

Stock Code : 2882



Cathay Financial Holding Co., Ltd.

**2024 Annual General Shareholders'
Meeting Agenda Handbook**

Meeting Time : June 14, 2024, at 9 : 00 a.m.

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

Cathay Financial Conference Hall

Table of Contents

Meeting Procedures.....	1
Meeting Agenda.....	2
I . Matters to Report	
1. Business Report for 2023.....	3
2. Audit Committee Report	
(1) Audit Report from the Auditing Committee.....	7
(2) Report on the 2023 operation of the Audit Committee	8
3. 2023 report on compensation to Employees and Directors of the Company.....	10
4. Report on the Company's 2023 and 2024 issuance of Unsecured Corporate Bonds.....	11
II . Matters for Acknowledgement	
1. Acknowledgement of Business Operations Report and Financial Statements for 2023.....	12
2. Acknowledgement of earnings distribution for 2023.....	31
III . Matters for Discussion	
1. Discussion on the amendment to the Articles of Incorporation.....	34
2. Discussion on the Corporation's proposal to raise long-term capital.....	39
Appendix	
I . Articles of Incorporation of Cathay Financial Holding Co., Ltd.....	44
II . Rules of Procedure for Shareholders' Meetings of Cathay Financial Holding Co., Ltd.....	51
III . Shareholding of the Directors by CFH.....	61

Cathay Financial Holding Co., Ltd.

Procedure for the 2024 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
6. Provisional Motion(s)
7. Meeting Adjournment

Cathay Financial Holding Co., Ltd.

2024 Annual Shareholders' Meeting Agenda

Meeting Time : June 14, 2024, at 9 : 00 a.m.

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

Cathay Financial Conference Hall

Meeting type : Video-conferencing assisted shareholders meeting (physical shareholders meeting supported by video conferencing)

E-Meeting Platform : “Shareholders meeting e-Services Platform – Hybrid Shareholders’ Meeting” by Taiwan Depository & Clearing Corporation

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 2023
 - (2) Audit Committee Report
 - (3) 2023 report on compensation to Employees and Directors of the Company
 - (4) Report on the Company’s 2023 and 2024 issuance of Unsecured Corporate Bonds
4. Matters for Acknowledgement
 - (1) Acknowledgement of Business Operations Report and Financial Statements for 2023
 - (2) Acknowledgement of earnings distribution for 2023
5. Matters for Discussion
 - (1) Discussion on the amendment to the Articles of Incorporation
 - (2) Discussion on the Corporation’s proposal to raise long-term capital
6. Provisional Motion(s)
7. Meeting Adjournment

I . Matters to Report

1.Business Report for 2023

Despite the impact of tightened monetary policies in major economies, ongoing international geopolitical risks, and slowing momentum of global economic growth in 2023, Cathay Financial Holdings (Cathay FHC) recorded a consolidated after-tax profit of NT\$51.5 billion (US\$1.68 billion) and earnings per share of NT\$3.24, thanks to the concerted efforts of our employees. In addition, our subsidiaries, Cathay United Bank and Cathay Securities Investment Trust (Cathay SITE), once again achieved record-high profits.

Cathay Subsidiaries Maintained Robust Core Business Momentum in 2023

In the face of fast-changing financial markets, Cathay Life Insurance dynamically adjusted its investment portfolio and strengthened its asset and liability management. Cathay Life Insurance also continued to focus on its value-driven product strategy, and integrated services and technology, to offer innovative products. Cathay Life Insurance delivered double-digit growth in first-year premiums for health and accident policies and remained in first place in the life insurance industry in terms of overall premium income.

Cathay United Bank grew loans steadily while ensuring asset quality. With respect to our wealth management business, Cathay United Bank adhered to a robust investment strategy of safeguarding customer assets and enhancing product innovation capabilities. Total assets under management and the customer base for wealth management both continued to grow. Core earnings rose year-over-year, leading to a record-high consolidated after-tax profit.

Cathay Century emphasized both quality and quantity while expanding business and annual written premium showed double-digit growth. Cathay Century continued to maintain the second-largest market share in the industry. Cathay Securities continued to operate its successful digital business model. As a result, its domestic brokerage market share reached a new high once again and its sub-brokerage business ranked firmly as the market leader. Furthermore, Cathay Securities delivered the highest ROE among the top ten brokers over the past two years. Cathay SITE offered a diversity of innovative products that were highly favored by investors and

remained the largest asset manager in Taiwan, with total assets under management of NT\$1.6 trillion (US\$52.8 billion), reflecting over 30% year-over-year growth.

Deepen Overseas Business Operations

Cathay FHC continued to deepen its overseas presence. In Greater China, Cathay United Bank (China) Ltd. performed steadily and continued to develop green finance and other unique products. Cathay Lujiazui Life Insurance's premium income grew 55% year-over-year. Cathay Insurance (China) continued to enhance its e-Commerce-related business, driving insurance innovation through the use of technology.

