

Stock Code : 2882



Cathay Financial Holding Co., Ltd.

**2025 Annual General Shareholders'
Meeting Agenda Handbook**

Meeting Time : June 13, 2025, at 9 : 00 a.m.

Place : 1F, No. 9, Songren Road, Taipei, Taiwan, R.O.C.

Cathay Financial Conference Hall

Website : www.cathayholdings.com

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Cathay Financial Holding Co., Ltd.

Procedure for the 2025 Annual Meeting of Shareholders

1. Announcement of the Commencement of the Meeting
2. Chairperson Remarks
3. Matters to Report
4. Matters for Acknowledgement
5. Matters for Discussion and Election
6. Provisional Motion(s)
7. Meeting Adjournment

Cathay Financial Holding Co., Ltd.

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Place : 1F, No. 9, Songren Road, Taipei, Taiwan, R.O.C.

Cathay Financial Conference Hall

Convening method : Hybrid Shareholders' Meeting

E-Meeting Platform : Taiwan Depository & Clearing Corporation

“Shareholders meeting e-Services Platform –
Hybrid Shareholders’ Meeting”

website: <https://stockservices.tdcc.com.tw>

1. Announcement of the commencement of the meeting (report the number of shares represented by shareholders present at the meeting)
2. Chairperson remarks
3. Matters to Report
 - (1) Business Report for 2024
 - (2) Audit Committee Report
 - (3) 2024 report on compensation to Employees and Directors of the Company
4. Matters for Acknowledgement
 - (1) Acknowledgement of Business Report and Financial Statements for 2024
 - (2) Acknowledgement of earnings distribution for 2024
5. Matters for Discussion and Election
 - (1) Discussion on the amendment to the Articles of Incorporation
 - (2) Discussion on the Company’s proposal to raise long-term capital
 - (3) Election of the Company’s directors for the 9th term
 - (4) Discussion on the relief of certain directors from their non-competition obligations
6. Provisional Motion(s)
7. Meeting Adjournment

I . Matters to Report

1.Business Report for 2024

In 2024, the global economy experienced moderate growth, inflation eased in major economies, and financial markets rose, driven by AI applications. Thanks to the concerted efforts of our employees, Cathay Financial Holdings (Cathay FHC) delivered an outstanding performance, with consolidated after-tax profit reaching NT\$111.2 billion (US\$3.39 billion), the second highest level on record, and earnings per share of NT\$7.29. Our subsidiaries Cathay United Bank, Cathay Century, Cathay Securities, and Cathay SITE all achieved record-high profits, while Cathay Life Insurance posted its second-highest profit on record.

Cathay Subsidiaries Delivered Outstanding Profit Performance in 2024

Cathay Life Insurance reported strong investment income and stable underwriting operations. Cathay Life Insurance launched a diverse range of innovative products, strengthened channel management, and further enhanced its health ecosystem. Our value-driven product strategy delivered robust results, with strong growth in first-year premiums for health and accident insurance. Cathay Life Insurance ranked No. 1 in the industry in terms of total premium.

Cathay United Bank reported a record-high consolidated after-tax profit for the fourth consecutive year, with strong loan growth and a robust increase in net interest income. In the wealth management business, Cathay United Bank strived to meet customers' need for diversified asset allocations. Wealth management fee income grew significantly, driven by strong sales momentum for various products. By leveraging digital, data and ecosystem partnerships, Cathay United Bank continued to provide customer-oriented and personalized financial services.

Cathay Century continued to expand its business with a balanced focus on both quality and quantity, while maintaining a customer-centric approach. Cathay Century achieved double-digit year-over-year growth in premiums and retained the second-largest market share in the industry. Cathay Securities delivered excellent performance by reinforcing its digital business model, with its domestic brokerage market share once again reaching a new record high and its sub-brokerage business maintaining a leading position. Furthermore, Cathay Securities saw a steady increase

in new account openings, with the total number of customers surpassing two million in 2024. Cathay SITE's products were highly regarded by investors, leading to a nearly 40% year-over-year growth in assets under management, reaching NT\$2.2 trillion (US\$68.4 billion).

Focus on Cross-Border Business; Deploy Digital Technology to Optimize Service and Expand Overseas Market

Cathay FHC strengthened its presence in the Southeast Asia and Greater China markets by localizing business operations and enhancing customer experience. In Southeast Asia, Cathay United Bank continued to enhance business resilience through its extensive network, innovative products, and digital services. For example, our Singapore branch supported customers in adopting corporate online banking for trade finance, accelerating their digitalization. In Vietnam, Cathay United Bank was the first Taiwanese bank to launch a digital unsecured loan service. Cathay Life Insurance (Vietnam) maintained its growth momentum, while Cathay Insurance (Vietnam) promoted digital transformation and mobile insurance. In Greater China, Cathay United Bank (China) and our Hong Kong branch strengthened cross-border services, focusing on niche customer segments, diversified services, and green products. Cathay Lujiazui Life Insurance continued to see growth in premium income, while Cathay Insurance (China) remained committed to achieving digital-only and intelligent services, as well as expanding e-commerce-related business.

Aim to Become a Technology Company that Provides Financial Services

Cathay FHC leverages digital applications, data and technology to drive business growth. Cathay FHC has over 9.35 million digital users and developed the industry-leading Cathay Gen AI Architecture (GAIA), promoting diverse applications, AI governance, and risk management across all subsidiaries. Cathay FHC also continued with its large-scale cloud data migration and cloud governance.

Cathay Life Insurance enhanced customer experience by applying AI and data analytics across digital platforms, daily operations, risk management, employee experience and efficiency enhancement. Cathay United Bank implemented a dual warning mechanism that combines fraud prevention technology with in-person counter care, successfully safeguarding customers from over NT\$1 billion in fraud

losses—the best performance in the financial industry. Our digital banking brand, CUBE, offers customers convenient, secure, and highly personalized digital financial services through the strategy of “One Card, One Account, One App.” Cathay Century leveraged AI and data analytics to enhance customer experience and risk management. Cathay Century is also the first in the industry to launch “CarTech Smart Auto Insurance Value-Added Services” and a pilot program of “Exchanging Points and Vouchers for Premium Payment.” Cathay Securities developed diversified digital services, and was the first in the industry to introduce “Dividend Reinvestment” for regular saving plans, allowing customers to grow their assets with just one click via the Cathay Securities app. Cathay SITE officially launched its mobile app, providing investors with diverse services, including real-time access to status of fund investments and ETF dividend information.

Continue to Align with Global Trends and Refine Our Corporate Governance

Cathay FHC continues to strengthen its corporate governance mechanisms, achieving the following results in 2024: (1) We outsourced our shareholder services to enhance independence and operational efficiency; (2) we appointed a Chief Climate Officer to oversee the Group’s climate-related issues; (3) for the fourth time, Cathay FHC, Cathay Life Insurance, and Cathay United Bank participated in the “CG6014(2023) Corporate Governance System Evaluation” and once again received the highest “Excellent” rating. Cathay FHC also received “Level-A” certification in the “Taiwan Intellectual Property Management System (TIPS)” for the third time. Furthermore, Cathay FHC obtained the “ISO 22301 Business Continuity Management System” international certification for the second time and the “BS 10012 Personal Information Management System” international certification for the first time; (4) Cathay FHC completed the first commercialization of a financial industry patent license in Taiwan; (5) Cathay FHC continues to promote Systematic Management of Compliance Risk and the AML/CFT Cathay Risk Center platform; and (6) Cathay FHC introduced a zero trust maturity methodology for the Group.

In 2025, Cathay FHC plans to engage an independent third-party institution to conduct a board performance evaluation. Additionally, we will complete the election

of the 9th board of directors, further strengthening both professionalism and diversity to enhance board effectiveness and ensure corporate sustainability.

Pioneer in International Sustainability Trends and Expand the Sustainable Finance Impact

Cathay FHC is committed to corporate sustainability, with three strategic focuses: climate, health and empowerment. Cathay FHC has been selected as a constituent in the Dow Jones Sustainability Index (DJSI) World Index for seven consecutive years and in the DJSI Emerging Markets Index for ten consecutive years, demonstrating our strong sustainability performance, which has been recognized internationally.

By leveraging its core competencies to provide products and services that support physical, mental, and financial health, Cathay Life Insurance presented a new health proposition, launching a comprehensive health promotion mechanism to foster a healthier society. Cathay United Bank actively promoted the concept of financial health across all age groups, dedicating efforts to strengthen the financial resilience of the general public. Cathay FHC is committed to empowering youth and women by promoting impact investing, offering financial literacy courses, and equipping female entrepreneurs with financial expertise.

Cathay FHC engaged with stakeholders to drive low-carbon transition. The Cathay Sustainable Finance and Climate Change Summit has been held for eight consecutive years, with participating companies representing 82% of Taiwan's stock market capitalization and 54% of the Taiwan's total carbon emissions. Cathay FHC participated in the United Nations Conference of the Parties (COP) for four consecutive years and is the first financial institution in Taiwan to twice host forums in the Blue Zone, showcasing our leadership in sustainability and climate finance.

Looking ahead to 2025, the global economy is expected to remain resilient, supported by strong demand for emerging technology applications. However, U.S. President Trump's new policies, geopolitical risks, and future monetary policies in major economies may bring uncertainties to the financial markets. Cathay FHC will continue to reinforce sustainable operations, advance innovative fintech applications, maintain stable operations, and create competitive advantages as we strive toward our vision of becoming a "leading financial institution in the Asia-Pacific region."

Chairman Hong-Tu Tsai
President Chang-Ken Lee
Chief Accountant Jui-Hung Hung

2. Audit Committee Report

(1) Audit Report from the Auditing Committee

Audit Report from the Auditing Committee

The Company's 2024 business report, financial statements (including consolidated financial statements), and earnings distribution plan were prepared by the Board of Directors, in which the financial statements (including consolidated financial statements) have been audited and certified by Shu-Wan Lin, CPA and Shiu-Ran Cheng, CPA of Deloitte & Touche, to which the firm issued an independent auditor's report.

Said reports and statements prepared by the Board of Directors have been audited by the Committee, and the Committee found them to be in compliance with regulatory requirements. The Committee hereby issues this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review it accordingly.

To:

2025 Annual General Shareholders' Meeting of Cathay Financial Holdings

Auditing Committee

Edward Yung Do Way, Convener

April 29, 2025

(2) Report on the 2024 operation of the Audit Committee

Proposed by the Board of Directors

Explanation:

(a) Review on Appointment/Renewal of CPA:

The motion to appoint the CPA in 2024 has been assessed by the Audit Committee. As a result, Shu-Wan Lin, CPA and Shih-Ran Cheng, CPA of Deloitte & Touche were both held satisfying the professional standing and independence requirements, and the Committee approved the appointment of both CPAs upon review.

(b) Appraisal on effectiveness of the internal control system:

The Statement of Declaration of Internal Control submitted in accordance with Paragraph 3, Article 14-1 of the “Securities and Exchange Act” was issued upon the assessment on the overall effectiveness of internal control system by the Chairman, President, Chief Internal Auditor and Chief Compliance Officer of the Company based on the Group members’ self-inspection report, improvement status about the deficiencies and abnormality in the internal control founded by the internal audit unit, and other sources of information, and subject to the authorization by the Audit Committee and Board of Directors.

The Company has issued the “Declaration of Statement for Internal Control System of Cathay Financial Holding Co., Ltd. 2024” on March 6, 2025. Except the matters identified in the Declaration of Statement, each unit of the Company has executed the internal control and compliance practices precisely and effectively.

(c) Communication between Audit Committee and Chief Internal Auditor, and the CPAs:

The CPAs attended the Company’s Audit Committee meetings periodically, and reported to the Audit Committee about the scope of audit, adjustment of audit, key audit matters, and update on securities management and taxation laws and regulations, etc. in each quarter of 2024. They also interacted with the Audit Committee members

separately before the audit planning and issuance of audit opinions in 2024. The internal audit unit would communicate with independent directors periodically. For example, the Company convened the “conference on discussion about deficiencies in the internal control system” attended by the whole Audit Committee members to discuss with the internal auditors about the deficiencies in the internal control system and produce the meeting minute therefor. For details of “Communication Between Independent Directors and Chief Internal Auditor, and the CPAs”, please refer to the Company's website: <https://www.cathayholdings.com/holdings/governance/committee/audit>

3. 2024 report on compensation to Employees and Directors of the Company

Proposed by the Board of Directors

Explanation:

- (1) The remuneration distribution was conducted pursuant to Article 29-1 of the Constitution of the Company.
- (2) In 2024, the remuneration for employees of the Company was 0.01% of profits earned of that year and no more than 0.05% for directors. The distribution amount was NT\$11,085,239 and NT\$1,800,000 respectively. The remuneration was distributed in cash.

