareholder may not file claims against the

Company based on the transfer.

All transfers of shares shall be duly suspended within 60 days prior to the date of an annual general meeting, within 30 days prior to the date of an extraordinary general meeting, or within 5 days prior to the cut-off date set by the Company for the distribution of dividends, bonus, or other benefits.

Article 9. The Company shall handle shareholders service in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Chapter 3 Business Operations

Article 10. The Company's business item: H801011 Financial Holding Company.

Article 11. The Company's scope of business is as follows:

1. The Company may invest in the following business:
 - (1) Financial holding companies
 - (2) Banking business;
 - (3) Bills financing business;
 - (4) Credit card business;
 - (5) Trust business;
 - (6) Insurance business;
 - (7) Securities business;
 - (8) Futures business;
 - (9) Venture capital business;
 - (10) Investments in foreign financial institutions approved by the competent authority;
 - (11) Other business in relating to financial services recognized by the competent authority;
 - (12) Other related financial business the Company may invest in by law.
2. Management of the investee enterprises in the preceding subparagraph.
3. The Company may apply to the competent authority for approval for investment in businesses other than those specified in Subparagraph 1.
4. Other related businesses approved by the competent authority.

Article 12. The Company's specialized business consists of investments and management of invested businesses. Its investments in other businesses shall not be restricted by the 40% of the Company's paid-up capital as specified in Paragraph Two of Article 13

of the Company Act.

Chapter 4 Shareholders Meeting

Article 13. The Company's shareholders meetings include regular meetings and special meetings. The regular shareholders meeting is convened within six months after the end of each fiscal year; special shareholders meetings are convened when necessary in accordance with the Company Act.

Unless otherwise provided in the Company Act or other related regulations, the shareholders' meeting shall be convened by the Board of Directors in accordance with laws.

Article 14. The notice for convening a regular shareholders meeting shall be issued 30 days prior to the meeting and the notice for convening a special shareholders meeting shall be issued 15 days prior to the meeting. All shareholders shall be notified of the date, location, and purpose of the meeting and the Company may provide notifications to shareholders holding fewer than one thousand registered shares by means of a public notice.

Article 15. Where a shareholder is unable to attend the shareholders meeting, he/she may sign or affix his/her personal seal on a proxy form printed by the Company to specify the scope of authorization and designate a proxy to attend the meeting on his/her behalf. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

The aforementioned proxy letter must be delivered to the Company at least five days prior to the shareholders meeting. If more than one written proxy is delivered, the first one that received by the Company shall prevail. However, this restriction does not apply to the withdrawal of prior proxies.

Article 16. The Company's shareholders shall have one voting right per share unless otherwise provided in laws or regulations.

Article 17. Matters to be resolved by the shareholders meeting are as follows:

1. Establishment and amendment of the Company's Articles of Incorporation.
2. Election and dismissal of Directors.
3. Ratification of the statements prepared by the Board of Directors and the

- inspection reports issued by the Audit Committee.
4. Resolutions regarding the increase or decrease of capital of the Company.
 5. Resolutions regarding the distribution of earnings and make-up of deficits.
 6. Other matters to be resolved in the shareholders' meeting in accordance with laws.

Article 18. Unless otherwise specified by law, the Chairman of the Board of Directors shall chair the shareholders' meeting. Where the Chairman is on leave or unable to attend the meeting for any reason, the Vice Chairman, if appointed, shall stand proxy. If there is no Vice Chairman or if the Vice Chairman is also on leave or unable to exercise power for any reason, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to stand proxy.

Article 19. Unless otherwise provided by the Financial Holding Company Act, Company Act and other applicable laws, all resolutions of the shareholders' meeting must be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 20. Resolutions adopted at a shareholders meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman of the meeting and shall be distributed to each shareholder within 20 days after the close of the meeting.

The public announcement of the meeting minutes mentioned in the preceding paragraph shall suffice.

Article 21. Unless otherwise specified by law or the Articles of Incorporation, matters related to the shareholders' meeting shall be processed in accordance with the Rules of Procedure for Shareholders Meetings of the Company.

Chapter 5 Board of Directors

Article 22. The Company's Board of Directors shall have 15 to 21 Directors. Directors shall be elected based on a candidate nomination system at the shareholders' meeting from among the shareholders with disposing capacity. The term of office for Directors shall be three years, and Directors are eligible for re-election. When a Director's term expires and another Director cannot be elected in time, he or she shall extend his or her duties until the re-elected director takes office.

The Company shall have no less than **three** Independent Directors among the aforementioned number of Directors, and Independent Directors shall account for no less

than one **third** of the Board of Directors. They shall be elected from the list of nominees for Independent Directors at the shareholders' meeting. The professional qualifications, shareholdings, restrictions on concurrent posts, nomination and election methods and other compliance of the Independent Directors shall be subject to the relevant provisions of the competent authority of securities.

An elected Director representing the government, a judicial person shareholder, or its representative may be replaced at any time by another representative to complete the remainder of the term of office of the replaced Director as the result of a change of his or her job duties.

Article 23. Unless otherwise provided in laws, the Company's Board of Directors shall appoint one Chairman of the Board among the directors by a majority vote at a meeting attended by more than two thirds of the Directors, and may also appoint a Vice Chairman through the same procedure as for the Chairman by the Board of Directors when necessary.

The Board of Directors is authorized to prescribe remunerations to Directors based on their participation in the operation of the Company and the value of their contributions according to the general remuneration level of other financial institutions.

The provisional standard provided in the Labor Standards Act shall apply mutatis mutandis to the payments of severance and pension payable to the Chairman and Vice Chairman regardless of the requirements pertaining to age and service period.

Article 24. The Chairman of the Board of Directors shall internally chair the shareholders' meeting and meetings of the Board of Directors and shall externally represent the Company. If the Chairman is on leave or is unable to exercise power for any reason, the Vice Chairman, if appointed, shall stand proxy. If there is no Vice Chairman or if the Vice Chairman is also on leave or unable to exercise power for any reason, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to stand proxy.