In Southeast Asia, Cathay United Bank assisted clients with the challenges of supply chain migration and digital transformation through our digital platforms and regional network across nine ASEAN countries. For example, our Ho Chi Minh City branch pioneered a partnership with the Asian Development Bank on renewable energy financing projects and our Cambodia subsidiary leveraged digital tools to expand our customer base. Our private banking business in Singapore gained strong momentum. Cathay Life Insurance (Vietnam)'s tied agent force continued to grow steadily. Cathay Insurance Co., Ltd. (Vietnam) accelerated its digital transformation and business expansion.

Aim to Become a Technology Company that Provides Financial Services

Cathay FHC is committed to digital transformation, with our subsidiaries launching digital platforms successively. The digital users of Cathay FHC exceeded 8.6 million. Cathay FHC has been strengthening the development of data analytics and AI governance, optimizing cloud strategies and implementing cloud governance.

Cathay Life Insurance is very focused on providing customers with a great digital experience. We continued to optimize the Cathay Life Insurance App, and focus on monitoring and improving customer health through the "FitBack" health promotion program. In addition, we optimized our employee experience and improved service efficiency by using data and technology to build various service platforms across our sales agents, customer services, service centers, underwriting and claims services, etc. Cathay United Bank has more than 7 million digital users and continued to develop the digital brand CUBE strategy of "One Card, One Account, One App" to deliver a "simple, user-friendly, and pleasing" customer experience. Cathay Century continued

to provide seamless personalized services online and launched the commercial insurance sales platform SmartBiz and one-stop Smart Claim assistant. Cathay Securities was the first in the industry to launch the Security Token Offering (STO) business, providing a new funding channel for enterprises. Cathay SITE collaborated with an electronic payment partner to offer Cathay SITE's fund products to cross-industry customers.

Cathay FHC continues to remain committed to driving our digital transformation based on digital, data, and technology and the spirit of "What if We Could." We aim to become a "technology company that provides financial services."

Continue to Align with Global Trends and Refine Our Corporate Governance

Cathay FHC continues to strengthen corporate governance mechanisms. We achieved the following results in 2023: We added a female director to enhance the gender composition and professional diversity of the board; established a Risk Management Committee under the Board of Directors to reinforce the board's supervisory capabilities; developed a corporate sustainability training mechanism for directors; and reorganized the independent directors' mailbox procedure, and optimized our stakeholder engagement mechanism. We were selected as a constituent of the "Taiwan Stock Exchange Corporate Governance 100 Index," making us a benchmark in corporate governance.

In 2024, Cathay FHC will continue to abide by the Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies, observe international trends of corporate governance, improve our corporate governance practices, and implement international corporate governance best practices amid the fast-changing business environment to ensure our corporate sustainability.

Implement Corporate Sustainability and Promote Net-Zero Transformation

Cathay FHC has developed a strategic blueprint based on three areas of sustainability: climate, health and empowerment. Our focus on long-term sustainable development goals and achievements has been recognized internationally. Cathay FHC has been selected as a constituent in the Dow Jones Sustainability Index (DJSI) World Index for six consecutive years and as a constituent in the DJSI Emerging Markets Index for nine consecutive years. This makes us the longest-selected financial institution in Taiwan in the insurance industry.

Cathay Life Insurance continues to expand our health promotion program to enhance public health. Cathay United Bank published the “Key Report on National Financial Health,” aiming to improve the physical, mental, and financial health of people in Taiwan. We also place high importance on empowering youth and women, actively promoting impact investing campus tours and entrepreneurial training.

Cathay FHC continues to lead climate actions. We held the 7th annual Cathay Sustainable Finance and Climate Change Summit, with participating companies representing more than 70% of Taiwan’s market capitalization and 50% of Taiwan’s total carbon emissions. Cathay FHC has actively participated in various international initiatives focused on low-carbon transformation, water resources and biodiversity. We also hosted important forums at the 28th Conference of the Parties (COP28), attended the World Biodiversity Summit, and promoted multi-party collaborations to seek solutions in sustainable finance. These actions demonstrate our determination to align with international trends and to achieve net-zero carbon emissions. Cathay FHC remains committed to the spirit of “sustainability in action,” fulfilling our responsibility as a pioneer of sustainable finance, and engaging with our stakeholders to achieve net-zero carbon emissions.

Looking ahead to 2024, the economy may benefit from the possible end of interest rate hikes by major central banks, given the easing of inflation pressure, and from the developing business opportunities in emerging technology applications. However, monetary policies and geopolitical conflicts in various countries will still bring uncertainty to the financial markets. Cathay FHC will continue to leverage our diverse financial competencies through technology innovation and corporate sustainability, and 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 2023 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-H-Ran Cheng, CPA of Deloitte Taiwan, 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:

2024 Annual General Shareholders' Meeting of Cathay Financial Holdings

Auditing Committee

Edward Yung Do Way, Convener

April 30, 2024

(2) Report on the 2023 operation of the Audit Committee

Proposed by the Board of Directors

Explanation:

(a) Review on Appointment/Renewal of CPA :

In response to the internal job rotation of Deloitte & Touche, as of Q1 of 2023, the independent auditors were changed from Cheng-Hung Kuo, CPA and Shu-Wan Lin, CPA to Shu-Wan Lin, CPA and Shih-Ran Cheng, CPA. Upon assessment, the Audit Committee held that both CPAs satisfied the requirements about profession and independence and, therefore, approved the appointment of both CPAs.