II . Matters for Acknowledgement

Agenda 1 : Acknowledgement of Business Report and Financial Statements for
2024

Proposed by the Board of Directors

Explanation :

- (1) The 2024 financial statements of the Company were completed by the Board of Directors and audited by Shu-Wan Lin, CPA and Shiu-H-Ran Cheng, CPA of Deloitte & Touche.
- (2) The aforementioned financial statements and the business report were examined by the audit committee, please refer to pages 3-7 and pages 13-30. We hereby propose for acknowledgement.

RESOLUTION :

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Cathay Financial Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Cathay Financial Holding Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, 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 Public Banks 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 2024. 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 consolidated financial statements for the year ended December 31, 2024 are as follows:

Valuation of Policy Reserve

Cathay Life Insurance Co., Ltd. is a subsidiary of Cathay Financial Holding Co., Ltd. Its management adopted the actuarial model and its related multiple significant assumptions for the estimation of the policy reserve. Significant assumptions in the measurement of the policy reserve include the mortality rate, discount rate, lapse rate, morbidity rate, etc. These assumptions are made based on legislation and regulations, taking into consideration its actual experience as well as industry-specific experience. Since any changes in the actuarial model and significant assumptions may lead to a material impact on the estimation results of the policy reserve, the valuation of policy reserves was identified as a key audit matter. For related accounting policies, accounting estimates, estimation uncertainty and relevant disclosure information, refer to Notes 4, 5 and 22 to the accompanying consolidated financial statements.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We understood the internal controls related to management's valuation of policy reserves as well as evaluated the operating effectiveness of these internal controls.
2. We obtained an understanding of the actuarial report issued by the contracted actuary, which was used as the basis for the management's valuation of policy reserves, and evaluated the contracted actuary's professional competence and capability.
3. The following procedures were performed by our actuarial specialist, and the results were compared to the results of the actuarial report published by the contracted actuary in order to assess the reasonableness of the actuarial model and its significant assumptions used by the management in the valuation of the policy reserve. The actuarial specialist:
 - a. Randomly sampled the insurance products to examine whether the calculations of the policy reserve were made in accordance with the requirements.
 - b. Evaluated the actuarial model and significant assumptions used in its valuation of policy reserve based on the sampled insurance policies and verified the recognized amount of the policy reserve.
 - c. Performed profiling tests on long-term insurance policies as of December 31, 2024 to identify any abnormalities in the recognized amounts of policy reserve in each individual insurance policy.
 - d. Assessed the reasonableness of the amount of provision for the policy reserve by considering the amount of policy reserve as of the end of the prior year and the business development for the year ended December 31, 2024.

Assessment of the Fair Values of Investment Properties

The investment properties of Cathay Life Insurance Co., Ltd. are measured at their fair values. To support the management in making reasonable estimates, Cathay Life Insurance Co., Ltd. used the fair values assessed by external independent appraisers. As the appraisal method and parameters used in the assessment of fair values involve significant judgments and estimates, we determined the assessment of the fair values of investment properties as a key audit matter. For the accounting policies, accounting estimates, assumption uncertainty and relevant disclosure information on the assessment of fair values of investment properties, refer to Notes 4, 5 and 14 to the accompanying consolidated financial statements.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We evaluated the professional competence, capability and objectivity of the external independent appraisers, and we verified the qualification of the appraisers.
2. We appointed an internal valuation specialist to evaluate the reasonableness of the appraisal reports adopted by its management, including the appraisal methods, main parameters and discount rate of the appraisal reports.

Impairment Assessment on Loans

Cathay United Bank Co., Ltd. is a subsidiary of Cathay Financial Holding Co., Ltd. Its domestic loans were considered material to the consolidated financial statements as a whole. As the assessment of impairment of loans involves accounting estimates and management's significant judgment, and as the impairment assessment on loans under the relevant regulations issued by the authorities is substantially larger than that under IFRS 9, we determined the impairment of the loans under the relevant regulations prescribed by the authorities as a key audit matter.

Its management regularly assesses the impairment on its loans. Recognition of impairment loss on loans is based on compliance with regulations issued by the authorities regarding the classification of credit assets and the provision of impairment loss. For the accounting policies and relevant information on the impairment assessment of loans, refer to Notes 4, 5 and 11 to the accompanying consolidated financial statements.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We obtained an understanding of and tested its internal controls for impairment assessment on loans.
2. We tested the classification of the credit assets into their respective categories out of the total five categories and confirmed that such classification complies with the relevant regulations issued by the authorities.
3. We performed the tests on selected samples and confirmed the appropriateness of impairment by the length of the overdue period and the value of the collateral for each respective loan.
4. We calculated the provision of impairment loss by classifying the credit assets into their respective categories and confirmed that such provision complies with the relevant regulations issued by the authorities.

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 Insurance Enterprises, 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 Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee/supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Wan Lin and Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2025

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.

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6, 30 and 31)	\$ 331,924,124	2	\$ 320,831,824	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	304,995,700	2	336,768,960	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 5, 7, 30 and 31)	2,029,794,871	15	2,009,183,691	16
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 5, 8, 30 and 31)	1,032,941,639	8	876,261,075	7
DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 5, 9 and 31)	4,905,021,138	36	4,728,733,650	37
FINANCIAL ASSETS FOR HEDGING (Notes 4 and 5)	6,615	-	1,109	-
NOTES AND BONDS PURCHASED UNDER RESALE AGREEMENTS (Note 4)	39,225,129	-	43,324,997	-
RECEIVABLES, NET (Notes 4, 5, 10 and 30)	306,818,735	2	248,258,371	2
CURRENT TAX ASSETS	1,724,232	-	5,788,596	-
DISCOUNT AND LOANS, NET (Notes 4, 5, 12 and 30)	3,081,678,906	22	2,684,520,400	21
REINSURANCE CONTRACT ASSETS, NET	19,634,708	-	15,778,910	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 4, 14, 30 and 31)	62,945,904	-	34,212,316	-
OTHER FINANCIAL ASSETS, NET (Notes 4 and 25)	810,353,665	6	739,364,082	6
INVESTMENT PROPERTIES, NET (Notes 4, 5, 15, 30 and 31)	481,132,365	4	461,686,710	4
PROPERTY AND EQUIPMENT, NET (Notes 4, 16 and 31)	109,547,868	1	109,370,464	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 17 and 30)	5,124,668	-	5,556,600	-
INTANGIBLE ASSETS, NET (Notes 4, 18 and 40)	33,152,377	-	49,669,714	-
DEFERRED TAX ASSETS (Notes 4 and 28)	87,844,767	1	74,165,978	1
OTHER ASSETS, NET (Notes 30 and 31)	<u>123,282,926</u>	<u>1</u>	<u>66,946,615</u>	<u>-</u>
TOTAL	<u>\$ 13,767,150,337</u>	<u>100</u>	<u>\$ 12,810,424,062</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND BANKS	\$ 184,682,667	1	\$ 117,130,854	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 5 and 7)	203,998,439	2	146,895,790	1
FINANCIAL LIABILITIES FOR HEDGING (Notes 4 and 5)	2,591,575	-	2,038,001	-
NOTES AND BONDS SOLD UNDER REPURCHASE AGREEMENTS (Note 4)	21,953,912	-	25,757,726	-
COMMERCIAL PAPER PAYABLE, NET (Note 19)	91,876,330	1	76,528,247	1
PAYABLES (Note 30)	101,378,430	1	89,768,181	1
CURRENT TAX LIABILITIES (Note 4)	6,651,714	-	540,590	-
DEPOSITS AND REMITTANCES (Notes 20 and 30)	3,783,367,486	27	3,496,982,688	27
BONDS PAYABLE (Note 21)	248,957,330	2	175,941,430	2
OTHER BORROWINGS (Note 22)	39,908,290	-	12,988,127	-
PROVISIONS (Notes 4, 23 and 24)	7,191,592,811	52	6,958,614,203	54
OTHER FINANCIAL LIABILITIES (Notes 4 and 25)	855,810,849	6	800,999,585	6
LEASE LIABILITIES (Notes 4, 17 and 30)	19,654,750	-	20,030,215	-
DEFERRED TAX LIABILITIES (Notes 4 and 28)	73,089,394	1	49,491,154	1
OTHER LIABILITIES (Note 30)	<u>35,109,655</u>	<u>-</u>	<u>35,271,619</u>	<u>-</u>
Total liabilities	<u>12,860,623,632</u>	<u>93</u>	<u>12,008,978,410</u>	<u>94</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 26)				
Share capital				
Ordinary shares	146,692,102	1	146,692,102	1
Preference shares	15,333,000	-	15,333,000	-
Capital surplus	203,143,822	1	202,793,453	2
Retained earnings				
Legal reserve	78,018,683	1	72,994,637	1
Special reserve	230,128,217	2	378,461,911	3
Unappropriated earnings	273,370,397	2	50,240,458	-
Other equity	<u>(57,994,700)</u>	<u>-</u>	<u>(78,460,876)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	888,691,521	7	788,054,685	6
NON-CONTROLLING INTERESTS (Notes 4 and 26)	<u>17,835,184</u>	<u>-</u>	<u>13,390,967</u>	<u>-</u>
Total equity	<u>906,526,705</u>	<u>7</u>	<u>801,445,652</u>	<u>6</u>
TOTAL	<u>\$ 13,767,150,337</u>	<u>100</u>	<u>\$ 12,810,424,062</u>	<u>100</u>

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

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
INTEREST INCOME (Notes 4 and 30)	\$ 329,545,489	92	\$ 307,407,704	104
INTEREST EXPENSE (Notes 4 and 30)	<u>(67,423,542)</u>	<u>(19)</u>	<u>(61,851,665)</u>	<u>(21)</u>
NET INTEREST INCOME	<u>262,121,947</u>	<u>73</u>	<u>245,556,039</u>	<u>83</u>
NET INCOME AND GAINS OTHER THAN INTEREST INCOME				
Net gain on service fee and commission fee (Notes 4, 25, 27 and 30)	15,076,034	4	9,203,617	3
Net loss on insurance operations (Notes 4, 27 and 30)	(35,559,826)	(10)	(30,068,673)	(10)
(Loss) gain on financial assets and liabilities at fair value through profit or loss (Notes 4 and 7)	(98,983,835)	(28)	138,333,120	47
Gain on investment properties (Notes 4, 15 and 30)	13,308,151	4	11,775,210	4
Realized gain on financial assets at fair value through other comprehensive income (Note 4)	8,413,668	2	3,117,076	1
Net (loss) gain on derecognition of financial assets at amortized cost (Notes 4 and 9)	(516,617)	-	2,987,655	1
Foreign exchange gain (Note 4)	213,837,144	60	4,012,938	1
Impairment loss on assets (Note 4)	(1,919,691)	-	(1,362,986)	(1)
Share of profit of associates and joint ventures accounted for using the equity method (Notes 4 and 14)	2,554,927	1	1,951,286	1
Loss on reclassification using the overlay approach (Notes 4 and 7)	(16,764,960)	(5)	(119,689,733)	(40)
Net other non-interest (loss) gain (Note 30)	<u>(3,850,025)</u>	<u>(1)</u>	<u>30,713,011</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>357,716,917</u>	<u>100</u>	<u>296,528,560</u>	<u>100</u>
NET CHANGES IN INSURANCE LIABILITY RESERVE (Notes 23 and 27)	<u>(114,344,275)</u>	<u>(32)</u>	<u>(139,103,681)</u>	<u>(47)</u>
PROVISION FOR BAD DEBT, COMMITMENTS AND GUARANTEE RESERVE	<u>(9,279,241)</u>	<u>(3)</u>	<u>(4,103,185)</u>	<u>(1)</u>
OPERATING EXPENSES (Notes 27 and 30)				
Employee benefit expenses	(61,888,839)	(17)	(53,667,379)	(18)
Depreciation and amortization expenses	(8,262,327)	(2)	(7,939,540)	(3)
Other general and administrative expenses	<u>(37,099,480)</u>	<u>(10)</u>	<u>(32,405,591)</u>	<u>(11)</u>
Total operating expenses	<u>(107,250,646)</u>	<u>(29)</u>	<u>(94,012,510)</u>	<u>(32)</u>