Article 25. Unless otherwise provided by law or regulation, the Company's shareholders' meeting shall be convened by the Chairman. Unless otherwise prescribed in the Financial Holding Company Act, Company Act or other regulations, the resolutions of a meeting of the Board of Directors shall be adopted by a majority vote of the Directors in attendance who represent more than one-half of all Directors. Directors shall personally attend board meetings. However, if a Director is unable to attend a board

meeting, he/she may appoint another Director to serve as proxy to attend the meeting by submitting a proxy form specifying the scope of delegation. However, a Director may only serve as a proxy for one other Director.

For Board meetings conducted through video-conferencing, a Director who participates through video-conferencing is deemed to have attended in person.

Article 26. The functions of the Board of Directors are as follows:

1. Review and approval of business policies and plans.
2. Review and approval of the budget and final accounts.
3. Review and approval of important regulations.
4. Review and approval of the Company's capital increase or decrease and issuance of securities.
5. Proposal of the earnings distribution.
6. Resolutions on the issuance of corporate bonds.
7. Resolutions on the Company's share buyback plans.
8. Review of the acquisition or disposal of assets.
9. Review of important contracts.
10. Appointment or dismissal of managerial officers and audit supervisors.
11. Review of the construction, purchase, or sale of the Company's operation sites and buildings.
12. Determination of the date of the general shareholders' meeting or special shareholders' meeting.
13. Execution of the resolutions of the shareholder's meeting.
14. Review and approval of the appointment, dismissal and compensation of CPAs.
15. Appointment of directors and supervisors of subsidiaries.
16. Review and approval of the Audit Committee Charter.
17. Review and approval of remuneration for employees.
18. Other matters to be resolved in the board meeting in accordance with laws and authorization of the shareholders' meeting.

Article 27. The Board of Directors shall convene a regular meeting every month . A special meeting of the Board of Directors may be held in case of emergency or at the request of a majority of the Directors. Unless otherwise specified in the Financial Holding Company Act or the Company Act, the board meeting notice and the production and

distribution of meeting minutes may be implemented in writing or by electronic means.

The Company's Board of Directors may establish different functional committees. Unless otherwise specified in related regulations or the Articles of Incorporation, the Board of Directors is authorized to establish the Rules of Procedure for Board of Directors Meetings for the organization and meetings of the Company's Board of Directors.

Article 28. The Board of Directors shall establish an Audit Department to oversee audit operations. The Department of Auditing shall have one Chief Auditor who shall supervise the audit operations of the Company and subsidiaries in accordance with resolution of meetings of the Board of Directors. The appointment and dismissal of the Chief Auditor shall be determined by the Board of Directors in accordance with related laws and regulations.

Article 29. The Audit Committee shall be composed of all Independent Directors with no fewer than three persons. One member shall be the convener and at least one member shall have accounting or financial expertise.

The supervisor system shall be abolished on the date the Audit Committee is established.

Article 30. The powers and duties of the Audit Committee and other matters for compliance shall be processed in accordance with related regulations of the competent authority of securities.

Article 31. The Company's Directors may serve concurrently as Directors and Supervisors of subsidiaries in accordance with laws.

Article 32. The Company may, pursuant to relevant regulations, establish liability insurance contracts with insurance enterprises for the Company's Directors to cover the respective compensation liabilities in the performance of their duties.

Chapter 6 Managerial Officers

Article 33. The Company shall appoint one President who shall be nominated by the Chairman and approved by a majority of the Directors. The same rule shall apply to the dismissal of the President. The President shall oversee all business operations in accordance with the resolutions of meetings of the Board of Directors. Where the President cannot perform his/her duties, the Chairman shall designate a Vice President to perform such duties on behalf of the President.

Article 34. The Company shall appoint several Vice Presidents and Assistant Vice Presidents to assist the President in business operations. Their appointment and dismissal shall be proposed by the President and approved by a majority vote in the Board of Directors.

Chapter 7 Accounting Closing and Distribution of Earnings

Article 35. The Company's fiscal year is based on the calendar year, starting from January 1st and ends on December 31st of the same year. At the end of each fiscal year, the Board of Directors shall prepare the following statements, deliver them to the Audit Committee for review at least 30 days prior to a general shareholders meeting, and request ratification in the general shareholders' meeting.

1. Business report.
2. Financial statements.
3. Proposal for profit distribution or loss appropriation.

Article 36. If the Company has net income for the year, the Company shall set aside a certain amount as Directors' remuneration and employees' compensation based on net income before tax. The Board of Directors shall be authorized to determine the amount of the remuneration for each year within the specified scope. However, net income of the year shall be first used to offset accumulated loss, if any.

1. Directors' remuneration shall be no more than 1%.
2. Employees' compensation shall be between 0.02% and 0.15% and shall be distributed in stocks or cash. The recipients may include employees of affiliated companies that meet certain requirements. The Board of Directors shall set rules specifying the requirements.

The Company has adopted a surplus dividend policy to continue to expand its scale, enhance its profitability, and abide by related laws and regulations.

The earnings of the Company, if any, shall be first used to pay the tax due and offset accumulated loss in past years according to law, followed by setting aside a legal surplus reserve. Then, a special surplus reserve shall be allocated or reversed according to the regulations and laws or as required by business needs. Any remaining balance and undistributed earnings from previous years shall be the distributable amount, and the shareholders meeting shall resolve the distribution of the shareholder's dividends and bonus within 30% to 100% of the distributable amount. The shareholders' dividends shall be distributed in cash and stock based on the Company's operation plans. The cash dividends shall not be lower than 10% of the total

amount of the dividends to be distributed. unless otherwise resolved by the shareholders meeting, cash dividends of less than NTD0.1 per share shall not be distributed.