(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. 2023” on March 5, 2024. 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

2023. They also interacted with the Audit Committee members separately before the audit planning and issuance of audit opinions in 2023. The internal audit unit would communicate with independent directors with respect to a total of 10 matters 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, please refer to the “Communication Between Independent Directors and Chief Internal Auditor, and the CPAs” on the Company's website:

<https://www.cathayholdings.com/holdings/governance/committee/audit>

3. 2023 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 2023, 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\$4,784,038 and NT\$1,800,000 respectively. The remuneration was distributed in cash.

4. Report on the Company's 2023 and 2024 issuance of Unsecured Corporate Bonds

Proposed by the Board of Directors

Explanation:

- (1) The Company's Board of Directors approved on March 9, 2023 the issuance of unsecured corporate bonds with a total amount of NT\$30 billion. On May 17, 2023, the Company received the approval letter of Jin Guan Yin Kong Zi No. 1120138243 from the Banking Bureau for the total amount, allowing the company to raise funds by issuing the bond through multiple issuances within two years upon receipt of the approval letter. The first issuance of NT\$19 billion was approved by TPEX's letter No. 11200056252 on June 15, 2023 and issued on June 16, 2023. The second issuance of NT\$11 billion was approved by TPEX's letter No. 11300014662 on March 25, 2024 and issued on March 26, 2024. The total amount raised was NT\$30 billion, all of which was used to repay the commercial paper, enabling the company to secure low-cost funds for the medium to long term, thereby mitigating the impact of interest rate fluctuations and capital management risk.
- (2) The issuance terms of the 2023 and 2024 Unsecured Corporate Bonds are as follows:

Term	Tranche	Issue Amount (NT\$ hundred million)	Maturity Term(Year)	Fixed Interest Rate	Date of Issuance	Date of Maturity
112-1	A	101	5	1.62%	2023/6/16	2028/6/16
	B	89	10	1.82%	2023/6/16	2033/6/16
113-1	A	75	5	1.65%	2024/3/26	2029/3/26
	B	35	10	1.78%	2024/3/26	2034/3/26

II . Matters for Acknowledgement

Agenda 1 : Acknowledgement of Business Operations Report and Financial Statements for 2023

Proposed by the Board of Directors

Explanation :

- (1) The 2023 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 Taiwan.
- (2) The aforementioned financial statements and the business report were examined by the audit committee. We hereby propose for acknowledgement.

RESOLVED :

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, 2023 and 2022, 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by 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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements for the year ended December 31, 2023 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, 2023 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, 2023.

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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2024