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 126,842,755	36	\$ 59,309,184	20
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(16,625,802)</u>	<u>(5)</u>	<u>(6,737,962)</u>	<u>(2)</u>
NET PROFIT FROM CONTINUING OPERATIONS	110,216,953	31	52,571,222	18
GAIN (LOSS) FROM DISCONTINUED OPERATIONS (Note 11)	<u>1,009,965</u>	<u>-</u>	<u>(1,057,405)</u>	<u>-</u>
NET INCOME	<u>111,226,918</u>	<u>31</u>	<u>51,513,817</u>	<u>18</u>
OTHER COMPREHENSIVE LOSS (Notes 4 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	2,703,760	1	126,200	-
Gain on equity instruments at fair value through other comprehensive income	27,499,018	8	25,491,304	9
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	517,113	-	(506,248)	-
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	(62,019)	-	(615,995)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 28)	(1,048,786)	-	224,183	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	5,110,160	1	(220,330)	-
Loss on hedging instruments	(1,088,655)	-	(550,032)	-
(Loss) gain on debt instruments at fair value through other comprehensive income	(27,471,119)	(8)	22,154,379	7
Share of other comprehensive income of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	1,563,020	-	236,934	-

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Other comprehensive income reclassified using overlay approach	\$ 16,764,960	5	\$ 119,689,733	40
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 28)	<u>1,389,280</u>	<u>-</u>	<u>(11,326,022)</u>	<u>(4)</u>
Total other comprehensive income for the period, net of income tax	<u>25,876,732</u>	<u>7</u>	<u>154,704,106</u>	<u>52</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 137,103,650</u>	<u>38</u>	<u>\$ 206,217,923</u>	<u>70</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 110,269,745	31	\$ 50,928,865	18
Non-controlling interests	<u>957,173</u>	<u>-</u>	<u>584,952</u>	<u>-</u>
	<u>\$ 111,226,918</u>	<u>31</u>	<u>\$ 51,513,817</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 131,792,634	37	\$ 205,111,048	69
Non-controlling interests	<u>5,311,016</u>	<u>1</u>	<u>1,106,875</u>	<u>1</u>
	<u>\$ 137,103,650</u>	<u>38</u>	<u>\$ 206,217,923</u>	<u>70</u>
EARNINGS PER SHARE (Note 29)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 7.29</u>		<u>\$ 3.24</u>	
From continuing operations				
Basic earnings per share	<u>\$ 7.22</u>		<u>\$ 3.33</u>	

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

(Concluded)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												Other Equity					Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Remeasurement of Defined Benefit Plans	Property Revaluation Surplus	Other Comprehensive Income (Loss) on Reclassification Using Overlay Approach	Others				
				Legal Reserve	Special Reserve														
	Ordinary Shares	Preferred Shares															Total		
BALANCE, AT JANUARY 1, 2023	\$ 146,692,102	\$ 15,333,000	\$ 215,318,047	\$ 73,747,659	\$ 150,768,651	\$ 230,331,762	\$ (13,027,301)	\$ (58,533,041)	\$ 950,265	\$ (428,795)	\$ (1,097,143)	\$ 12,609,000	\$ (171,329,940)	\$ (2,493,326)	\$ 598,840,340	\$ 12,867,695	\$ 611,708,035		
Appropriation of 2022 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Legal reserve	-	-	-	-	2,638,502	-	-	(2,638,502)	-	-	-	-	-	-	-	-	-		
Special reserve	-	-	-	-	-	227,719,196	-	(227,719,196)	-	-	-	-	-	-	-	-	-		
Cash dividends on ordinary shares	-	-	(13,202,289)	-	-	-	-	-	-	-	-	-	-	-	(13,202,289)	-	(13,202,289)		
Cash dividends on preferred shares	-	-	-	-	(3,390,924)	-	-	-	-	-	-	-	-	-	(3,390,924)	-	(3,390,924)		
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	657,911	-	-	(74,807)	-	-	74,792	-	-	-	-	-	657,896	-	657,896		
Organizational restructuring	-	-	3,245	-	-	-	(3,245)	-	-	-	-	-	-	-	-	-	-		
Changes in ownership interests in subsidiaries	-	-	-	-	-	(709,227)	-	-	-	-	-	-	-	731,302	22,075	(22,075)	-		
Net income for the year ended December 31, 2023	-	-	-	-	-	50,928,865	-	-	-	-	-	-	-	-	50,928,865	584,952	51,513,817		
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	68,562	43,795,461	(439,766)	(404,998)	(70,517)	3,706	111,179,735	-	154,182,183	521,923	154,704,106		
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	50,928,865	68,562	43,795,461	(439,766)	(404,998)	(70,517)	3,706	111,179,735	-	205,111,048	1,106,875	206,217,923		
Share-based payment transactions	-	-	16,539	-	-	-	-	-	-	-	-	-	-	-	16,539	-	16,539		
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	95,627	-	(95,627)	-	-	-	-	-	-	-	-	-		
Others	-	-	-	-	(25,936)	25,936	-	-	-	-	-	-	-	-	-	-	-		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(561,528)	(561,528)		
BALANCE, AT DECEMBER 31, 2023	146,692,102	15,333,000	202,793,453	72,994,637	378,461,911	50,240,458	(12,961,984)	(14,758,415)	510,499	(833,793)	(1,117,660)	12,612,706	(60,150,205)	(1,762,024)	788,054,685	13,390,967	801,445,652		
Effects of initial application of IAS 29 financial reporting in hyperinflationary economies	-	-	-	-	-	(380,719)	-	-	-	-	-	-	-	-	(380,719)	-	(380,719)		
BALANCE AT JANUARY 1, 2024 AS RESTATED	146,692,102	15,333,000	202,793,453	72,994,637	378,461,911	49,859,739	(12,961,984)	(14,758,415)	510,499	(833,793)	(1,117,660)	12,612,706	(60,150,205)	(1,762,024)	787,673,966	13,390,967	801,064,933		
Appropriation 2023 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Legal reserve	-	-	-	-	5,024,046	-	(5,024,046)	-	-	-	-	-	-	-	-	-	-		
Special reserve	-	-	-	-	-	(148,333,694)	-	148,333,694	-	-	-	-	-	-	-	-	-		
Cash dividends on ordinary shares	-	-	-	-	-	(29,338,420)	-	(29,338,420)	-	-	-	-	-	-	(29,338,420)	-	(29,338,420)		
Cash dividends on preferred shares	-	-	-	-	-	(3,404,403)	-	(3,404,403)	-	-	-	-	-	-	(3,404,403)	-	(3,404,403)		
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	350,369	-	-	(135,700)	-	(8,949)	-	-	-	-	-	-	205,720	-	205,720		
Disposal of subsidiaries	-	-	-	-	-	94	-	(94)	-	-	-	-	-	1,762,024	1,762,024	-	1,762,024		
Net income for the year ended December 31, 2024	-	-	-	-	-	110,269,745	-	-	-	-	-	-	-	-	110,269,745	957,173	111,226,918		
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	5,376,815	4,434,678	(864,766)	413,691	2,193,451	(3,706)	9,972,726	-	21,572,889	4,433,841	25,876,730		
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	110,269,745	5,376,815	4,434,678	(864,766)	413,691	2,193,451	(3,706)	9,972,726	-	131,792,634	5,311,616	137,104,250		
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,809,694	-	(2,809,694)	-	-	-	-	-	-	-	-	-		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(866,799)	(866,799)		
BALANCE, AT DECEMBER 31, 2024	\$ 146,692,102	\$ 15,333,000	\$ 203,143,822	\$ 78,018,683	\$ 230,128,217	\$ 273,370,207	\$ (7,585,169)	\$ (13,142,424)	\$ (254,267)	\$ (420,102)	\$ 1,075,791	\$ 12,609,000	\$ (60,177,478)	\$ -	\$ 888,691,521	\$ 17,835,184	\$ 906,526,705		

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

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax from continuing operations	\$ 126,842,755	\$ 59,309,184
Income (loss) before income tax from discontinued operations	2,500,697	(839,895)
Adjustments for:		
Depreciation expense	5,441,032	5,421,400
Amortization expense	2,994,882	3,214,561
Bad debt expense	9,279,241	4,103,185
Loss (gain) on financial assets and liabilities at fair value through profit or loss	111,811,872	(123,188,458)
Interest expense	67,449,755	61,947,352
Net loss (gain) on derecognition of financial assets at amortized cost	516,617	(2,987,655)
Interest income	(329,579,140)	(307,577,036)
Dividend income	(19,851,641)	(23,001,452)
Net change in insurance liabilities	226,826,048	144,987,668
Net changes in other provisions	6,741,061	(28,730,131)
Compensation cost of share-based payments	-	16,539
Share of profit of associates and joint ventures accounted for using the equity method	(2,554,927)	(1,951,286)
Loss on reclassification using the overlay approach	16,764,960	119,689,733
Gain on disposal and retirement of property and equipment	(52,872)	(157,529)
Gain on disposal of investment properties	(1,740)	(10,598)
Gain on disposal of intangible assets	(502)	-
(Gain) loss on disposal of investments	(1,060,471)	3,937,087
(Gain) loss on disposal of investments accounted for using the equity method	(6,766)	280,823
Expected credit loss on financial assets	1,919,691	1,362,986
Gain on sale of non-performing loan	(11,797)	-
(Gain) loss on changes in fair value of investment properties	(1,058,998)	267,594
Gain on disposal of subsidiaries and others	(2,500,742)	(398)
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(20,148,956)	(2,648,951)
Financial assets at fair value through profit or loss	343,750,819	73,675,942
Financial assets at fair value through other comprehensive income	(152,339,751)	100,338,207
Debt instruments at amortized cost	(176,176,637)	(215,193,537)
Financial assets for hedging	(74,149)	(508,973)
Receivables	(59,356,857)	(25,834,086)
Loans	(405,181,119)	(192,283,486)
Reinsurance assets	(4,231,786)	119,552
Other financial assets	(7,696,736)	2,707,180
Other assets	5,930,212	(3,909,157)
Deposits from the Central Bank and banks	67,551,813	19,821,615
Financial liabilities at fair value through profit or loss	(417,647,456)	(325,620,891)
Financial liabilities for hedging	(466,338)	(1,690,367)
Notes and bonds sold under repurchase agreements	(4,194,837)	(8,921,613)
Payables	14,483,382	11,373,997
		(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Deposits and remittances	\$ 286,384,798	\$ 311,546,599
Provisions for employee benefits	(104,321)	(488,616)
Provisions	(116,086)	681,491
Other financial liabilities	(8,481,583)	8,112,587
Other liabilities	<u>3,155,469</u>	<u>9,213,600</u>
Cash used in operations	(312,551,104)	(323,415,233)
Interest received	330,271,178	304,958,717
Dividends received	20,439,144	23,747,446
Interest paid	(67,704,578)	(57,649,748)
Income tax refund (paid)	<u>3,186</u>	<u>(6,890,779)</u>
Net cash used in operating activities	<u>(29,542,174)</u>	<u>(59,249,597)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(20,634,568)	(26,017,351)
Proceeds from disposal of financial assets at fair value through other comprehensive income	17,502,451	21,962,542
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	13,242	23,000
Acquisition of financial assets at fair value through profit or loss	(969,680)	(1,324,763)
Proceeds from disposal of financial assets at fair value through profit or loss	802,906	557,493
Acquisition of investments accounted for using equity method	(3,761,119)	-
Proceeds from disposal of investments accounted for using equity method	26,520	-
Net cash outflow on acquisition of subsidiaries (after deduction of cash and cash equivalent balances acquired)	-	(238,286)
Proceeds from disposal of subsidiaries	(3,787,537)	30,744
Proceeds from capital reduction of investments accounted for using equity method	295,934	10,729
Acquisition of property and equipment	(4,978,849)	(4,566,415)
Proceeds from disposal of property and equipment	157,444	32,431
Acquisition of intangible assets	(960,182)	(614,083)
Proceeds from disposal of intangible assets	10,543	-
Acquisition of investment properties	(16,563,310)	(12,380,488)
Proceeds from disposal of investment properties	13,520	134,892
Proceeds from sale of non-performing loan	38,790	-
Other assets	(61,977,272)	35,357,297
Dividends received	<u>45,251</u>	<u>24,670</u>
Net cash (used in) generated from investing activities	<u>(94,725,916)</u>	<u>12,992,412</u>

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper payable	\$ 15,367,554	\$ 2,650,000
Proceeds from issuing bonds	90,739,712	53,986,835
Repayment of bonds payable	(4,000,000)	-
Repayment of financial debentures	(14,400,000)	(10,048,944)
Increase in other borrowings	26,867,766	216,688
Repayment of the principal portion of lease liabilities	(1,660,919)	(1,968,506)
Other liabilities	(622,615)	(136,129)
Dividends paid	(32,742,823)	(16,593,213)
Acquisition of interests in subsidiaries	-	(667,490)
Changes in non-controlling interests	<u>(335,906)</u>	<u>(638,312)</u>
Net cash generated from financing activities	<u>79,212,769</u>	<u>26,800,929</u>
EFFECTS OF EXCHANGE RATE AND PURCHASING POWER CHANGES ON CASH AND CASH EQUIVALENTS	<u>130,830</u>	<u>1,304,606</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(44,924,491)</u>	<u>(18,151,650)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>602,451,757</u>	<u>620,603,407</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 557,527,266</u>	<u>\$ 602,451,757</u>
Reconciliation of cash and cash equivalents:		
	December 31	
	2024	2023
Cash and cash equivalents presented in the consolidated balance sheets	\$ 331,924,124	\$ 320,831,824
Due from the Central Bank and call loans to banks qualified for cash and cash equivalents under the definition of IAS 7	186,378,013	238,294,936
Notes and bonds purchased under resale agreements qualified for cash and cash equivalents under the definition of IAS 7	<u>39,225,129</u>	<u>43,324,997</u>
Cash and cash equivalents at the end of the years	<u>\$ 557,527,266</u>	<u>\$ 602,451,757</u>

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

(Concluded)

Cathay Financial Holding Co., Ltd.