Chapter 8 Supplementary Provisions

Article 37. The Board of Directors is authorized to establish the Company's organizational regulations and important rules.

Article 38. Matters not included in the Articles of Incorporation shall be processed in accordance with the Financial Holding Company Act, Company Act, and other relevant laws and regulations.

Article 39. The Articles of Incorporation were established on November 14, 2001.

The 1st amendment was made on May 24, 2002.

The 2nd amendment was made on June 6, 2003.

The 3rd amendment was made on June 11, 2004.

The 4th amendment was made on December 17, 2004.

The 5th amendment was made on June 9, 2006.

The 6th amendment was made on June 9, 2010.

The 7th amendment was made on June 24, 2011.

The 8th amendment was made on June 22, 2012. The deletion of relevant regulations regarding Supervisors shall take effect from the date of the establishment of the Audit Committee.

The 9th amendment was made on June 20, 2014.

The 10th amendment was made on June 12, 2015.

The 11th amendment was made on June 24, 2016.

The 12th amendment was made on June 14, 2019.

The 13th amendment was made on June 21, 2024. The amendments shall take effect upon the expiration of the term of the eighth board of directors of the Company.

Discussion Matters (2)

Proposed by the Board of Directors

Proposal: Amendments to the Company's Regulations Governing Election of Directors.

Details:

- I. To promote gender diversity among the directors of the Company and strengthen the independence of independent directors, it is proposed to amend the relevant provisions of the Company's Regulations Governing Election of Directors (the "Regulations") with reference to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" amended and announced by the Taiwan Stock Exchange Corporation on August 23, 2023. The proposed amendments are as follows:
 - (I) An addition to stipulate that there must be at least one director of each gender and the consecutive terms of all independent directors must not exceed three terms. (Amendments to Article 3)
 - (II) Consolidation of provisions regarding the by-election of directors in Paragraph 6 of Article 34, and the by-election of independent directors in Paragraph 7 of Article 36 from the Company's Corporate Governance Best-Practice Principles revised for the third time on April 27, 2023. Furthermore, when non-compliant with the amendments of Article 3 of the Regulations, additional revisions are made for the reason for by-election or re-election of directors and independent directors. (Amendments to Article 4)
 - (III) To align with the actual practice of shareholder affairs, the requirement for voters to specify information such as the account number of the candidate on the ballot is deleted. (Deletion of current Article 9)
 - (IV) An addition to specify the date and number of these amendments, and the grace period for the effectiveness of the amendments to Articles 3 and 4. (Amendments to Article 13)
- II. For the comparative table of the amended articles and the full text after amendments, please refer to pages 42 to 50 of the meeting handbook.

Resolution:

**Comparison List for Amendments to
Hua Nan Financial Holdings Co., Ltd.
Regulations Governing Election of Directors**

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 3</p> <p>The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties <u>and the board shall have at least one director of each gender.</u></p> <p>The qualifications for and elections of the independent directors of the Company shall comply with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” <u>and the consecutive terms of all independent directors must not exceed three terms.</u></p> <p>(Omitted)</p>	<p>Article 3</p> <p>The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties.</p> <p>The qualifications for and elections of the independent directors of the Company shall comply with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>(Omitted)</p>	<p>1. Referencing Paragraph 2, Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers (the "Guidelines")," from 2024, the boards of listed companies must have at least one director of each gender, which leads to the addition of a provision for director gender diversity in this paragraph.</p> <p>2. Given that the independence of independent directors contributes to the sound operation of the Company, in accordance with the latter part of Paragraph 4, Article 4 of the Guidelines, from 2027, the consecutive terms of all independent directors of listed companies must not exceed three terms. Considering the Company's election practices, a</p>

Content of Article after Amendment	Content of Article before Amendment	Description
		provision has been added in the second paragraph that the consecutive terms of all independent directors must not exceed three terms.
<p>Article 4</p> <p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article <u>192-1</u> of the Company Act. When the number of directors falls below <u>seven</u> due to the dismissal of a director for any reason <u>or the number of board members of different genders does not comply with the first paragraph of the preceding Article</u>, the Company shall hold a director <u>re-election or</u> by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.</p>	<p>Article 4</p> <p>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article <u>192-1</u> of the Company Act. When the number of directors falls below <u>five</u> due to the dismissal of a director for any reason, the Company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.</p> <p>When the number of independent directors falls below that required under the provision of Article <u>14-2, paragraph 1 of the Securities</u></p>	<p>1.To standardize the format of the Regulations, textual revisions are made to Paragraph 1 of this article.</p> <p>2.In alignment with the Company’s requirements for the minimum number of board seats and the addition in Paragraph 1, Article 3 of the Regulations regarding the minimum gender diversity requirement for board members, and referencing Paragraph 1, Article 8 of the Guidelines, the Regulations also integrate the provisions regarding the by-election of directors from Paragraph 6, Article 34 of the Company’s Corporate Governance Best Practice Principles revised on April 27, 2023; thus the Paragraph 2 of this article is amended.</p> <p>3.In accordance with the Paragraph 6, Article 14-2 of the Securities and Exchange Act, there are stipulations</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>When the number of independent directors falls below that <u>legal requirement or violate the provision of second paragraph of the preceding Article</u>, a <u>re-election or</u> by-election shall be held at the next shareholders meeting to fill the vacancy.</p> <p>When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p><u>and Exchange Act</u>, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>for by-elections when the number of independent directors is less than the legal requirements or company's articles of incorporation requirements. Furthermore, the Paragraph 1, Article 8 of the Guidelines includes provisions for re-election or by-election when the number of independent directors does not reach one-third of the board seats or when the consecutive terms exceed three terms. Considering the aforementioned regulations and the provisions on the by-election of independent directors from Paragraph 7, Article 36 of the Company's Corporate Governance Best Practice Principles revised on April 27, 2023, were integrated into the Regulations, and the Paragraph 3 of this article is amended.</p>
	<p>Article 9</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the</p>	<p>1.This article is deleted.</p> <p>2.The "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" set by the Taiwan Stock Exchange Corporation for</p>