Notice to Readers

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

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

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 29)	\$ 320,831,824	2	\$ 412,013,900	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	336,768,960	3	266,322,216	2
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 5, 7 and 29)	2,009,183,691	16	1,675,024,629	14
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 5, 8, 29 and 30)	876,261,075	7	929,052,914	8
DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 5, 9 and 30)	4,728,733,650	37	4,510,776,595	37
FINANCIAL ASSETS FOR HEDGING (Notes 4 and 5)	1,109	-	29,891	-
NOTES AND BONDS PURCHASED UNDER RESALE AGREEMENTS (Note 4)	43,324,997	-	38,076,491	-
RECEIVABLES, NET (Notes 4, 5, 10 and 29)	248,954,635	2	217,153,186	2
CURRENT TAX ASSETS	5,788,596	-	5,158,702	-
DISCOUNT AND LOANS, NET (Notes 4, 5, 11 and 29)	2,684,520,400	21	2,495,516,810	21
REINSURANCE CONTRACT ASSETS, NET	15,778,910	-	15,851,568	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 4, 13 and 29)	34,212,316	-	32,883,301	-
OTHER FINANCIAL ASSETS, NET (Notes 4 and 24)	739,364,082	6	669,832,659	6
INVESTMENT PROPERTIES, NET (Notes 4, 5, 14, 29 and 30)	461,686,710	4	448,140,598	4
PROPERTY AND EQUIPMENT, NET (Notes 4 and 15)	109,370,464	1	108,550,891	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 16 and 29)	5,556,600	-	4,833,197	-
INTANGIBLE ASSETS, NET (Notes 4, 17 and 39)	49,669,714	-	51,636,617	-
DEFERRED TAX ASSETS (Notes 4 and 27)	74,165,978	1	89,895,981	1
OTHER ASSETS, NET (Notes 29 and 30)	<u>66,946,615</u>	<u>-</u>	<u>100,135,437</u>	<u>1</u>
TOTAL	<u>\$ 12,811,120,326</u>	<u>100</u>	<u>\$ 12,070,885,583</u>	<u>100</u>
LIABILITIES AND EQUITY	2023		2022	
	Amount	%	Amount	%
DEPOSITS FROM THE CENTRAL BANK AND BANKS	\$ 117,130,854	1	\$ 97,309,239	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 5 and 7)	146,895,790	1	182,999,244	2
FINANCIAL LIABILITIES FOR HEDGING (Notes 4 and 5)	2,038,001	-	3,716,091	-
NOTES AND BONDS SOLD UNDER REPURCHASE AGREEMENTS (Note 4)	25,757,726	-	34,723,428	-
COMMERCIAL PAPER PAYABLE, NET (Note 18)	76,528,247	1	73,880,000	1
PAYABLES (Note 29)	90,464,445	1	73,787,470	1
CURRENT TAX LIABILITIES (Note 4)	540,590	-	4,484,328	-
DEPOSITS AND REMITTANCES (Notes 19 and 29)	3,496,982,688	27	3,185,436,089	26
BONDS PAYABLE (Note 20)	175,941,430	2	132,147,398	1
OTHER BORROWINGS (Note 21)	12,988,127	-	12,763,713	-
PROVISIONS (Notes 4, 22 and 23)	6,958,614,203	54	6,842,132,184	57
OTHER FINANCIAL LIABILITIES (Notes 4 and 24)	800,999,585	6	720,648,395	6
LEASE LIABILITIES (Notes 4, 16 and 29)	20,030,215	-	19,240,853	-
DEFERRED TAX LIABILITIES (Notes 4 and 27)	49,491,154	1	49,779,071	-
OTHER LIABILITIES (Note 29)	<u>35,271,619</u>	<u>-</u>	<u>26,130,045</u>	<u>-</u>
Total liabilities	<u>12,009,674,674</u>	<u>94</u>	<u>11,459,177,548</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 25)				
Share capital				
Ordinary shares	146,692,102	1	146,692,102	1
Preference shares	15,333,000	-	15,333,000	-
Capital surplus	202,793,453	2	215,318,047	2
Retained earnings				
Legal reserve	72,994,637	1	73,747,059	1
Special reserve	378,461,911	3	150,768,651	1
Unappropriated earnings	50,240,458	-	230,331,762	2
Other equity	<u>(78,460,876)</u>	<u>(1)</u>	<u>(233,350,281)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	788,054,685	6	598,840,340	5
NON-CONTROLLING INTERESTS (Notes 4 and 25)	<u>13,390,967</u>	<u>-</u>	<u>12,867,695</u>	<u>-</u>
Total equity	<u>801,445,652</u>	<u>6</u>	<u>611,708,035</u>	<u>5</u>
TOTAL	<u>\$ 12,811,120,326</u>	<u>100</u>	<u>\$ 12,070,885,583</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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
INTEREST INCOME (Notes 4 and 29)	\$ 307,577,036	101	\$ 250,519,506	73
INTEREST EXPENSE (Notes 4 and 29)	<u>(61,947,352)</u>	<u>(20)</u>	<u>(24,356,980)</u>	<u>(7)</u>
NET INTEREST INCOME	<u>245,629,684</u>	<u>81</u>	<u>226,162,526</u>	<u>66</u>
NET INCOME AND GAINS OTHER THAN INTEREST INCOME				
Net gain on service fee and commission fee (Notes 4, 24, 26 and 29)	17,750,872	6	15,421,254	5
Net income on insurance operations (Notes 4, 26 and 29)	(30,068,673)	(10)	1,436,140	-
Gain (loss) on financial assets and liabilities at fair value through profit or loss (Notes 4 and 7)	138,491,439	45	(445,353,503)	(130)
Gain on investment properties (Notes 4, 14 and 29)	11,775,366	4	13,696,591	4
Realized gain on financial assets at fair value through other comprehensive income (Note 4)	3,117,076	1	2,712,295	1
Net gain on derecognition of financial assets at amortized cost (Notes 4 and 9)	2,987,655	1	10,365,022	3
Foreign exchange gain (Note 4)	4,002,174	1	301,166,569	88
Impairment loss on assets (Note 4)	(1,362,986)	(1)	(4,682,547)	(1)
Share of profit of associates and joint ventures accounted for using the equity method (Notes 4 and 13)	1,951,286	1	2,265,986	1
(Loss) gain on reclassification using the overlay approach (Notes 4 and 7)	(119,689,733)	(39)	254,281,014	74
Net other non-interest gain (loss) (Note 29)	<u>29,588,479</u>	<u>10</u>	<u>(36,037,689)</u>	<u>(11)</u>
PROFIT FROM OPERATIONS	<u>304,172,639</u>	<u>100</u>	<u>341,433,658</u>	<u>100</u>
NET CHANGES IN INSURANCE LIABILITY RESERVE (Notes 22 and 26)	<u>(139,103,681)</u>	<u>(46)</u>	<u>(198,098,005)</u>	<u>(58)</u>
PROVISION FOR BAD DEBT, COMMITMENTS AND GUARANTEE RESERVE	<u>(4,103,185)</u>	<u>(1)</u>	<u>(4,777,580)</u>	<u>(1)</u>
OPERATING EXPENSES (Notes 26 and 29)				
Employee benefit expenses	(60,529,311)	(20)	(54,004,407)	(16)
Depreciation and amortization expenses	(8,635,961)	(3)	(7,544,064)	(2)
Other general and administrative expenses	<u>(33,331,212)</u>	<u>(11)</u>	<u>(27,061,810)</u>	<u>(8)</u>
Total operating expenses	<u>(102,496,484)</u>	<u>(34)</u>	<u>(88,610,281)</u>	<u>(26)</u>