Balance Sheets
(In Thousands of New Taiwan Dollars)

ASSETS	December 31		LIABILITIES AND EQUITY	December 31	
	2024	2023		2024	2023
CASH AND CASH EQUIVALENTS	\$ 7,536,527	\$ 7,587,401	COMMERCIAL PAPER PAYABLE, NET	\$ 75,097,554	\$ 69,400,000
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	34,342,000	33,624,500	PAYABLES	13,826,199	19,323,541
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	229,331	197,768	CURRENT TAX LIABILITIES	5,945,882	960
RECEIVABLES, NET	7,846,814	5,279,134	BONDS PAYABLE	76,000,000	69,000,000
CURRENT TAX ASSETS	1,713,864	5,686,741	OTHER BORROWING	7,990,000	4,990,000
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	1,014,413,760	897,567,264	PROVISIONS	971,861	1,065,895
PROPERTY AND EQUIPMENT, NET	464,773	284,162	LEASE LIABILITIES	352,012	192,957
RIGHT-OF-USE ASSETS	351,045	191,933	DEFERRED TAX LIABILITIES	266,757	266,714
INTANGIBLE ASSETS	525	574	OTHER LIABILITIES	14	605
DEFERRED TAX ASSETS	1,881,272	1,529,782	Total liabilities	180,450,279	164,240,672
OTHER ASSETS	361,889	346,098	EQUITY		
			Share capital		
			Ordinary shares	146,692,102	146,692,102
			Preference shares	15,333,000	15,333,000
			Capital surplus	203,143,822	202,793,453
			Retained earnings		
			Legal reserve	78,018,683	72,994,637
			Special reserve	230,128,217	378,461,911
			Unappropriated earnings	273,370,397	50,240,458
			Other equity	(57,994,700)	(78,460,876)
			Total equity	888,691,521	788,054,685
TOTAL	\$ 1,069,141,800	\$ 952,295,357	TOTAL	\$ 1,069,141,800	\$ 952,295,357

Cathay Financial Holding Co., Ltd.

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

	For the Year Ended December 31	
	2024	2023
REVENUE		
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	\$ 113,874,437	\$ 50,584,863
Other operating income	<u>2,181,837</u>	<u>1,462,830</u>
Total revenue	<u>116,056,274</u>	<u>52,047,693</u>
EXPENSES AND LOSSES		
Operating expenses	(2,943,950)	(2,498,773)
Other expenses and losses	<u>(2,272,816)</u>	<u>(1,715,123)</u>
Total expenses and losses	<u>(5,216,766)</u>	<u>(4,213,896)</u>
INCOME BEFORE TAX	110,839,508	47,833,797
INCOME TAX (EXPENSE) BENEFIT	<u>(569,763)</u>	<u>3,095,068</u>
NET INCOME	<u>110,269,745</u>	<u>50,928,865</u>
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	(50,983)	14,525
Gain on equity instruments at fair value through other comprehensive income	31,563	2,733
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	29,618,172	24,705,002
Income tax relating to items that will not be reclassified subsequently to profit or loss	10,197	(2,905)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	<u>(8,086,060)</u>	<u>129,462,828</u>
Other comprehensive income for the year, net of income tax	<u>21,522,889</u>	<u>154,182,183</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 131,792,634</u>	<u>\$ 205,111,048</u>
EARNINGS PER SHARE		
Basic	<u>\$7.29</u>	<u>\$3.24</u>

Cathay Financial Holding Co., Ltd.
Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Other Equity					Total Equity
	Ordinary Shares	Preference Shares		Legal Reserve	Special Reserve	Unappropriated Earnings				Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Remeasurement of Defined Benefit Plans	Property Revaluation Surplus	Other Comprehensive Income (Loss) on Reclassification Using Overlay Approach	Others	
BALANCE AT JANUARY 1, 2023	\$ 146,692,102	\$ 15,333,000	\$ 215,318,047	\$ 73,747,059	\$ 150,768,651	\$ 230,331,762	\$ (13,027,301)	\$ (58,533,041)	\$ 950,265	\$ (428,795)	\$ (1,097,143)	\$ 12,609,000	\$ (171,329,940)	\$ (2,493,326)	\$ 598,840,340
Appropriation of 2022 earnings	-	-	-	2,638,502	-	(2,638,502)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	227,719,196	(227,719,196)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	(13,202,289)	-	-	-	-	-	-	-	-	-	-	-	(13,202,289)
Cash dividends on ordinary shares	-	-	-	(3,390,924)	-	-	-	-	-	-	-	-	-	-	(3,390,924)
Cash dividends on preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	657,911	-	-	(74,807)	-	74,792	-	-	-	-	-	-	657,896
Organizational restructuring	-	-	3,245	-	-	-	(3,245)	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	(709,227)	-	-	-	-	-	-	-	731,302	22,075
Net income for the year ended December 31, 2023	-	-	-	-	-	50,928,865	-	-	-	-	-	-	-	-	50,928,865
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	68,562	43,795,461	(439,766)	(404,998)	(20,517)	3,706	111,179,735	-	154,182,183
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	50,928,865	68,562	43,795,461	(439,766)	(404,998)	(20,517)	3,706	111,179,735	-	205,111,048
Share-based payment transactions	-	-	16,539	-	-	-	-	-	-	-	-	-	-	-	16,539
Disposals of equity instruments at fair value through other comprehensive income	-	-	-	-	-	95,627	-	(95,627)	-	-	-	-	-	-	-
Others	-	-	-	-	(25,936)	25,936	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	146,692,102	15,333,000	202,793,453	72,994,637	378,461,911	50,240,458	(12,961,984)	(14,758,415)	510,499	(833,793)	(1,117,660)	12,612,706	(60,150,205)	(1,762,024)	788,054,685
Initial application of IAS 29 - the impact of financial reporting in hyperinflationary economies	-	-	-	-	-	(380,719)	-	-	-	-	-	-	-	-	(380,719)
IMPACT ON THE BALANCE, AT JANUARY 1, 2024	146,692,102	15,333,000	202,793,453	72,994,637	378,461,911	49,859,739	(12,961,984)	(14,758,415)	510,499	(833,793)	(1,117,660)	12,612,706	(60,150,205)	(1,762,024)	787,673,966
Appropriation of 2023 earnings	-	-	-	5,024,046	-	(5,024,046)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	(148,333,694)	148,333,694	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(29,338,420)	-	-	-	-	-	-	-	-	(29,338,420)
Cash dividends on ordinary shares	-	-	-	-	-	(3,404,403)	-	-	-	-	-	-	-	-	(3,404,403)
Cash dividends on preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	350,369	-	-	(135,700)	-	(8,949)	-	-	-	-	-	-	205,720
Changes in ownership interests in subsidiaries	-	-	-	-	-	94	-	(94)	-	-	-	-	-	1,762,024	1,762,024
Net income for the year ended December 31, 2024	-	-	-	-	-	110,269,745	-	-	-	-	-	-	-	-	110,269,745
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	5,376,815	4,434,678	(864,766)	413,691	2,193,451	(3,706)	9,972,726	-	21,572,889
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	110,269,745	5,376,815	4,434,678	(864,766)	413,691	2,193,451	(3,706)	9,972,726	-	131,792,634
Disposals of equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,809,694	-	(7,809,694)	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 146,692,102	\$ 15,333,000	\$ 203,143,822	\$ 78,018,683	\$ 230,128,212	\$ 273,370,392	\$ (7,585,169)	\$ (13,142,474)	\$ (354,267)	\$ (420,102)	\$ 1,075,791	\$ 12,609,000	\$ (50,177,478)	\$ -	\$ 888,691,521

Cathay Financial Holding Co., Ltd.

Statements of Cash Flows
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 110,839,508	\$ 47,833,797
Adjustments for:		
Depreciation expenses	225,811	206,046
Amortization	717	-
Gain on of financial assets at fair value through profit or loss	(717,500)	(49,000)
Interest income	(1,410,340)	(1,369,347)
Dividend income	(7,869)	(7,026)
Interest expenses	2,089,902	1,663,633
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(113,874,437)	(50,584,863)
Loss on disposal and retirement of property and equipment	473	401
Gain on disposal of intangible assets	(502)	-
Compensation cost of share-based payments	-	76
Others	49	-
Changes in operating assets and liabilities		
Receivables	1,699	(4,999)
Other assets	249	51
Payables	100,951	(28,538)
Provisions	(60,889)	2,057
Other liabilities	(591)	335
Cash used in operations	(2,812,769)	(2,337,377)
Interest received	1,383,273	1,343,380
Dividends received	7,869	7,026
Interest paid	(2,033,925)	(1,479,529)
Income tax refund (paid)	551,234	(134,348)
Net cash used in operating activities	<u>(2,904,318)</u>	<u>(2,600,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investments accounted for using the equity the method	-	98,799
Acquisition of intangible assets	(10,758)	(574)
Disposal of intangible assets	10,543	-
Acquisition of property and equipment	(243,703)	(169,125)
Disposal of property and equipment	115	245
Decrease (increase) in other assets	158,803	(46,718)
Dividends received	20,147,077	4,604,898
Net cash generated from investing activities	<u>20,062,077</u>	<u>4,487,525</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in commercial paper payable	5,697,554	(4,480,000)
Increase (decrease) in other borrowings	3,000,000	(10,000)
Repayments of the principal portion of lease liabilities	(163,364)	(159,717)
Issuance of corporate bonds	11,000,000	19,000,000
Proceeds from insurance of bonds	(4,000,000)	-
Dividends paid	(32,742,823)	(16,593,213)
Net cash used in financing activities	<u>(17,208,633)</u>	<u>(2,242,930)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(50,874)	(356,253)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,587,401</u>	<u>7,943,654</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>\$ 7,536,527</u></u>	<u><u>\$ 7,587,401</u></u>

Agenda 2 : Acknowledgement of earnings distribution for 2024

Proposed by the Board of Directors

Explanation :

- (1) The paid-in capital of the Company is NT\$162,025,101,280, divided into 16,202,510,128 shares. Among all shares, there are 14,669,210,128 common shares and 1,533,300,000 preferred shares. After distributing NT\$3,595,915,800 in dividends for preferred shares, we plan to distribute NT\$3.5 of dividends, all in cash, for common shares, and the total amount is NT\$51,342,235,448, please refer to pages 32-33.
- (2) If, after the proposed dividend has been approved, there is a change in the number of shares outstanding on the dividend record date as a result of any buyback, transfer, conversion, or cancellation by the Company in accordance with Article 28-2 of the Securities and Exchange Act, any issuance of global depository receipts, or other causes to issue new shares, the common shareholders' payout ratio for the cash dividends will be adjusted by the actual number of shares outstanding on the dividend record date.
- (3) Once the proposal is approved at the shareholders meeting, the Board and/or the Chairman will be authorized to determine the ex-dividend date and adjust the common shareholders' payout ratio based on actual conditions. We hereby propose for acknowledgement.