Content of Article after Amendment	Content of Article before Amendment	Description
	“candidate” column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic person shareholder, the name of the governmental organization or juristic person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	have removed the requirement for voters to fill in the name of the candidate, shareholder account number, name, or ID document number in the ballot column. Currently, the Company has included the aforementioned information during printing in the practice of shareholder affairs, hence this provision has been deleted.
Article <u>9</u> to Article <u>12</u> (Omitted)	Article <u>10</u> to Article <u>13</u> (Omitted)	In line with the deletion of Article 9 of the Regulations, the original Articles 10 to 13 have been renumbered as Articles 9 to 12.
Article <u>13</u> These Regulations were established on December 17, 2004.	Article <u>14</u> These Regulations were established on December 17, 2004.	1. In line with the deletion of Article 9, the numbering of this article has been changed to Article 13.

Content of Article after Amendment	Content of Article before Amendment	Description
<p>The first amendment was made on June 9, 2006.</p> <p>The second amendment was made on June 22, 2012. The deletion of the provisions on supervisors in these Regulations shall take effect from the date the audit committee is established.</p> <p><u>The third amendment was made on June 21, 2024. The amendments to Articles 3 and 4 hereof shall take effect upon the expiration of the term of the eighth board of directors of the Company.</u></p>	<p>The first amendment was made on June 9, 2006.</p> <p>The second amendment was made on June 22, 2012. The deletion of the provisions on supervisors in these Regulations shall take effect from the date the audit committee is established.</p>	<p>2. An amendment has been made to specify the date and number of this amendment. In particular, Articles 3 and 4 of the Regulations, which pertain to the minimum quota for directors of different genders and the consecutive term limits for independent directors, refer to the grace period provisions set forth in the Paragraphs 2 to 4 of Article 4 of the Guidelines, as well as the current director term situation of the Company. Therefore, it is explicitly stated that these provisions will take effect upon the expiration of the term of the eighth Board of Directors of the Company (from June 17, 2022 to June 16, 2025).</p>

Hua Nan Financial Holdings Co., Ltd.
Regulations Governing Election of Directors (Draft)

- Article 1 To ensure a just, fair, and open election of directors, these Regulations are adopted pursuant to the provisions of the “Corporate Governance Best-Practice Principles for Financial Holding Companies”.
- 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 these Regulations.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties **and the board shall have at least one director of each gender.**
- The qualifications for and elections of the independent directors of the Company shall comply with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” **and the consecutive terms of all independent directors must not exceed three terms.**
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- Article 4 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.
- When the number of directors falls below **seven** due to the dismissal of a director for any reason **or the number of board members of different genders does not comply with the first paragraph of the preceding Article**, the Company shall hold a director **re-election or** by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a

director by-election.

When the number of independent directors falls below that **legal** requirement **or violate the provision of second paragraph of the preceding Article, a re-election or** by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5 The cumulative voting method and registered ballots 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 ballots, on which the attendance card numbers shall be printed on the ballots and the number of voting rights associated with each ballot shall be specified on the ballots, and then the ballots shall 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, 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 a number of persons with shareholder status to perform the respective duties of vote monitoring and counting 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** A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
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 is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no share-holder account number or identity card number is provided in the ballot to identify such individual.
7. The total number of voting rights allotted to a candidate entered in the ballot exceeds the total number of voting rights associated with the ballot.

Article **10** 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, shall be announced by the chair on the site.

Article **11** The board of directors of the Company shall issue notifications to the persons elected as directors.

Article **12** These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article **13** These Regulations were established on December 17, 2004.

The first amendment was made on June 9, 2006.

The second amendment was made on June 22, 2012. The deletion of the provisions on supervisors in these Regulations shall take effect from the date the audit committee is established.

The third amendment was made on 21 June, 2024. The amendments to Articles 3 and 4 hereof shall take effect upon the expiration of the term of the

eighth board of directors of the Company.

Discussion Matters (3)

Proposed by the Board of Directors

Proposal: Issue new shares through capitalization of the 2023 earnings.

Details:

- I. To increase the capital scale and strengthen the financial structure, the management plans to withdraw NTD1,364,274,580 from distributable earnings for the year 2023 to issue 136,427,458 new shares through capitalization, with a par value of \$10 per share, in compliance with the provision of Article 240 of the Company Act. After capitalization of earnings, the number of issued shares was 13,779,173,356, with paid-in capital of NTD137,791,733,560.
- II. After passage in the annual general shareholders meeting and effective registration applied to the competent authority, the Company shall request that Board of Directors determine a capital increase ex-dividend date and issue 10 shares for every one thousand shares held. Distributions that amount to less than one full share may be grouped by shareholders within 5 days of the ex-dividend date at the Company's shareholder service agency. Fractions of a share that cannot be grouped into full shares shall be paid in cash (This is calculated to the amount of one whole NTD, and any decimal point below one NTD will be rounded down). The Chairman has been authorized to engage a designated party to subscribe to the accumulated share fractions at face value.
- III. The rights and obligations associated with the new shares issued for the cash increase are identical to those associated with the existing shares.
- IV. If the Company's shares in external circulation are subsequently changed due to transfer, conversion, cancellation of its treasury stock (or other reasons which impact the shareholder dividend ratio), a proposal is to be submitted to authorize the Board of Directors to process the changes.
- V. In the event that the issuance of new stocks is revised due to changes in regulations or approval of the competent authority, the shareholders are requested to authorize the Board of Directors at the annual general shareholder's meeting to process the revision.

Resolution:

Discussion Matters (4)

Proposed by the Board of Directors

Proposal: Proposal for Releasing the Prohibition on Directors from Participation in Competitive Business.