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 58,469,289	19	\$ 49,947,792	15
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(6,955,472)</u>	<u>(2)</u>	<u>(11,985,678)</u>	<u>(4)</u>
NET INCOME	<u>51,513,817</u>	<u>17</u>	<u>37,962,114</u>	<u>11</u>
OTHER COMPREHENSIVE LOSS (Notes 4 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	126,200	-	(267,311)	-
Property revaluation surplus	-	-	1,322,404	-
Gain (loss) on equity instruments at fair value through other comprehensive income	25,491,304	8	(28,637,506)	(8)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(506,248)	-	575,753	-
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	(615,995)	-	(809,491)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 27)	224,183	-	451,933	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(220,330)	-	5,780,461	2
(Loss) gain on hedging instruments	(550,032)	-	762,058	-
Gain (loss) on debt instruments at fair value through other comprehensive income	22,154,379	7	(103,810,322)	(31)
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	236,934	-	597,149	-
Other comprehensive income (loss) reclassified using overlay approach	119,689,733	39	(254,281,014)	(74)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 27)	<u>(11,326,022)</u>	<u>(3)</u>	<u>33,999,512</u>	<u>10</u>
Total other comprehensive income (loss) for the period, net of income tax	<u>154,704,106</u>	<u>51</u>	<u>(344,316,374)</u>	<u>(101)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 206,217,923</u>	<u>68</u>	<u>\$(306,354,260)</u>	<u>(90)</u>

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 50,928,865	17	\$ 37,359,360	11
Non-controlling interests	<u>584,952</u>	<u>-</u>	<u>602,754</u>	<u>-</u>
	<u>\$ 51,513,817</u>	<u>17</u>	<u>\$ 37,962,114</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 205,111,048	68	\$(306,895,790)	(90)
Non-controlling interests	<u>1,106,875</u>	<u>-</u>	<u>541,530</u>	<u>-</u>
	<u>\$ 206,217,923</u>	<u>68</u>	<u>\$(306,354,260)</u>	<u>(90)</u>
EARNINGS PER SHARE (Note 28)				
Basic earnings per share	<u>\$ 3.24</u>		<u>\$ 2.58</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company																
							Other Equity										
	Share Capital			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	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	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Preferred Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings											
BALANCE, AT JANUARY 1, 2022	\$ 131,692,102	\$ 15,333,000	\$ 177,244,388	\$ 59,471,895	\$ 150,716,023	\$ 267,799,001	\$ (18,652,251)	\$ 47,131,473	\$ 335,851	\$ (889,397)	\$ (966,130)	\$ 11,281,909	\$ 64,764,671	\$ (3,224,389)	\$ 902,038,146	\$ 12,000,581	\$ 914,038,727
Appropriation 2021 earnings																	
Legal reserve	-	-	-	14,275,164	-	(14,275,164)	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	52,628	(52,628)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(46,092,235)	-	-	-	-	-	-	-	-	(46,092,235)	-	(46,092,235)
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	-	-	(104,319)	-	-	-	-	-	-	-	-	-	-	-	(104,319)	-	(104,319)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(623,579)	-	-	-	-	-	-	-	731,063	107,484	(109,072)	(1,588)
Net income for the year ended December 31, 2022	-	-	-	-	-	37,359,360	-	-	-	-	-	-	-	-	37,359,360	602,754	37,962,114
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	5,624,950	(116,041,219)	614,414	460,602	(131,013)	1,311,727	(236,094,611)	-	(344,255,150)	(61,224)	(344,316,374)
Total comprehensive income (loss) for year ended December 31, 2022	-	-	-	-	-	37,359,360	5,624,950	(116,041,219)	614,414	460,602	(131,013)	1,311,727	(236,094,611)	-	(306,895,790)	541,530	(306,354,260)
Issuance of ordinary shares for cash	15,000,000	-	37,500,000	-	-	-	-	-	-	-	-	-	-	-	52,500,000	-	52,500,000
Share-based payment transactions	-	-	677,978	-	-	-	-	-	-	-	-	-	-	-	677,978	42	678,020
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(10,376,705)	-	10,376,705	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	(15,364)	-	-	-	-	-	15,364	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	434,614	434,614
BALANCE, AT DECEMBER 31, 2022	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	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)	(20,517)	3,706	111,179,735	-	154,182,183	521,923	154,704,106
Total comprehensive income (loss) for 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	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	<u>\$ 146,692,102</u>	<u>\$ 15,333,000</u>	<u>\$ 202,793,453</u>	<u>\$ 72,994,637</u>	<u>\$ 378,461,911</u>	<u>\$ 50,240,458</u>	<u>\$ (12,961,984)</u>	<u>\$ (14,758,415)</u>	<u>\$ 510,499</u>	<u>\$ (833,793)</u>	<u>\$ (1,117,660)</u>	<u>\$ 12,612,706</u>	<u>\$ (60,150,205)</u>	<u>\$ (1,762,024)</u>	<u>\$ 788,054,685</u>	<u>\$ 13,390,967</u>	<u>\$ 801,445,652</u>