RESOLUTION :

Cathay Financial Holding Co., Ltd.
Earnings Distribution Plan of the year 2024

Unit : NT Dollar

Item	Amount
(I) Undistributed earnings at the beginning of the period	160,807,283,415
Adjustment for prior period fair value changes arising from reclassification of financial assets (Note 1)	(160,807,283,415)
Net income of the current period	110,269,745,180
Add: Any items other than net profit- Disposal of equity instruments measured at fair value through other comprehensive income	2,809,694,861
Add: Any items other than net profit- Net effect of fair value by disposal of investment property (Note 2)	747,496
Less: Changes in recognition of subsidiaries, affiliates and joint ventures using the equity method	(135,606,445)
Less: Impact of retrospective application and restatement	(380,719,655)
(II) Any items other than net profit after tax plus any items other than net profit	112,563,861,437
Less: Legal reserve	(11,256,386,144)
Less: Special reserve – net effect of investment property at fair value (Note 2)	(1,109,979,312)
Less: Allocate of special reserves – net reduction to the other shareholders' equity (Note 1)	(30,104,397,644)
(III) Distributable earnings	70,093,098,337
Less: Cash Dividends on preferred shares A, (NT\$ 2.526 per share)	(2,104,915,800)
Less: Cash Dividends on preferred shares B, (NT\$2.13 per share)	(1,491,000,000)
Less: Cash Dividends on common shares, (NT\$3.5 per share)	(51,342,235,448)
Balance	15,154,947,089

Note1: According to Jin-Guan-Zheng-Fa-Zi No. 1090150022 Letter dated March 31, 2021, for the net amount of other shareholders' equity deduction recognized in the current year, for the net income after tax of the current period with addition of the items other than net income after tax of the current period, it is included in the amount of the undistributed earnings for the current period, and special reserve of the same amount is appropriated. If the deduction net amount of other shareholders' equity reverses subsequently, the earnings of the reversing part can be distributed. In case of any deficiency, it is appropriated from the

undistributed earnings of last period. Furthermore, according to Jin-Guan-Yin-Fa-Zi No.11102279031 letter dated November 4, 2022 and letters from other competent authorities, during the distribution of the distributable earnings, the financial holdings company shall allocate special reserve of the same amount with respect to the change in the fair value of the financial assets reclassified by the insurance subsidiary.

Note2: Pursuant to the Financial Supervisory Commission (FSC) Letters No. 10310000140 dated February 19, 2014, companies that account for investment properties using the fair value method are required to provide special reserves for any fair value gains that have the effect of increasing retained earnings. Subsequently, when the fair value of the investment property declines, or when the investment property is disposed of, the company may reverse the increase.

Note3: The cash dividend is calculated to the nearest NT dollar based on the distribution ratio. The remainder is rounded up. The difference is paid as an expense of the company.

III. Matters for Discussion and Election

Agenda 1 : Discussion on the amendment to the Articles of Incorporation

Proposed by the Board of Directors

Explanation :

- (1) Amend the relevant provisions of the Company's Articles of Incorporation in order to strengthen the corporate governance and in response to the amendments to Article 14, Paragraph 6 of the "Securities and Exchange Act".
- (2) According refer to pages 35-36 for Comparison Table of Amendments. We hereby propose for discussion.

RESOLUTION :

Cathay Financial Holding Co., Ltd.

Articles of Incorporation, the Parts Amended, Contents Before & After Amendment in Comparison

Contents after amendment	Current Contents	Reasons for amendment
<p>Article 29-1</p> <p>If the Company has profits in the fiscal year, it shall distribute 0.01% to 0.05% as remuneration for employees <u>(out of which no less than fifty percent (50%) should be allocated to grassroots employees, and the remaining portion should be allocated to non-grassroots employees)</u> and no more than 0.05% as remuneration for directors. However, when the Company still has accumulated losses, the profit shall be preserved to cover the loss amount.</p>	<p>Article 29-1</p> <p>If the Company has profits in the fiscal year, it shall distribute 0.01% to 0.05% as remuneration for employees and no more than 0.05% as remuneration for directors. However, when the Company still has accumulated losses, the profit shall be preserved to cover the loss amount.</p>	<p>In order to strengthen corporate governance and comply with the provisions of Paragraph 6, Article 14 of the "Securities and Exchange Act", the "Jin-Guan-Cheng-Fa-Zi No. 1130385442 Order" issued by the FSC on November 8, 2024, and the "Q&A for Paragraph 6, Article 14 of the Securities and Exchange Act", it is proposed to specify in this article that the Company shall allocate a certain percentage of its annual earnings as remuneration for grassroots employees.</p>

Contents after amendment	Current Contents	Reasons for amendment
<p>Article 33</p> <p>These Articles were drawn up on October 26, 2001. They have been amended on the following dates: March 8, 2002; June 27, 2002; June 3, 2004; June 3, 2005; June 9, 2006; June 15, 2007; June 19, 2009; June 18, 2010; June 10, 2011; June 15, 2012; June 14, 2013; June 12, 2015; June 8, 2016; June 8, 2018; June 14, 2019; June 12, 2020; June 17, 2022; June 14, 2024 <u>and June 13, 2025.</u></p>	<p>Article 33</p> <p>These Articles were drawn up on October 26, 2001. They have been amended on the following dates: March 8, 2002; June 27, 2002; June 3, 2004; June 3, 2005; June 9, 2006; June 15, 2007; June 19, 2009; June 18, 2010; June 10, 2011; June 15, 2012; June 14, 2013; June 12, 2015; June 8, 2016; June 8, 2018; June 14, 2019; June 12, 2020; June 17, 2022 and June 14, 2024.</p>	<p>Add the dates of amendments.</p>

Agenda 2 : Discussion on the Company's proposal to raise long-term capital

Proposed by the Board of Directors

Explanation :

- (1) In response to the future capital needs for the Company's long-term strategic development and business growth (including but not limited to increasing working capital, raising capital adequacy ratio, repaying loans or one or more purposes for the development of long-term strategies) as well as the large variety of capital-raising avenues with global characteristics, we ask that the shareholders' meeting authorize the Board of Directors to raise the Company's long-term capital by Domestic cash capital increase for issuance of common shares or preferred shares; cash capital increase for issuance of common shares in participation of Global Depositary Receipts (choose one or more than two for combination), at an appropriate time in accordance with the Company's Articles of Incorporation and relevant laws and regulations (hereinafter collectively referred to as the "cash capital increase proposal").
- (2) The number of common shares and preferred shares issued by cash capital increase (including common shares from GDR) will be limited to a maximum of 1.5 billion shares.
- (3) We ask that shareholders' meeting authorize the Board of Directors and/or the Chairman of the Board to consider the content of the cash capital increase proposal (including but not limited to the actual issue price, offering terms, project items, amount of capital raised, schedule of completion, expected benefits and other matters relevant to the proposal), make all necessary adjustments based on market conditions and regulatory requirements, work out the final details and implement the proposal. If the cash capital increase proposal must be changed as ordered by the regulatory authority or required by the circumstances, we also ask that the Board of Directors and/or the Chairman be given full authorization to carry out the corresponding changes.
- (4) For the related details on the long-term fund raising proposal, please refer to pages 38-40. We hereby propose for discussion.

RESOLUTION :

Description of the long-term fund raising proposal

- I. Issuance of common shares and/or preferred shares via domestic cash capital increase
 - A. In this cash capital increase proposal, we plan to issue common shares and/or preferred shares either through book building or public subscription.
 - B. Via book building
 1. If book building is adopted, apart from reserving 10% to 15% of the total number of newly issued shares for subscription by the Company's employees (including employees of the subsidiaries specified by Article 30 of the Financial Holding Company Act), as required by Article 267 of the Company Act, the remaining shares shall be offered publicly via book building with existing shareholders abstaining from exercising their priority subscription rights with respect to the new shares in accordance with Article 28-1 of the Securities and Exchange Act. The Chairman is authorized to place any portion of the new issued shares not subscribed to by the Company's employees for subscription in the full quantity by designated individuals at the issue price.
 2. According to provision of law, the issue price of common shares shall be no less than 90% of the simple arithmetic average closing price of the common shares of the Company for either one, three or five consecutive business days before pricing date, after adjustment for any distribution of shares dividends, cash dividends or capital reduction. (If changes in the laws should be coordinate the pricing adjustments.). The Board of Directors and/or Chairman of the Board shall determine the actual issue price based on the pricing principles set out in the paragraphs above, the status of the book building in consultation with the underwriter, as well as on the conditions of the market where the securities are issued and regulatory requirements.
 3. The determination of issuance price of preferred shares shall be within the variation scope of 10% of theoretical price pursuant to Article 12 of "Self-Regulation Rules Governing Underwriter Members of Taiwan Securities Association Guiding Issuance Companies to Offer and Issue Securities." The board of directors and/or the chairman is authorized to determine the price with the underwriter after taking into consideration the circumstances of book building consolidation, the situation of the issuance market, and the relevant laws and regulations.
 - C. Via public offering
 1. If public offering and distribution is adopted, apart from reserving 10% to 15% of the total number of newly issued shares for subscription by the Company's employees (including employees of the subsidiaries specified by Article 30 of the Financial Holding Company Act) and also allocating 10% for subscription by the general public in accordance with Article 28-1 of the Securities and Exchange Act, the remaining shares shall be available for subscription by existing shareholders based on their respective percentages of shareholding in the Company on the subscription reference date. The Chairman is authorized to place any portion of the newly issued shares not subscribed to by the Company's employees or existing shareholders for subscription in the full

quantity by designated individuals at the issue price.

2. According to provision of law, the issue price of common shares shall be no less than 70% of the simple arithmetic average closing price of the common shares of the Company for either one, three or five consecutive business days before pricing date, after adjustment for any distribution of shares dividends, cash dividends or capital reduction. (If changes in the laws, should be coordinate the pricing adjustments.). The Board of Directors is authorized to assign the ex-dividend date as the valuation reference date.
3. The determination of issuance price of preferred shares shall be within the variation scope of 10% of theoretical price pursuant to Article 12 of "Self-Regulation Rules Governing Underwriter Members of Taiwan Securities Association Guiding Issuance Companies to Offer and Issue Securities." The board of directors and/or the chairman is authorized to determine the price with the underwriter after taking into consideration the circumstances of book building consolidation, the situation of the issuance market, and the relevant laws and regulations.

II. Cash capital increase by issuing common shares and participation in the issuance of GDR

- A. If participation in the issuance of GDR is adopted for the cash capital increase and issuance of common shares, apart from reserving 10% to 15% of the total number of newly issued shares for subscription by the Company's employees (including employees of the subsidiaries specified by Article 30 of the Financial Holding Company Act), as required by Article 267 of the Company Act, the remaining of the newly issued shares shall be allocated for participation in the issuance of GDR with existing shareholders abstaining from exercising their priority subscription rights with respect to the new shares in accordance with Article 28-1 of the Securities and Exchange Act. The Chairman is authorized to place any portion of the newly issued shares not subscribed to by the Company's employees for subscription in the full quantity by designated individuals at the issue price or reallocated it to the original securities that are participating in the issuance of GDR.
- B. Pursuant to relevant domestic laws and regulations, the issue price for the common shares that are participating in the issuance of GDR for cash capital increase shall be no less than 90% of the simple arithmetic average closing price of the common shares of the Company for either one, three or five consecutive business days before pricing date, after adjustment for any distribution of shares dividends, cash dividends or capital reduction. However, in the event of changes in domestic regulations, corresponding changes to the above formula shall also be made.

The Chairman and/or a designated person by the Chairman shall be authorized by the Board of Directors to determine the actual issue price based on actual market conditions, domestic laws and regulations and common practices in the market where the securities are issued, as well as in consultation with the underwriter.

- C. In conjunction with the issuance of common shares for capital increase in cash and participation in GDR issuance, we request that the Board of Directors authorize the Chairman and/or a designated people by the Chairman to represent the Company in

signing all documents related to the participation in the issuance of GDR as well as in handling all required matters related to the participation in the issuance of GDR.

III. Impact of this cash capital increase proposal on shareholders' equity :

In this cash capital increase proposal, we plan to issue common shares or preferred shares; cash capital increase for issuance of common shares in participation of Global Depositary Receipts (choose one or more than two for combination). Since the preferred shares issued this time may not be transformed into common shares, if it is conducted by issuing preferred shares, there will be no effect of diluting the equity of shareholders. If it is conducted by issuing common shares, it will account for 9.3% of current outstanding shares of the Company calculated with the common shares issuance limit of 1.5 billion shares. Although the equity of shareholders will be partially diluted, it is expected to enhance the competitiveness and improve the operational efficiency of the Company. This is because the estimated fund will meet one or more purpose of enhancing the financial structure of the Company, increasing capital adequacy ratio of the Company, repaying loans, and coping with the long-term development strategy. It will not cause significant impacts on the common equity of shareholders ; if it is conducted by issuing common shares that are participating in the issuance of GDR for cash capital increase, the issue price is determined based on the market price of the Company's common shares traded in domestic stock exchange market. It remains that the original shareholders may purchase the Company's common shares in domestic stock exchange market at a price close to the GDR issuance price. Since the original shareholders don't bear any exchange rate or liquidity risk, this arrangement is not expected to have any negative impact on the interests of the original shareholders.