Details:

- I. Pursuant to the Articles 209-1 of the Company Act, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. The Company's directors and the judicial persons that they represent may participate in competitive business of the Company, as such the release of the prohibition is proposed.
- III. Please refer to the Handbook in page 54 about the Company's directors and the judicial persons that they represent that is within the scope of the company's business.

Resolution:

List of waiver of non-competition clause

Director and the judicial person represented by the director	Concurrent Company	Engaged in the same or similar business items as the Company	Position Held
Diane Y. C. Wang (Representative of Bank of Taiwan)	Bank of Taiwan	Banking	General Manager

Questions and Motions

Appendix 1

Hua Nan Financial Holdings Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- Article 1. The Company is incorporated in accordance with the Financial Holding Company Act, the Company Act, and related laws and regulations to expand the economic scale and categories in consideration of developed synergies of the Company.
- Article 2. The Company is named "Hua Nan Financial Holdings Co., Ltd." (Chinese: 華南金融控股股份有限公司).
- Article 3. The Company's head office is established in Taipei City, and the Company may establish domestic or overseas branches at appropriate locations in response to business requirements.
- Article 4. Any announcement made by the Company shall be published in newspapers, electronic newsletters, or a website set up or designated by the central competent authority.
- Where the competent authority of securities prescribes other regulations regarding matters in the preceding paragraph, such regulations shall apply.

Chapter 2 Shares

- Article 5. The Company has one hundred eighty billion New Taiwan Dollars (NTD180 billion) in authorized capital, which is divided into 18 billion shares with a face value of NTD10 each. The Board of Directors is authorized to issue the shares in separate installments.
- Article 6. Shares issued by the Company are not required to be printed. The Company, however, shall register the shares with the centralized securities depository enterprise institution, and comply with the regulations of the institution.
- Article 7. Shareholders of the Company shall provide their seal specimens which shall be kept by the Company. Claims for collection of dividends, exercising the rights of a shareholder in writing, or written communication with the Company, shall be verified with the seal shown in the specimens.
- Article 8. Except as otherwise provided by laws and regulations, the transfer of the Company's shares shall be signed by both the shareholder and the transferee. The shareholder shall fill out the share transfer application form set by the Company and file the application along with the shares to be transferred to the Company. Unless it is registered in the shareholders roster, the shareholder may not file claims against the Company based on the transfer.
- All transfers of shares shall be duly suspended within 60 days prior to the date of an annual general meeting, within 30 days prior to the date of an extraordinary general meeting, or within 5 days prior to the cut-off date set by the Company for the distribution of dividends, bonus, or other benefits.
- Article 9. The Company shall handle shareholders service in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Chapter 3 Business Operations

Article 10. The Company's business item: H801011 Financial Holding Company.

Article 11. The Company's scope of business is as follows:

1. The Company may invest in the following business:
 - (13) Financial holding companies
 - (14) Banking business;
 - (15) Bills financing business;
 - (16) Credit card business;
 - (17) Trust business;
 - (18) Insurance business;
 - (19) Securities business;
 - (20) Futures business;
 - (21) Venture capital business;
 - (22) Investments in foreign financial institutions approved by the competent authority;
 - (23) Other business in relating to financial services recognized by the competent authority;
 - (24) Other related financial business the Company may invest in by law.
2. Management of the investee enterprises in the preceding subparagraph.
3. The Company may apply to the competent authority for approval for investment in businesses other than those specified in Subparagraph 1.
4. Other related businesses approved by the competent authority.

Article 12. The Company's specialized business consists of investments and management of invested businesses. Its investments in other businesses shall not be restricted by the 40% of the Company's paid-up capital as specified in Paragraph Two of Article 13 of the Company Act.

Chapter 4 Shareholders Meeting

Article 13. The Company's shareholders meetings include regular meetings and special meetings. The regular shareholders meeting is convened within six months after the end of each fiscal year; special shareholders meetings are convened when necessary in accordance with the Company Act.

Unless otherwise provided in the Company Act or other related regulations, the shareholders' meeting shall be convened by the Board of Directors in accordance with laws.

Article 14. The notice for convening a regular shareholders meeting shall be issued 30 days prior to the meeting and the notice for convening a special shareholders meeting shall be issued 15 days prior to the meeting. All shareholders shall be notified of the date, location, and purpose of the meeting and the Company may provide notifications to shareholders holding fewer than one thousand registered shares by means of a public notice.

Article 15. Where a shareholder is unable to attend the shareholders meeting, he/she may sign or affix his/her personal seal on a proxy form printed by the Company to specify the scope of authorization and designate a proxy to attend the meeting on his/her behalf. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or

more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

The aforementioned proxy letter must be delivered to the Company at least five days prior to the shareholders meeting. If more than one written proxy is delivered, the first one that received by the Company shall prevail. However, this restriction does not apply to the withdrawal of prior proxies.

Article 16. The Company's shareholders shall have one voting right per share unless otherwise provided in laws or regulations.

Article 17. Matters to be resolved by the shareholders meeting are as follows:

1. Establishment and amendment of the Company's Articles of Incorporation.
2. Election and dismissal of Directors.
3. Ratification of the statements prepared by the Board of Directors and the inspection reports issued by the Audit Committee.
4. Resolutions regarding the increase or decrease of capital of the Company.
5. Resolutions regarding the distribution of earnings and make-up of deficits.
6. Other matters to be resolved in the shareholders' meeting in accordance with laws.

Article 18. Unless otherwise specified by law, the Chairman of the Board of Directors shall chair the shareholders' meeting. Where the Chairman is on leave or unable to attend the meeting for any reason, the Vice Chairman, if appointed, shall stand proxy. If there is no Vice Chairman or if the Vice Chairman is also on leave or unable to exercise power for any reason, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to stand proxy.

Article 19. Unless otherwise provided by the Financial Holding Company Act, Company Act and other applicable laws, all resolutions of the shareholders' meeting must be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 20. Resolutions adopted at a shareholders meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman of the meeting and shall be distributed to each shareholder within 20 days after the close of the meeting.