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 58,469,289	\$ 49,947,792
Adjustments for:		
Depreciation expense	5,421,400	4,472,857
Amortization expense	3,214,561	3,071,207
Bad debt expense	4,103,185	4,777,580
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(123,188,458)	462,987,914
Interest expense	61,947,352	24,356,980
Net gain on derecognition of financial assets at amortized cost	(2,987,655)	(10,365,022)
Interest income	(307,577,036)	(250,519,506)
Dividend income	(23,001,452)	(27,521,113)
Net change in insurance liabilities	144,987,668	353,292,935
Net changes in other provisions	(28,730,131)	40,449,731
Compensation cost of share-based payments	16,539	678,020
Share of profit of associates and joint ventures accounted for using the equity method	(1,951,286)	(2,265,986)
Loss (gain) on reclassification using the overlay approach	119,689,733	(254,281,014)
(Gain) loss on disposal and retirement of property and equipment	(157,529)	15,643
Gain on disposal of investment properties	(10,598)	(2,369)
Gain on disposal of assets held for sale	-	(440,613)
Loss (gain) on disposal of investments accounted for using the equity method	280,823	(358,539)
Loss on disposal of investments	3,937,087	6,775,085
Expected credit loss on financial assets	1,362,986	4,682,547
Loss (gain) on changes in fair value of investment properties	267,594	(2,094,495)
Gain on disposal of subsidiaries	(398)	-
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(2,648,951)	(8,406,645)
Financial assets at fair value through profit or loss	73,675,942	294,868,000
Financial assets at fair value through other comprehensive income	100,338,207	(495,374,571)
Debt instruments at amortized cost	(215,193,537)	(181,326,295)
Financial assets for hedging	(508,973)	1,208,290
Receivables	(25,834,086)	(3,122,185)
Loans	(192,283,486)	(213,073,325)
Reinsurance assets	119,552	(3,493,052)
Other financial assets	2,707,180	2,091,129
Other assets	(3,909,157)	(444,697)
Deposits from the Central Bank and banks	19,821,615	22,704,065
Financial liabilities at fair value through profit or loss	(325,620,891)	(399,877,010)
Financial liabilities for hedging	(1,690,367)	3,719,654
Notes and bonds sold under repurchase agreements	(8,921,613)	(5,104,445)
Payables	11,373,997	(6,578,073)
Deposits and remittances	311,546,599	313,476,036
Provisions for employee benefits	(488,616)	(23,492)

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Provisions	\$ 681,491	\$ 40,334
Other financial liabilities	8,112,587	25,523,435
Other liabilities	<u>9,213,600</u>	<u>(18,750,158)</u>
Cash used in operations	(323,415,233)	(264,283,371)
Interest received	304,958,717	243,285,551
Dividends received	23,747,446	28,304,737
Interest paid	(57,649,748)	(22,615,640)
Income tax paid	<u>(6,890,779)</u>	<u>(10,946,182)</u>
Net cash used in operating activities	<u>(59,249,597)</u>	<u>(26,254,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(26,017,351)	(17,202,630)
Proceeds from disposal of financial assets at fair value through other comprehensive income	21,962,542	15,688,232
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	23,000	-
Acquisition of financial assets at fair value through profit or loss	(1,324,763)	(967,522)
Proceeds from disposal of financial assets at fair value through profit or loss	557,493	523,372
Acquisition of investments accounted for using equity method	-	(2,308,500)
Proceeds from disposal of investments accounted for using equity method	-	595,743
Net cash outflow on acquisition of subsidiaries (after deduction of cash and cash equivalent balances acquired)	(238,286)	(415,958)
Proceeds from disposal of subsidiaries	30,744	-
Proceeds from capital reduction of investments accounted for using equity method	10,729	170,887
Proceeds from disposal of assets held for sale	-	723,700
Acquisition of property and equipment	(4,566,415)	(4,179,942)
Proceeds from disposal of property and equipment	32,431	195,217
Acquisition of intangible assets	(614,083)	(743,023)
Proceeds from disposal of intangible assets	-	40,988
Acquisition of investment properties	(12,380,488)	(8,201,702)
Proceeds from disposal of investment properties	134,892	36,891
Other assets	35,357,297	(36,876,827)
Dividends received	<u>24,670</u>	<u>95,134</u>
Net cash generated from (used in) investing activities	<u>12,992,412</u>	<u>(52,825,940)</u>

(Continued)