IV. The capital raised in this cash capital increase plan is expected to be used for the following: strengthening the Company's financial structure, enhancing the Company's capital adequacy ratio, repaying loans or one or more purposes for the development of the Company's long-term strategies. The capital raised is expected to enhance the Company's competitiveness and improve our operational efficiency, and it will have a positive impact on shareholders' equity.

V. We ask that shareholders' meeting authorize the Board of Directors and/or the Chairman of the Board to consider the content of the cash capital increase proposal (including but not limited to the actual issue price, offering terms, project items, amount of capital raised, schedule of completion, expected benefits and other matters relevant to the proposal), make all necessary adjustments based on market conditions and regulatory requirements, work out the final details and implement the proposal. If the cash capital increase proposal must be changed as ordered by the regulatory authority or required by the circumstances, we also ask that the Board of Directors and/or the Chairman be given full authorization to carry out the corresponding changes.

VI. For matters not covered herein, the Board of Directors and/or the Chairman shall proceed with full authorization and in accordance with relevant laws and regulations.

Agenda 3 : Election of the Company's directors for the 9th term

Proposed by the Board of Directors

Explanation :

- (1) The tenure of the Company's 8th Board of Directors term would terminate on June 16, 2025 originally. In order to correspond to the provisions set forth in the Company Act and align the schedule of the 2025 Regular Shareholders' Meeting, the tenure of the Company's 8th term directors will be advanced to June 13, 2025, and the original directors will retire upon newly elected directors assuming the positions.
- (2) In accordance with the Company's Articles of Incorporation, there are 9 to 21 seats in the Board, where at least 3 members are independent directors, and starting from the 9th term, the number of independent directors shall account for at least one third of the total number of directors; the Company's directors shall be elected by means of the candidate nomination system.
- (3) In order to strengthen corporate governance and respond to practical needs, it is proposed to elect 13 directors (including 5 independent directors) for the 9th Board of Directors at this year's regular shareholders' meeting.
- (4) We would like to call for the 9th election of Board of Directors. The list of candidates has been reviewed by current Board of Directors and documented. For candidate's information, please refer to pages 42-45. We hereby propose for election.

ELECTION RESULTS :

Candidates of the Directors and the Independent Directors Profile
for the 9th term

Title	Name	Education / Experience
Director	Hong-Tu Tsai	J.D., Southern Methodist University, USA Chairman, Cathay Financial Holding Co., Ltd. ∙ Cathay Medical Care Corporate ; Director, Cathay Charity Foundation; Former Chairman, Cathay Life Insurance Co., Ltd. etc.
		Number of shares held : 49,632,697 (common shares) ; 6,128,386(preferred shares)
Director	Cheng-Chiu Tsai	M.A., Keio University, Japan Chairman, Cathay Century Insurance Co., Ltd. ; Director, Cathay Financial Holding Co., Ltd. ∙ Cathay Medical Care Corporate ; Former Director, Cathay Real Estate Foundation ; Former Executive Director, Cathay Charity Foundation, etc.
		Number of shares held : 671,289 (common shares) ; 0(preferred shares)
Director	Chia Yi Capital Co., Ltd. Representative: Chi-Wei Joong	B.S., Kean College of New Jersey, USA Director, Cathay Financial Holding Co., Ltd. ∙ Cathay United Bank Co., Ltd. ∙ Moderntimes Information Co., Ltd. ; Chairman and CEO(Legal Representative), Moderntimes Co., Ltd. ; Former President, CMB Credit Card Center, etc.
		Number of shares held : 60,004,377 (common shares) ; 5,153,614 (preferred shares)
Director	Chia Yi Capital Co., Ltd. Representative: Tzung-Han Tsai	J.D., Georgetown University, USA Vice Chairman, Cathay United Bank Co., Ltd. ; Director, Cathay Life Insurance Co., Ltd. ; Executive Vice President, Tung Chi Capital Co., Ltd. ; Director, Srisawad Corporation Public Company Limited ∙ The Taiwan Entrepreneurs Fund Limited ∙ 7-Eleven Malaysia Holdings Berhad ; Former Senior Executive Vice President, Cathay Financial Holding Co., Ltd. ∙ Executive Vice President, Cathay Life Insurance Co., Ltd. ; Former Director, Cathay Venture Inc. ∙ Conning Holdings Limited, etc.
		Number of shares held : 60,004,377 (common shares) ; 5,153,614 (preferred shares)
Director	Chen-Sheng Industrial Co., Ltd. Representative: Chung-Yan Tsai	M.A., San Francisco State University, USA Vice Chairman, Cathay Healthcare Management Co., Ltd. ; Director, Cathay Life Insurance Co., Ltd. ; Director and Senior Executive Vice President, Cathay Real Estate Development Co., Ltd. ; Executive Vice President, Liang Ting Industrial Co., Ltd. ; Director, Cymbal Medical Network Co., Ltd. ∙ Cymder Co., Ltd. ∙

Title	Name	Education / Experience
		<p>Cymlin Co., Ltd. 、 Cathay Real Estate Foundation, etc.</p> <p>Number of shares held : 36,639,978 (common shares) ; 0 (preferred shares)</p>
Director	Cathay United Bank Foundation Representative: Andrew Ming-Jian Kuo	<p>M.B.A., Baruch College, City University of New York, USA Director, Cathay Financial Holding Co., Ltd. ; Chairman, Cathay United Bank Co., Ltd. ; Independent Director, Zhongshan Huali Industrial Group Co., Ltd. 、 Samson Holding Ltd. ; Director, Cathay Securities Investment Trust 、 Cathay Private Equity Co., Ltd. 、 Far East Horizon Limited 、 Financial Information Service Co., Ltd. 、 Cathay Medical Care Corporate ; Former Chairman, Cathay United Bank (China), Ltd. ; Former Senior Advisor for Greater China, The Blackstone Group (HK) Limited ; Former Country Head of JPMorgan Taiwan and Hong Kong, etc.</p> <p>Number of shares held : 6,500,740 (common shares) ; 100,000 (preferred shares)</p>
Director	Cathay Charity Foundation Representative: Ming-Ho Hsiung	<p>M.S., University of Iowa, USA Director, Cathay Financial Holding Co., Ltd. ; Chairman, Cathay Life Insurance Co., Ltd. ; Director, Cathay Medical Care Corporate ; Former Vice Chairman and President, Cathay Life Insurance Co., Ltd., etc.</p> <p>Number of shares held : 1,026,537 (common shares) ; 0 (preferred shares)</p>
Director	Cathay Charity Foundation Representative: Chang-Ken Lee	<p>M.B.A., University of Pennsylvania, USA Director and President, Cathay Financial Holding Co., Ltd. ; Vice Chairman, Cathay Life Insurance Co., Ltd. and Cathay Charity Foundation ; Executive Director, CDIB & Partners Investment Holding Corp. ; Director, Cathay Securities Investment Trust 、 Joint Credit Information Center ; Managing Supervisor, Cathay Medical Care Corporate ; Former Director and President, Cathay United Bank Co., Ltd. ; Former Director, Cathay Securities Corp. ; Former Chairman, Financial Planning Association of Taiwan, etc.</p> <p>Number of shares held : 1,026,537 (common shares) ; 0 (preferred shares)</p>
Independent Director	Li-Ling Wang	<p>Ph.D. of Temple University (Dept. of Risk Management, Insurance, and Actuarial Science), USA ; Master of Hartford University(Dept. of Accounting), USA Independent Director, Cathay Financial Holding Co., Ltd. 、 Cathay Life Insurance Co., Ltd. ; Professor, National Chengchi University Department of Risk Management and Insurance ; Chairman, Taiwan Sustainable Finance and Enterprise Impact Association ; Executive Director, Pension Funds Association in Taiwan ; Former</p>

Title	Name	Education / Experience
		<p>Chairman, Financial Supervisory Commission Republic of China (Taiwan) 、 Vice President, National Chengchi University 、 Chairman, Pension Funds Association in Taiwan, etc.</p> <p>Number of shares held : 0 (common shares) ; 0 (preferred shares)</p>
Independent Director	Tang-Chieh Wu	<p>Master of National Chengchi University (Dept. of Public Finance) Independent Director, Cathay Financial Holding Co., Ltd. 、 Cathay Life Insurance Co., Ltd. 、 Cathay Century Insurance Co., Ltd. ; Managing Director / Independent Director , Cathay United Bank Co., Ltd. ; Secretary-General, Taiwan Financial Services Roundtable ; Advisor, Accounting Research and Development Foundation ; Director, Foundation of Pacific Basin Financial Research and Development ; Former Vice Chairman, Financial Supervisory Commission Republic of China (Taiwan) 、 Director-General, Securities and Futures Bureau 、 Political Deputy Minister, Ministry of Finance 、 Chairman, Hua Nan Financial Holdings Co., Ltd. 、 Hua Nan Bank 、 Land Bank of Taiwan, etc.</p> <p>Number of shares held : 0 (common shares) ; 0 (preferred shares)</p>
Independent Director	Pei-Pei Yu	<p>The University of British Columbia - Master of Business Administration (MBA) ; National Chengchi University - Bachelor of Money and Banking</p> <p>Independent Director, Cathay Financial Holding Co., Ltd. 、 Cathay Life Insurance Co., Ltd. 、 Cathay Century Insurance Co., Ltd. 、 Wistron Corporation ; Chairman and President, Vigor Kobo Co., Ltd. ; Director, Hong Ting Investment Management Limited ; Former Chairman, Zoyi Venture Capital Co., Ltd 、 Managing Director, Goldman Sachs (Asia) L.L.C.(Hong Kong) 、 President, Goldman Sachs (Asia) L.L.C. Taipei Branch 、 Assistant Vice President, Union Bank of Switzerland Taipei Branch 、 Manager, Citibank Taiwan, Ltd. Taipei Branch, etc.</p> <p>Number of shares held : 0 (common shares) ; 0 (preferred shares)</p>
Independent Director	Denny Cheng-Hung Kuo	<p>M.B.A., National Taiwan University</p> <p>Chairman, TN Soong Foundation ; Independent Director, TCM Biotech International Corp. ; Director, Airoha Technology Corp. 、 Choice Development, Inc. 、 Jing Chi Biomed Co., Ltd. 、 Taiwan FactCheck Foundation ; Supervisor, Taiwan Carbon Solution Exchange Co., Ltd. 、 Institute for Information Industry ; Managing Supervisor, The Cultural Taiwan Foundation ; Former CEO and Chairman, Deloitte Taiwan, etc.</p> <p>Number of shares held : 0 (common shares) ; 0 (preferred shares)</p>

Title	Name	Education / Experience
Independent Director	James Wei Wang	M.B.A., Harvard Business School ; M.E., Carnegie Mellon University Chairman and CEO, Sercomm Corporation ; Chairman, Chao Yue Investment Co., Ltd. 、 Yun Li Co., Ltd. 、 Yun Zhou Investment Co., Ltd. 、 Sercomm Investment Co., Ltd. 、 Zealous Investments Ltd. 、 Sercomm Trading Co., Ltd. 、 Scnet (India) Private Limited 、 Sercomm Japan Corp. 、 Servercom (India) Private Limited ; Director, Sercomm Philippine Inc. 、 Sercomm Technology Inc. ; Independent Director, Formosa International Hotels Corporation ; Former President, Sercomm Corporation, etc.
		Number of shares held : 0 (common shares) ; 0 (preferred shares)

Agenda 4 : Discussion on the relief of certain directors from their non-competition obligations

Proposed by the Board of Directors

Explanation:

- (1) According to Article 209 of the Company Act, a director acting on behalf of himself (herself) or another in matters within the business scope of the Company shall obtain approval at the shareholders meeting.
- (2) In the case of a board director participating in other businesses identical or similar to activities within the Company's business scope, Article 209 of the Company Act shall be observed, and approval for participation in other businesses will be obtained at the shareholders meeting to remove the board director's Non-competition Restriction (details are provided in table below). Any income received prior to the removal shall not be considered the income of the Company.