The public announcement of the meeting minutes mentioned in the preceding paragraph shall suffice.

Article 21. Unless otherwise specified by law or the Articles of Incorporation, matters related to the shareholders' meeting shall be processed in accordance with the Rules of Procedure for Shareholders Meetings of the Company.

Chapter 5 Board of Directors

Article 22. The Company's Board of Directors shall have 15 to 21 Directors. Directors shall be elected based on a candidate nomination system at the shareholders' meeting from among the shareholders with

disposing capacity. The term of office for Directors shall be three years, and Directors are eligible for re-election. When a Director's term expires and another Director cannot be elected in time, he or she shall extend his or her duties until the re-elected director takes office.

Pursuant to Article 183 of the Securities and Exchange Act, the Company shall have no less than two Independent Directors among the aforementioned number of Directors, and Independent Directors shall account for no less than one fifth of the Board of Directors. They shall be elected from the list of nominees for Independent Directors at the shareholders' meeting. The professional qualifications, shareholdings, restrictions on concurrent posts, nomination and election methods and other compliance of the Independent Directors shall be subject to the relevant provisions of the competent authority of securities.

An elected Director representing the government, a judicial person shareholder, or its representative may be replaced at any time by another representative to complete the remainder of the term of office of the replaced Director as the result of a change of his or her job duties.

Article 23. Unless otherwise provided in laws, the Company's Board of Directors shall appoint one Chairman of the Board among the directors by a majority vote at a meeting attended by more than two thirds of the Directors, and may also appoint a Vice Chairman through the same procedure as for the Chairman by the Board of Directors when necessary.

The Board of Directors is authorized to prescribe remunerations to Directors based on their participation in the operation of the Company and the value of their contributions according to the general remuneration level of other financial institutions.

The provisional standard provided in the Labor Standards Act shall apply mutatis mutandis to the payments of severance and pension payable to the Chairman and Vice Chairman regardless of the requirements pertaining to age and service period.

Article 24. The Chairman of the Board of Directors shall internally chair the shareholders' meeting and meetings of the Board of Directors and shall externally represent the Company. If the Chairman is on leave or is unable to exercise power for any reason, the Vice Chairman, if appointed, shall stand proxy. If there is no Vice Chairman or if the Vice Chairman is also on leave or unable to exercise power for any reason, the Chairman may appoint one of Directors to stand proxy. If the Chairman does not appoint a proxy, the Directors shall elect one person from among themselves to stand proxy.

Article 25. Unless otherwise provided by law or regulation, the Company's shareholders' meeting shall be convened by the Chairman. Unless otherwise prescribed in the Financial Holding Company Act, Company Act or other regulations, the resolutions of a meeting of the Board of Directors shall be adopted by a majority vote of the Directors in attendance who represent more than one-half of all Directors. Directors shall personally attend board meetings. However, if a Director is unable to attend a board meeting, he/she may appoint another Director to serve as proxy to attend the meeting by submitting a proxy form specifying the scope of delegation. However, a Director may only serve as a proxy for one other Director.

For Board meetings conducted through video-conferencing, a Director who participates through video-conferencing is deemed to have attended in person.

Article 26. The functions of the Board of Directors are as follows:

1. Review and approval of business policies and plans.
2. Review and approval of the budget and final accounts.
3. Review and approval of important regulations.
4. Review and approval of the Company's capital increase or decrease and issuance of securities.
5. Proposal of the earnings distribution.
6. Resolutions on the issuance of corporate bonds.
7. Resolutions on the Company's share buyback plans.
8. Review of the acquisition or disposal of assets.
9. Review of important contracts.
10. Appointment or dismissal of managerial officers and audit supervisors.
11. Review of the construction, purchase, or sale of the Company's operation sites and buildings.
12. Determination of the date of the general shareholders' meeting or special shareholders' meeting.
13. Execution of the resolutions of the shareholder's meeting.
14. Review and approval of the appointment, dismissal and compensation of CPAs.
15. Appointment of directors and supervisors of subsidiaries.
16. Review and approval of the Audit Committee Charter.
17. Review and approval of remuneration for employees.
18. Other matters to be resolved in the board meeting in accordance with laws and authorization of the shareholders' meeting.

Article 27. The Board of Directors shall convene a regular meeting every month . A special meeting of the Board of Directors may be held in case of emergency or at the request of a majority of the Directors. Unless otherwise specified in the Financial Holding Company Act or the Company Act, the board meeting notice and the production and distribution of meeting minutes may be implemented in writing or by electronic means.

The Company's Board of Directors may establish different functional committees. Unless otherwise specified in related regulations or the Articles of Incorporation, the Board of Directors is authorized to establish the Rules of Procedure for Board of Directors Meetings for the organization and meetings of the Company's Board of Directors.

Article 28. The Board of Directors shall establish an Audit Department to oversee audit operations. The Department of Auditing shall have one Chief Auditor who shall supervise the audit operations of the Company and subsidiaries in accordance with resolution of meetings of the Board of Directors. The appointment and dismissal of the Chief Auditor shall be determined by the Board of Directors in accordance with related laws and regulations.

Article 29. The Audit Committee shall be composed of all Independent Directors with no fewer than three persons. One member shall be the convener and at least one member shall have accounting or

financial expertise.

The supervisor system shall be abolished on the date the Audit Committee is established.

Article 30. The the powers and duties of the Audit Committee and other matters for compliance shall be processed in accordance with related regulations of the competent authority of securities.

Article 31. The Company's Directors may serve concurrently as Directors and Supervisors of subsidiaries in accordance with laws.

Article 32. The Company may, pursuant to relevant regulations, establish liability insurance contracts with insurance enterprises for the Company's Directors to cover the respective compensation liabilities in the performance of their duties.