CATHAY FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in funds borrowed from the Central Bank and banks	\$ -	\$ (1,076,000)
Increase in commercial paper payable	2,650,000	10,410,000
Proceeds from issuing bonds	53,986,835	-
Proceeds from issuance of financial debentures	-	693,116
Repayment of financial debentures	(10,048,944)	(10,384,260)
Increase in borrowings	216,688	3,598,444
Repayment of the principal portion of lease liabilities	(1,968,506)	(1,705,048)
Other liabilities	(136,129)	4,019,118
Dividends paid	(16,593,213)	(49,483,159)
Proceeds from issuance of ordinary shares	-	52,500,000
Acquisition of interests in subsidiaries	(667,490)	(911,234)
Changes in non-controlling interests	<u>(638,312)</u>	<u>(1,071,062)</u>
Net cash generated from financing activities	<u>26,800,929</u>	<u>6,589,915</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>1,304,606</u>	<u>1,052,650</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,151,650)	(71,438,280)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>620,603,407</u>	<u>692,041,687</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 602,451,757</u>	<u>\$ 620,603,407</u>
Reconciliation of cash and cash equivalents:		
	December 31	
	2023	2022
Cash and cash equivalents presented in the consolidated balance sheets	\$ 320,831,824	\$ 412,013,900
Due from the Central Bank and call loans to banks qualified for cash and cash equivalents under the definition of IAS 7	238,294,936	170,513,016
Notes and bonds purchased under resale agreements qualified for cash and cash equivalents under the definition of IAS 7	<u>43,324,997</u>	<u>38,076,491</u>
Cash and cash equivalents at the end of the years	<u>\$ 602,451,757</u>	<u>\$ 620,603,407</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	
	2023	2022		2023	2022
CASH AND CASH EQUIVALENTS	\$ 7,587,401	\$ 7,943,654	COMMERCIAL PAPER PAYABLE, NET	\$ 69,400,000	\$ 73,880,000
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	33,624,500	33,575,500	PAYABLES	19,323,541	15,901,806
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	197,768	195,035	CURRENT TAX LIABILITIES	960	3,947,034
RECEIVABLES, NET	5,279,134	4,121,685	BONDS PAYABLE	69,000,000	50,000,000
CURRENT TAX ASSETS	5,686,741	5,131,669	OTHER BORROWING	4,990,000	5,000,000
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	897,567,264	696,821,834	PROVISIONS	1,065,895	753,962
PROPERTY AND EQUIPMENT, NET	284,162	161,431	LEASE LIABILITIES	192,957	290,119
RIGHT-OF-USE ASSETS	191,933	289,676	DEFERRED TAX LIABILITIES	266,714	266,714
INTANGIBLE ASSETS	574	-	OTHER LIABILITIES	<u>605</u>	<u>270</u>
DEFERRED TAX ASSETS	1,529,782	333,745	Total liabilities	<u>164,240,672</u>	<u>150,039,905</u>
OTHER ASSETS	<u>346,098</u>	<u>306,016</u>	EQUITY		
			Share capital		
			Ordinary shares	146,692,102	146,692,102
			Preference shares	15,333,000	15,333,000
			Capital surplus	202,793,453	215,318,047
			Retained earnings		
			Legal reserve	72,994,637	73,747,059
			Special reserve	378,461,911	150,768,651
			Unappropriated earnings	50,240,458	230,331,762
			Other equity	<u>(78,460,876)</u>	<u>(233,350,281)</u>
			Total equity	<u>788,054,685</u>	<u>598,840,340</u>
TOTAL	<u>\$ 952,295,357</u>	<u>\$ 748,880,245</u>	TOTAL	<u>\$ 952,295,357</u>	<u>\$ 748,880,245</u>

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	
	2023	2022
REVENUE		
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	\$ 50,584,863	\$ 45,374,122
Other operating income	<u>1,462,830</u>	<u>1,301,593</u>
Total revenue	<u>52,047,693</u>	<u>46,675,715</u>
EXPENSES AND LOSSES		
Operating expenses	(2,498,773)	(1,922,878)
Other expenses and losses	<u>(1,715,123)</u>	<u>(3,778,808)</u>
Total expenses and losses	<u>(4,213,896)</u>	<u>(5,701,686)</u>
INCOME BEFORE TAX	47,833,797	40,974,029
INCOME TAX BENEFIT (EXPENSE)	<u>3,095,068</u>	<u>(3,614,669)</u>
NET INCOME	<u>50,928,865</u>	<u>37,359,360</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	14,525	1,234
Gain on equity instruments at fair value through other comprehensive income	2,733	51,544
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	24,705,002	(27,416,729)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,905)	(247)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	<u>129,462,828</u>	<u>(316,890,952)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>154,182,183</u>	<u>(344,255,150)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ 205,111,048</u>	<u>\$(306,895,790)</u>
EARNINGS PER SHARE		
Basic	<u>\$3.24</u>	<u>\$2.58</u>

Cathay Financial Holding Co., Ltd.

Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Other Equity														
	Share Capital			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	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	Total Equity
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE AT JANUARY 1, 2022	\$ 131,692,102	\$ 15,333,000	\$ 177,244,388	\$ 59,471,895	\$ 150,716,023	\$ 267,799,001	\$ (18,652,251)	\$ 47,131,473	\$ 335,851	\$ (889,397)	\$ (966,130)	\$ 11,281,909	\$ 64,764,671	\$ (3,224,389)	\$ 902,038,146
Appropriation of 2021 earnings															
Legal reserve	-	-	-	14,275,164	-	(14,275,164)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	52,628	(52,628)	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(46,092,235)	-	-	-	-	-	-	-	-	(46,092,235)
Cash dividends on preferred shares	-	-	-	-	-	(3,390,924)	-	-	-	-	-	-	-	-	(3,390,924)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(104,319)	-	-	-	-	-	-	-	-	-	-	-	(104,319)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(623,579)	-	-	-	-	-	-	-	731,063	107,484
Net income for the year ended December 31, 2022	-	-	-	-	-	37,359,360	-	-	-	-	-	-	-	-	37,359,360
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	5,624,950	(116,041,219)	614,414	460,602	(131,013)	1,311,727	(236,094,611)	-	(344,255,150)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	37,359,360	5,624,950	(116,041,219)	614,414	460,602	(131,013)	1,311,727	(236,094,611)	-	(306,895,790)
Issuance of ordinary shares for cash	15,000,000	-	37,500,000	-	-	-	-	-	-	-	-	-	-	-	52,500,000
Share-based payment transactions	-	-	677,978	-	-	-	-	-	-	-	-	-	-	-	677,978
Disposals of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(10,376,705)	-	10,376,705	-	-	-	-	-	-	-
Others	-	-	-	-	-	(15,364)	-	-	-	-	-	15,364	-	-	-
BALANCE AT DECEMBER 31, 2022	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															
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)
Cash dividends on preferred shares	-	-	-	(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
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