Director	Company	Concurrent Post
Tzung-Han Tsai	Tung Chi Capital Co., Ltd. Srisawad Corporation Public Company Limited The Taiwan Entrepreneurs Fund Limited 7-Eleven Malaysia Holdings Berhad	Executive Vice President Director Director Director
Chung-Yan Tsai	Liang Ting Industrial Co., Ltd. Cymbal Medical Network Co., Ltd. Cymder Co., Ltd. Cymlin Co., Ltd.	Executive Vice President Director Director Director
Andrew Ming-Jian Kuo	Far East Horizon Limited	Director
Chang-Ken Lee	CDIB & Partners Investment Holding Corp.	Executive Director
Pei-Pei Yu	Hong Ting Investment Management Limited	Director
James Wei Wang	Chao Yue Investment Co., Ltd. Yun Li Co., Ltd. Yun Zhou Investment Co., Ltd. Sercomm Investment Co., Ltd. Zealous Investments Ltd.	Chairman Chairman Chairman Chairman Chairman

Director	Company	Concurrent Post
	Sercomm Trading Co., Ltd. Scnet (India) Private Limited Sercomm Japan Corp. Servercom (India) Private Limited Sercomm Philippine Inc. Sercomm Technology Inc.	Chairman Chairman Chairman Chairman Director Director

RESOLUTION :

【Provisional Motion(s)】

【Appendix I】

Articles of Incorporation of Cathay Financial Holding Co., Ltd.

Chapter 1 General provisions

- Article 1 The Company has been incorporated to maximize synergies between different operations and boost its competitiveness pursuant to the Financial Holding Company Act and the Company Act.
- Article 2 The Company is named “國泰金融控股股份有限公司”. “Cathay Financial Holdings Co., Ltd.” in English.
- Article 3 The Company is headquartered in Taipei City. Domestic and overseas branch offices may be established upon approval from the competent authorities.
- Article 4 Announcements of the Company shall be governed by Article 28 of the Company Act.

Chapter 2 Business

- Article 5 The Company is engaged in the business of H801011 Financial Holding Company.
- Article 6 The Company's scope of business is as follows:
- A. The Company may invest in the following businesses:
 - 1. Banking.
 - 2. Bills finance.
 - 3. Credit card.
 - 4. Trust.
 - 5. Insurance.
 - 6. Securities.
 - 7. Futures.
 - 8. Venture capital.
 - 9. Foreign banking institutions in which enterprises are permitted by the competent authorities to invest.
 - 10. Other businesses deemed by the competent authorities to be related to the financial business.
 - B. Management of the above invested businesses.
 - C. The Company may apply to the competent authorities to invest in the businesses other than those stated in A. above, but it may not participate in the management of the said businesses.
 - D. Other related businesses approved by the competent authorities.

Chapter 3 Shares

Article 7 The total authorized capital of the Company shall be NT\$180 billion, divided into 18 billion shares, with a par value of NT\$10 each. Subject to practical need, the Board of Directors is authorized to issue such shares by installment, and part of the shares may be preferred shares.

Article 7-1 When the Company issues new shares in accordance with the law and reserves said shares to be acquired by employees, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria.

Counterparties to whom the Company issues restricted shares for employees in accordance to the law, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria.

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

1. The Company shall pay all taxes, as required by the law and applicable regulations, from the current year's earnings and make a regulatory required deduction for prior years' losses and contributions to legal and special reserves when there are positive earnings. Residual earnings, if any, may be distributed first to the dividends that preferred shares may be distributed in the current year.
2. The dividend for preferred shares is limited to an annual rate of 8%, calculated by the issuance price per share, and the dividend may be one-time distributed in cash every year. After the financial statements are approved by the general shareholders' meeting, the board will determine the base date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and recovery is calculated by the actual issuance days of the current year.
3. The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio to be lower than the minimum requirement by laws or competent authority or other necessary consideration. The shareholders of preferred shares may not object to the decision. If the preferred shares issued are of the non-accumulative type, the undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future.
4. The dividends prescribed in Subparagraph 2 of this Paragraph, shareholders of preferred shares may not be a part of the cash and equity capital of earnings and additional paid-in capital of ordinary shares.
5. The distribution priority for shareholders of preferred shares on the residual property of the Company is ahead of shareholders of ordinary shares and equal to the preferential order of shareholders of all preferred shares issued by the Company, and the preferential order is only lower than general creditors. Yet the distribution shall not exceed the issuance amount.
6. Shareholders of preferred shares do not have the right to vote or suffrage. However, they will have to right to vote in shareholders' meetings of preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of preferred shares.
7. Preferred shares may not be converted to ordinary shares, and shareholders of preferred shares do not have the right to request the Company to redeem preferred shares possessed by shareholders.
8. Preferred shares have no maturity, but the Company may redeem all or partial

preferred shares anytime on the next day after seven years of issuance with the original issuance price. Unredeemed preferred shares shall continue to enjoy rights and obligations of issuance terms prescribed in this Article. In the year of redeeming preferred shares, the dividends that shall be distributed until the redeem date shall be distributed in accordance with the actual issuance days of that year if the shareholders' meeting of the Company decide to distribute dividends.

9. The dividend distribution priority for preferred shares shall be subject to the offering priority for the preferred shares.

The board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors to subscribe in accordance with Articles of Incorporation and related laws and regulations.

- Article 8 The Company's share certificates shall all be in non-bear form and shall be issued only after they have been signed and sealed by at the directors representing the Company, and affixed with the Company's seal, and duly certified by the competent authorities or its authorized registration institution.

The Company can be exempted from printing any share certificate for newly issued shares. The same option may apply to the issue of other securities.

- Article 9 Shareholders shall provide their names, addresses, and seal specimens to the Company. The same shall apply to their change. When collecting dividends or exercising other rights, shareholders shall present the same seals as those the Company has on record.

- Article 10 The shareholders' roster shall not be altered within 60 days prior to the convening date of regular shareholders' meeting, within 30 days prior to the convening date of special shareholders' meeting, or within 5 days before the date the Company decides to distribute dividends, bonuses, or other benefits.

- Article 11 Share affairs shall be handled pursuant to the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 4 Shareholders' meetings

- Article 12 Shareholders' meeting shall be divided into regular shareholders' meetings and special shareholders' meetings, and shall, unless otherwise provided for in the law, be convened by the Board of Directors. The regular shareholders' meeting shall be convened within 6 months after the close of each fiscal year, whereas a special shareholders' meeting is held in accordance with the law whenever necessary.

The shareholders' meeting of preferred shares may be convened in accordance with laws and regulations when necessary.

A company may explicitly provide for Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

- Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the law, be adopted by a majority vote of the shareholders present, who represent more than

one-half of the total number of voting shares.

Article 14 A shareholder may appoint a proxy to attend the shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the amount 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 15 Institutional juristic shareholder's proxies shall not be limited to one person,, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.

If the aforesaid proxies are two persons or more, they shall exercise their voting rights jointly.

Chapter 5 Directors and the Board

Article 16 The Board of Directors of the Company shall consist of 9 to 21 Directors, including no fewer than 3 independent directors. Since the 9th Board of Directors, the independent director seats shall account for no less than one-third of the director seats and directors of the opposite gender shall be no fewer than one person, all to be elected by the shareholders' meeting from the persons with disposing capacity.

If the number of directors in the Company is less than 7 due to the Company's violation of the preceding paragraph or dismissal of the directors with cause, the Company shall carry out the re-election or by-election of directors at the most recent shareholders' meeting. However, if the vacancy in directors reaches one-third of the number of seats specified in Paragraph 1 or if all independent directors have been vacated, the Company shall convene an extraordinary meeting for a by-election within 60 days from the date of the occurrence of the vacancy.

Starting from the 6th Board, Directors have been elected from among a group of candidates nominated at shareholders' meetings. The nomination and election methods shall be governed by the Company Act and the Securities and Exchange Act-related laws and regulations. The qualifications, limitations on the retention of shares and concurrently holding other offices, and independence of Independent Directors shall be governed by the relevant laws and regulations.

The Board shall have an Audit Committee composing of the entire number of Independent Directors and not be fewer than three persons in number. One Committee member shall be the convener, and at least one member shall specialize in accounting or finance. The responsibilities and the relevant affairs of the Committee shall be governed by the relevant laws and regulations or the Company's rules.

The Board of Directors of the Company may establish other committees whose sizes as well as terms of service and authorities of the members shall be specified in individual committees' organization bylaws and approved by the Board of Directors.

Article 17 The percentage of all outstanding shares retained by all Directors combined shall be governed by the relevant regulations of the securities competent authorities.

Article 18 All Directors serve a three-year term and may be re-elected. If new Directors are elected after the term of the current Directors expires, the term of the current Directors shall be

extended until the new Directors take office.

It is advisable that the consecutive terms of office of independent directors do not exceed three terms. Starting from the 9th Board of Directors, a majority of independent directors shall hold office for no more than three consecutive terms. Starting from the 10th Board of Directors, all independent directors shall hold office for no more than three consecutive terms.

In case of any violation of the preceding paragraph, the Company shall carry out the re-election or by-election of directors at the most recent shareholders' meeting.

Article 19 The Company may have 3 to 7 Managing Directors, elected from among Directors with at least two thirds of all Directors present and more than half voting in favor. One of the Managing Directors shall be elected the Chairperson and one the Deputy Chairperson if necessary. There shall be at least one Independent Director, and Independent Directors shall account for at least one fifth of all Managing Directors. If there are no Managing Directors, a Chairperson, and one Deputy Chairperson when necessary, may be elected with at least two thirds of all Directors present and more than half voting in favor.

Article 20 The Chairperson shall chair shareholders' meetings, Board meetings, and Managing Directors' meetings, and he/she shall represent the Company externally. When the Chairperson is absent or unable to exercise his/her authority, the Deputy Chairperson shall act on his/her behalf if there is one. If there is not, or the Deputy Chairperson is also absent or unable to exercise his/her authority, the Chairperson shall designate one Managing Director to act on his/her behalf. If there are no Managing Directors, one Director shall be designated. If no one is designated by the Chairperson, one Managing Director or one Director shall be elected to act on the Chairperson's behalf.

Article 21 Unless otherwise stipulated in the law, Board meetings shall be called by the Chairperson. Unless otherwise stipulated in the law, resolutions shall be passed with more than half of all Directors present and more than half voting in favor. Directors shall personally attend Board meetings. If a Director is unable to attend a Board meeting, he/she may authorize another Director to attend the meeting on his/her behalf by presenting a power of attorney indicating the scope of authorization. Each Director may be authorized to attend a meeting by only one other Director.

Notices of meetings including meeting materials, may be sent in writing and/ or electronically.

If a Board meeting is held via videoconferencing, Directors participating in the meeting via videoconferencing shall be deemed to have attended the meeting in person.

Article 22 The Board is responsible for the following:

- A. Determining and revising the Company's Articles of Organization, operating policies, or business guidelines.
- B. Preparing or reviewing financial statements and determining the allocation of earnings.
- C. Determining or revising the internal control system.
- D. Determining the Company's capital increases/decreases, and making decisions to issue shares or corporate bonds.
- E. Reviewing transactions of major assets or derivatives pursuant to the law or the Company's relevant regulations.
- F. Appointment and removal of financial, accounting, internal auditing officers, or

managerial officers.

- G. Appointment, dismissal, or compensation of the certifying CPAs.
- H. Appointing/re-appointing Directors and Supervisors of subsidiaries 100% owned by the Company.
- I. Other responsibilities vested in the Board pursuant to the law or affairs authorized at shareholders' meetings.

Article 23 While the Board is in recess, the Chairperson shall convene Managing Directors at any time to fulfill their obligations. Resolutions shall be passed with more than half of all Managing Directors present and more than half voting in favor.

When the Board of Directors and the Board of Managing Directors (if there are Managing Directors) are in recess, the Board of Directors may authorize the Chairperson or the relevant department to adjust the Company's organization, review its internal regulations, revise its delegation chart, appoint/re-appoint the Directors and Supervisors of subsidiaries, except for affairs that must be handled by the Board of Directors pursuant to the law or the delegation chart.

Article 24 The Board is authorized to determine the remuneration for Directors (including Independent Directors) based on the degree of their involvement in the Company's operation and value of contribution, after taking into account the prevailing rate. They may be compensated for their transportation or paid other allowances.

Article 25 With a resolution passed at a Board meeting, the Company may take out liability insurance for its Directors and key employees against the compensation liabilities incurred while they are in office.

The Board may authorize the Chairperson to renew the above liability insurance when it expires.

Article 26 (Deleted)

Article 27 The Company's Directors may concurrently be the Directors and Supervisors of its subsidiaries subject to restrictions stipulated in the relevant laws and regulations.

Chapter 6 Managers

Article 28 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be governed by the Company Act.