Chapter 6 Managerial Officers

Article 33. The Company shall appoint one President who shall be nominated by the Chairman and approved by a majority of the Directors. The same rule shall apply to the dismissal of the President. The President shall oversee all business operations in accordance with the resolutions of meetings of the Board of Directors. Where the President cannot perform his/her duties, the Chairman shall designate a Vice President to perform such duties on behalf of the President.

Article 34. The Company shall appoint several Vice Presidents and Assistant Vice Presidents to assist the President in business operations. Their appointment and dismissal shall be proposed by the President and approved by a majority vote in the Board of Directors.

Chapter 7 Accounting Closing and Distribution of Earnings

Article 35. The Company's fiscal year is based on the calendar year, starting from January 1st and ends on December 31st of the same year. At the end of each fiscal year, the Board of Directors shall prepare the following statements, deliver them to the Audit Committee for review at least 30 days prior to a general shareholders meeting, and request ratification in the general shareholders' meeting.

1. Business report.
2. Financial statements.
3. Proposal for profit distribution or loss appropriation.

Article 36. If the Company has net income for the year, the Company shall set aside a certain amount as Directors' remuneration and employees' compensation based on net income before tax. The Board of Directors shall be authorized to determine the amount of the remuneration for each year within the specified scope. However, net income of the year shall be first used to offset accumulated loss, if any.

1. Directors' remuneration shall be no more than 1%.
2. Employees' compensation shall be between 0.02% and 0.15% and shall be distributed in stocks or cash. The recipients may include employees of affiliated companies that meet certain requirements. The Board of Directors shall set rules specifying the requirements.

The Company has adopted a surplus dividend policy to continue to expand its scale, enhance its profitability, and abide by related laws and regulations.

The earnings of the Company, if any, shall be first used to pay the tax due and offset accumulated loss in past years according to law, followed by setting aside a legal surplus reserve. Then, a special surplus reserve shall be allocated or reversed according to the regulations and laws or as required by business needs. Any remaining balance and undistributed earnings from previous years shall be the distributable amount, and the shareholders meeting shall resolve the distribution of the shareholder's dividends and bonus within 30% to 100% of the distributable amount. The shareholders' dividends shall be distributed in cash and stock based on the Company's operation plans. The cash dividends shall not be lower than 10% of the total amount of the dividends to be distributed. unless otherwise resolved by the shareholders meeting, cash dividends of less than NTD0.1 per share shall not be distributed.

Chapter 8 Supplementary Provisions

Article 37. The Board of Directors is authorized to establish the Company's organizational regulations and important rules.

Article 38. Matters not included in the Articles of Incorporation shall be processed in accordance with the Financial Holding Company Act, Company Act, and other relevant laws and regulations.

Article 39. The Articles of Incorporation were established on November 14, 2001.

The 1st amendment was made on May 24, 2002.

The 2nd amendment was made on June 6, 2003.

The 3rd amendment was made on June 11, 2004.

The 4th amendment was made on December 17, 2004.

The 5th amendment was made on June 9, 2006.

The 6th amendment was made on June 9, 2010.

The 7th amendment was made on June 24, 2011.

The 8th amendment was made on June 22, 2012. The deletion of relevant regulations regarding Supervisors shall take effect from the date of the establishment of the Audit Committee.

The 9th amendment was made on June 20, 2014.

The 10th amendment was made on June 12, 2015.

The 11th amendment was made on June 24, 2016.

The 12th amendment was made on June 14, 2019.

Appendix 2

Hua Nan Financial Holdings Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Article 1 (Basis for Establishment)

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 11 of the "Corporate Governance Best Practice Principles for Financial Holding Companies."

Article 2 (Legal Application)

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

Article 3 (Convention and Notice of Shareholders' Meetings)

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

The Company shall notify each shareholder of the convention of a shareholders' meeting no later than 30 days prior to the date of a regular shareholders' meeting or no later than 15 days prior to the date of a special shareholders' meeting, and shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS). The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the website designated by FSC. In addition, the Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials 15 days prior to the date of a shareholders' meeting and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and its professional shareholder services agent as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice. With the consent of the addressee, the meeting notice may be given in an electronic form.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the

Company Act apply to a proposal put forward by a shareholder, the Board of Directors shall include it in the agenda.

Prior to the date on which share transfer registration is suspended prior to the convention of a regular shareholders' meeting, the Company shall give a public notice announcing the acceptance of proposals, the place and the period for shareholders to submit proposals to be discussed at the meeting; the period for accepting such proposals shall not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to no more than 300 words. The shareholder who has submitted a proposal shall attend, in person or by a proxy, a regular shareholders' meeting where his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 4 (Attendance by Proxy and Authorization)

A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney issued by the Company and stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company 2 days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles Determining the Time and Place of a Shareholders' Meeting)

The place where a shareholders' meeting is held shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 (Preparation of Attendance Book and Other Documents)

The Company shall furnish the attending shareholders or their proxies (hereinafter referred to as the "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance; solicitors soliciting proxy forms shall also bring identification documents for verification.

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

Article 7 (Chairperson and Non-voting Participants of a Shareholders' Meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board of Directors. When the Chairman of the Board of Directors is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason and unable to exercise the powers of the chairperson, the Chairman shall appoint one of the directors to act as chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chairperson.

Shareholders' meetings convened by the Board of Directors shall be attended by a majority of the directors.

If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, the chairperson of the meeting shall be elected from among themselves.

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

Article 8 (Documentation of a Shareholders' Meeting)

The Company shall make an audio or video recording of a shareholders' meeting, and the recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.

Article 9 (Calculation of Shareholder's Meeting Attendance Shares and Calling of Shareholder's Meetings)

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of Proposals)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with power to convene other than the Board of Directors.

The chairperson shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the attending shareholders to elect a new chairperson in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 11 (Shareholders' Speech)

Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chairperson may respond in person or direct the relevant personnel to respond.

Article 12 (Calculation of Voting Shares and Recusal System)

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

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.

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

Except for trust enterprises or stock agencies approved by the securities authority in charge, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company; otherwise, the portion of excessive voting power shall not be counted.

Article 13 (Voting and Vote Monitoring and Counting Methods)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence; when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but shall be deemed to have waived voting rights with respect to the special motions and amendments to the original proposals at that meeting; therefore, the Company shall avoid the submission of special motions and the amendments to the original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days prior to the date of the shareholders' meeting. When two or more declarations of the same intent are delivered, the one received earliest shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In the event a shareholder who has exercised voting rights by correspondence or electronic means intends to attend a shareholders' meeting in person, a written declaration of intent to rescind the previous declaration of intent made in exercising the voting rights under the preceding paragraph shall be delivered to the Company, in the same manner previously used in exercising the voting rights, 2 days prior to the date of the shareholders' meeting. If the notice of rescission is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and has appointed a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy at the meeting shall prevail. Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, for each proposal, the chairperson or a person designated by the chairperson shall announce the total number of voting rights represented by the attending shareholders.

A proposal is deemed to have been adopted when no attending shareholders give a dissent after being inquired by the chairperson, and the effect thereof is the same as a vote; if there are dissents, a vote in the preceding paragraph shall be adopted. In addition to the proposals listed in the agenda, other proposals submitted by shareholders or amendments or alternatives to the original proposals shall be seconded by other shareholders. When there is an amendment or an alternative to the same proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is adopted, the other proposals shall then be deemed rejected, and no further voting shall be required.

The vote monitoring and counting personnel for voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meetings. Immediately after vote counting has been completed, the results of voting shall be announced on-site at the meeting, with a record of voting made.

Article 14 (Elections)

The election of directors at a shareholders' meeting shall be held in accordance with the "Regulations Governing the Election of Directors" adopted by the Company, and the results of voting shall be announced on-site immediately.

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 1 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 15 (Meeting Minutes and Acknowledgments)

Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting.

The meeting minutes may be produced and distributed in an electronic form.

The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The meeting minutes shall be retained throughout the life of the Company.

A proposal adopted via the method of adopting resolutions referred to in the preceding paragraph shall be recorded as "adopted unanimously after the chairperson inquires all shareholders in attendance" after the chairperson has inquired all attending shareholders and no shareholders have raised any objection. If shareholders do raise any objection, the resolution shall specify the voting method adopted and the number and percentage of rights voted in favor.

Article 16 (Public Disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under the regulations of Taiwan Stock Exchange Corporation, the Company shall upload the

content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintenance of Order at the Meeting Place)

The staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands. The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from doing so. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and Resumption of a Shareholders' Meeting)

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

If the meeting place is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another place.

A resolution may be adopted at a shareholders' meeting to postpone the meeting for not more than, or to resume the meeting within, five days, in accordance with Article 182 of the Company Act.

Article 19 (Approval Level)

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 20 (Revision History)

These Rules were established on June 18, 2010.

The first amendment was made on June 22, 2012. The deletion of provisions of these Rules regarding supervisors shall take effect from the date of the establishment of the Audit Committee.

The second amendment was made on June 14, 2019.

The third amendment was made on June 17, 2022.

Appendix 3

- I. The number of shares held by the Company's Directors on the book closure date (April 23, 2024) for the annual general shareholder's meeting is disclosed in accordance with the "Regulations Governing Content and Compliance Requirements for Shareholder's Meeting Agenda Handbooks of Public Companies".
- II. The Company has issued a total of 13,642,745,898 shares, and the minimum required amount of shares held by all Directors is 160,000,000 shares. The Company has established an Audit Committee. Therefore, the minimum legal required amount of shares held by supervisors does not apply.

Hua Nan Financial Holdings Co., Ltd.

List of Shares Independently and Collectively Held by Directors

Title	Corporate Shareholder	Representative	Shares Held	Shareholding Ratio
Chairman	Ministry of Finance	Yun-Peng Chang	231,907,810	1.70%
Vice Chairman	The Memorial Scholarship Foundation to Mr. Hsiung-Chen Lin	Ming-Cheng Lin	240,940,858	1.77%
Director	Ministry of Finance	Yao-Ching Li	(231,907,810)	(1.70%)
Director	Bank of Taiwan Co., Ltd.	Shih-Ching Jeng	2,896,525,649	21.23%
Director	Bank of Taiwan Co., Ltd.	An-Pang Wang	(2,896,525,649)	(21.23%)
Director	Bank of Taiwan Co., Ltd.	Chou-Wen Wang	(2,896,525,649)	(21.23%)
Director	Bank of Taiwan Co., Ltd.	Diane Y. C. Wang	(2,896,525,649)	(21.23%)
Director	Bank of Taiwan Co., Ltd.	Vacancy to be filled	(2,896,525,649)	(21.23%)
Director	The Memorial Scholarship Foundation to Mr. Hsiung-Chen Lin	T. Lin	(240,940,858)	(1.77%)
Director	The Memorial Scholarship Foundation to Mr. Hsiung-Chen Lin	Chih-Yu Lin	(240,940,858)	(1.77%)
Director	He Quan Investment Co., Ltd.	An-Lan Hsu Chen	3,785,717	0.03%
Director	He Quan Investment Co., Ltd.	Yuan-Lin Hsu	(3,785,717)	(0.03%)
Director	China Man-Made Fiber Corporation	Vivien, Chia-Ying Shen	72,437,150	0.53%
Director	Chih-Yang Lin		0	0.00%
Director	Chen-Yuan Tu		0	0.00%
Independent Director	Kuo-Chuan Lin		0	0.00%
Independent Director	Jui-Chia Lin		0	0.00%
Independent Director	Sung-Tung Chen		0	0.00%
Independent Director	Ming-Hsien Yang		0	0.00%
Total	Shares Held by All Directors		3,445,597,184	25.26%