The Company appointed one President, who shall take charge of the Company's business per the policy resolved by the Board of Directors.

Chapter 7 Accounting

Article 29 The Company's fiscal year begins on January 1 and ends on December 31 of every year. At the end of each fiscal year, the Board shall prepare the following documents and submit them at the AGM for recognition in accordance with the legal procedure:

- A. Business report.
- B. Financial statements.
- C. Resolution to distribute earnings or to offset losses.

Article 29-1 If the Company has profits in the fiscal year, it shall distribute 0.01% to 0.05% as remuneration for employees and no more than 0.05% as remuneration for directors. However, when the Company still has accumulated losses, the profit shall be preserved to cover the loss amount.

Article 30 In order to continue the Company's business expansion and to enhance the profit earning capability, as well as to reserve the capital needed based on the long-term financial planning for perpetual operation and stabilized development, the Company has adopted a residual dividend policy.

The Company shall pay all taxes, as required by the law and applicable regulations, from the year's earnings and make a regulatory required deduction for prior years' losses and contributions to legal reserve pursuant to laws, provision of special reserves pursuant to laws or subject to actual needs, and distribution of dividend on preferred shares when there are positive earnings shown on the approved financial statements. Residual earnings (hereinafter referred to the "Current Year Earnings") shall then be added to the starting retained earnings and reversal of special reserve pursuant to laws as the distributable base, which is based on the Company's business planning and will be submitted to a shareholders' meeting for approval. After the allocation of shares distribution, which is made based on the capital needed by the Company's business plan, the residual earnings shall be distributed in cash, provided that the total distributed dividends shall be no less than 20% of the "Current Year Earnings," and the distributed cash dividend shall be no less than 10% of the total distribution for that fiscal year.

Article 30-1 When the Company buys back its own shares in accordance with the law and transfer the shares to employees, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria; if said shares are transferred to employees at a price lower than the average buy back price, it shall be agreed by the most recent shareholders' meeting with shareholders retaining more than half of the outstanding shares present and those representing at least two thirds of the voting rights voting in favor. In addition, the following shall be listed and explained without being presented as provisional motions in the reasons for calling the meeting:

- A. The pricing, the discount percentage, the base of calculation, and the rationality.
- B. The number of shares transferred, the purpose, and the rationality.
- C. Qualifications for employees who subscribe for the shares and the number of shares to subscribe.
- D. The impact on shareholders' equity when transferring:
 - (1) The expenses and the dilution that might impact on the Company's earnings per share.
 - (2) The financial burden placed on the Company the act of transferring shares to employees at a price lower than the average buy back price.

Chapter 8 Ancillary Provisions

Article 31 The Company's Articles of Organization, operating policies, and other relevant regulations shall be separately drafted.

Article 32 Matters not covered in these Articles shall be governed by the Financial Holding Company Act and the Company Act, and other relevant laws and regulations.

Article 33 These Articles were drawn up on October 26, 2001. They have been amended on the

following dates: March 8, 2002; June 27, 2002; June 3, 2004; June 3, 2005; June 9, 2006; June 15, 2007; June 19, 2009; June 18, 2010; June 10, 2011; June 15, 2012; June 14, 2013; June 12, 2015; June 8, 2016; June 8, 2018; June 14, 2019; June 12, 2020; June 17, 2022 and June 14, 2024.

【Appendix II】

Rules of Procedure for Shareholders' Meetings of Cathay Financial Holding Co., Ltd.

Article 1 (Basis for Adoption)

To establish a strong governance system and sound supervisory capabilities for this Corporation'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 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders' meetings and shareholders' meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The convening of the shareholders' meeting of the Company shall notify the shareholders of the stipulated period according to law. Shareholders' meeting notices shall be given to shareholders who own less than 1,000 shares of nominal stocks, can be upload to the MOPS by the company.

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

Article 3-1 (Types of virtual shareholders' meeting)

The virtual shareholders' meetings are categorized into the following two types:

1. Hybrid shareholders' meeting: to be convened physically and shared on the virtual meeting platform, which the shareholders may choose to attend physically or via the virtual meeting platform.

2. Virtual-only shareholders' meeting: to be convened on the virtual meeting platform only, which the shareholders may choose to attend via the virtual meeting platform.

Where the Company convenes a shareholders' meeting via the virtual meeting platform, the directors taking part in such a meeting via the virtual meeting platform shall be deemed to have attended the meeting in person.

Article 4 (Attendance by Proxy and Authorization)

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or

electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. When the Company convenes a virtual shareholders' meeting, after a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after the due date, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

This Corporation shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation 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 identification documents. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:

How shareholders attend the virtual meeting and exercise their rights.

Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

C. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7 (Chairperson of the Shareholders' Meeting and Observers)

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board 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 also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chairperson, or, if there are no managing directors, one of the directors shall be appointed to act as chairperson. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairperson.

It is advisable that shareholders' meetings convened by the board of directors attended by a majority of the directors, and at least one member of the functional committee established pursuant to the Securities and Exchange Act. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video)

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

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9 (Calculation of Numbers of Shares Attending the Shareholders' Meeting)

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, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair 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 related motions (including extemporaneous motions and amendments to motions) shall be subject to the voting by poll. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with 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. The chairperson shall determine voting mode and sequence, and also arrange suitable voting hours.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must 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 will 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 may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may 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 relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based 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 this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 (Voting of Proposal, Methods for Checking and Counting Ballots)

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 Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders' meeting, it shall adopt electronic means to exercise voting rights and may allow the shareholders to exercise 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 will be deemed to have attended the meeting in person. Notwithstanding, such shareholder shall be held abstaining from voting on the extemporary motions and amendments to the

original motions, if any, at the shareholders' meeting. Therefore, it is advisable for this Corporation to avoid proposing any extemporary motions and amendments to the original motions.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chairperson or a person designated by the chairperson shall announce the total number of voting rights represented by the attending shareholders, followed by the casting of votes by the shareholders on each of the motions.

When there is an amendment or an alternative to a 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 passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting shall be conducted in public at the place of the shareholders' meeting.

The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting

online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Matters for Discussion)

The election of directors at a shareholders' meeting shall be held in accordance with the Company's Procedure for the Election of Directors, and the voting results shall be announced on-site immediately, including the name list of those elected as directors and the number of votes won by them, and the name list of those not elected as directors and the number of votes received by them.

Article 15 (Meeting minutes)

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced in electronic form and distributed in electronic form or by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results (including statistic votes), and the number of votes won by each candidate in the case of election of directors, and shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting

and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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 this Corporation, the chairperson may prevent the shareholder from so doing.

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 venue 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 venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 (Location of the chair and secretary of virtual-only shareholders meeting)

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 (Handling of disconnection)

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the

Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 (Handling of digital divide)

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending

a virtual shareholders meeting online.

Article 23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 24 These Rules were drawn up on March 8, 2002. First amended on June 15, 2012. Second amended on June 12, 2015. Third amended on June 12, 2020. Fourth amended on July 23, 2021 and June 17, 2022.

【Appendix III】

Cathay Financial Holding Co., Ltd
Procedure for the Election of Directors

Established on June 3, 2004

First amended on June 9, 2006

Second amended on June 15, 2007

Third amended on June 14, 2013

Fourth amended on June 12, 2015

Fifth amended on June 14, 2019

Sixth amended on July 23, 2021

- Article 1 The Company's directors shall be elected in accordance with the Procedure, unless otherwise provided for by law or the Company's Articles of Incorporation.
- Article 2 Starting from the board of directors of the sixth session, the Company's directors shall be elected by means of the candidate nomination system. The shareholders' meeting shall elect the directors from among the nominees listed in the slate of director candidates.
The Company's directors shall be duly elected by means of the registered form accumulated balloting system. Each share is entitled to electing power equivalent to the number of directors to be elected. Such electing power may be used in concentration to elect one candidate or be allocated to elect several candidates. The candidates who win ballots that represent greater election powers are elected directors.
- Article 3 Where the Company establishes independent directors in accordance with its Articles of Incorporation, the independent directors and non-independent directors shall be elected at the same time, and the elected independent directors and non-independent directors shall be respectively calculated. The independent directors shall meet the qualifications, and be duly elected in accordance with the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies" and the laws and ordinances concerned.
- Article 4 The Company's directors shall be elected under the nomination system defined in Article 192-1 of the Company Act.
When a director is dismissed for any reason, resulting in there being less than 5 directors, the Company shall reelect the directors at the most recent shareholder's meeting, provided that where the vacancies of directors attain one-third of the directors to be appointed, the Company shall call a special shareholder's meeting to reelect the directors within 60 days, counting from the date of occurrence of the event.
Where the number of independent directors is less than the statutory number, the directors shall be reelected at the most recent shareholder's meeting. Where all independent directors are discharged, a special shareholders' meeting shall be called within 60 days to reelect the independent directors, counting from the date of occurrence of the event.
- Article 5 For the Company's directors, the number of the elected independent directors and

non-independent directors shall be calculated separately. The ones who win more votes shall be elected to be the independent and non-independent directors. Where the ballots won by two persons or more represent the same voting rights and the quorum is exceeded, those elected shall be determined after the persons winning the same ballots cast lots. Where the persons are absent, the chairperson shall cast the lot on behalf of them.

- Article 6 When the election commences, the chairperson shall designate several scrutineers who are shareholders, and several ballot recorders dedicated to performing the various tasks. The ballot box for the election shall be prepared by the Board of Directors and inspected by the scrutineers publicly prior to the voting.
- Article 7 The ballots shall be produced by the Board of Directors and shall specify the number of each shareholder's voting right, and be assigned to the shareholders present at the shareholder's meeting. The names of
- Article 8 In the event of any of the following circumstances, ballots shall become invalid:
1. Where the ballots are not those produced by the convene.
 2. Where the total of voting rights assigned for the candidates exceeds the total voting rights for the ballots.
 3. Where there are other words written on the ballots in addition assigned voting rights.
 4. Where the writing is too illegible to be recognizable, or is altered.
 5. Where the specified candidate does not match the roster of director candidates.
 6. Where ballots cast into the ballot box remain blank.
 7. Where there are violations of other laws, regulations and requirements.
- Article 9 The ballots shall be counted and announced upon the completion of the voting. The ballot counting result shall be announced by the chairperson on the spot, including the name list of elected directors and votes won by them.
- Article 10 The Board of Directors will send the notice to each director elected.
- Article 11 The Procedure shall be enforced upon resolution of the shareholders' meeting. The same shall apply where the Procedure is amended.

【Appendix IV】

Cathay Financial Holding Co., Ltd.

Shareholding of the Directors

Book closure date : April 15, 2025

Title	Name	2025 Annual Shareholders' Meeting Number of Outstanding Shares Registered in the Shareholders' Registry on the Book closure date		Remarks
		Number of Outstanding Common Shares	Number of Outstanding Preferred Shares	
Chairman	Hong-Tu Tsai	49,632,697	6,128,386	
Director	Cheng-Chiu Tsai	36,639,978	0	Representative of Chen-Sheng Industrial Co., Ltd.
Director	Chi-Wei Joong	60,004,377	5,153,614	Representative of Chia Yi Capital Co., Ltd.
Director	Andrew Ming-Jian Kuo	6,500,740	100,000	Representative of Cathay United Bank Foundation
Director	Tiao-Kuei Huang	34,590,372	0	Representative of Cathay Life Insurance Co., Ltd. Employees' Welfare Committee
Director	Ming- Ho Hsiung	34,590,372	0	Representative of Cathay Life Insurance Co., Ltd. Employees' Welfare Committee
Director	Chang-Ken Lee	34,590,372	0	Representative of Cathay Life Insurance Co., Ltd. Employees' Welfare Committee
Director	Grace Yen-Ju Chen	60,004,377	5,153,614	Representative of Chia Yi Capital Co., Ltd.
Independent Director	Matthew Feng-Chiang	0	0	

	Miau			
Independent Director	Edward Yung Do Way	0	0	
Independent Director	Li-Ling Wang	0	0	
Independent Director	Tang-Chieh Wu	0	0	
Independent Director	Pei-Pei Yu	0	0	
Total		187,368,164	11,382,000	
Total Common Shares and Preferred Shares		198,750,164		

Explanation :

1. The Company has already issued 16,202,510,128 shares. According to Article 26 of the Securities and Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of outstanding shares that must be held by the Board of Directors is 160 million. As of April 15, 2025, the number of outstanding shares held by the Board of Directors is 198,750,164.
2. The Company has established an audit committee, therefore, the minimum shareholding regulation for supervisors is not applicable.