Cathay Financial Holding Co., Ltd.

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

	For the Year Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 47,833,797	\$ 40,974,029
Adjustments for:		
Depreciation expenses	206,046	150,518
(Gain) loss on of financial assets at fair value through profit or loss	(49,000)	2,684,500
Interest income	(1,369,347)	(1,278,822)
Dividend income	(7,026)	(7,594)
Interest expenses	1,663,633	1,025,775
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(50,584,863)	(45,374,122)
Loss on disposal and retirement of property and equipment	401	266
Compensation cost of share-based payments	76	10,230
Changes in operating assets and liabilities		
Receivables	(4,999)	5,400
Other assets	51	(522)
Payables	(28,538)	52,821
Provisions	2,057	7,640
Other liabilities	335	(309)
Cash used in operations	(2,337,377)	(1,750,190)
Interest received	1,343,380	1,278,079
Dividends received	7,026	7,594
Interest paid	(1,479,529)	(1,141,152)
Income tax paid	(134,348)	(890,462)
Net cash used in operating activities	<u>(2,600,848)</u>	<u>(2,496,131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity the method	-	(55,000,000)
Disposal of investments accounted for using the equity the method	98,799	-
Acquisition of property and equipment	(169,125)	(125,332)
Disposal of property and equipment	245	-
Acquisition of intangible assets	(574)	-
Increase in other assets	(46,718)	(93,915)
Dividends received	4,604,898	41,771,476
Net cash generated from (used in) investing activities	<u>4,487,525</u>	<u>(13,447,771)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in commercial paper payable	(4,480,000)	15,370,000
(Decrease) increase in other borrowings	(10,000)	5,000,000
Repayments of the principal portion of lease liabilities	(159,717)	(132,518)
Issuance of corporate bonds	19,000,000	-
Issuance of ordinary shares for cash	-	52,500,000
Dividends paid	(16,593,213)	(49,483,159)
Net cash (used in) generated from financing activities	<u>(2,242,930)</u>	<u>23,254,323</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(356,253)	7,310,421
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,943,654</u>	<u>633,233</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,587,401</u>	<u>\$ 7,943,654</u>

Agenda 2 : Acknowledgement of earnings distribution for 2023

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 stocks and 1,533,300,000 preferred stocks. After distributing NT\$3,404,402,913 in dividends for preferred stocks, we plan to distribute NT\$2 of dividends, all in cash, for common stocks, and the total amount is NT\$29,338,420,256.
- (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.

RESOLVED :

Cathay Financial Holding Co., Ltd.
Earnings Distribution Plan of the year 2023

Unit : NT Dollar

Item	Amount
(I) Undistributed earnings at the beginning of the period	0
Net income of the current period	50,928,865,102
Add: Any items other than net profit- Disposal of equity instruments measured at fair value through other comprehensive income	95,626,969
Less: Changes in recognition of subsidiaries, affiliates and joint ventures using the equity method	(784,033,740)
(II) Any items other than net profit after tax plus any items other than net profit	50,240,458,331
Less: Legal reserve	(5,024,045,833)
Less: Special reserve – net effect of investment property at fair value (Note 1)	(84,495,870)
Add: Reversal of special reserves – net reduction to the other shareholders' equity for the previous years (Note 2)	148,418,189,956
(III) Distributable earnings	193,550,106,584
Less: Cash Dividends on preferred stock A, (NT\$2.30 per share)	(1,913,402,913)
Less: Cash Dividends on preferred stock B, (NT\$2.13 per share)	(1,491,000,000)
Less: Cash Dividends on common stock, (NT\$2 per share)	(29,338,420,256)
Balance	160,807,283,415

Note1: Pursuant to the Financial Supervisory Commission (FSC) Letters No. 10310000140 dated February 19, 2014 and No. 1030006415 dated March 18, 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.

Note2: 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 appropriate special reserve of the same amount with respect to the change in the fair value of the financial assets reclassified by the insurance subsidiary.

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

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 improve the corporate governance and in response to the amendments to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers"
- (2) According refer to page 35-38 of the Handbook for Comparison Table of Amendments. We hereby propose for discussion.

RESOLVED :

Cathay Financial Holdings Corporation

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

Contents after amendment	Current Contents	Reasons for amendment
<p>Article 16</p> <p>The Board of Directors of the Company shall consist of 9 to 21 Directors, <u>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</u>, all to be elected by the shareholders' meeting from the persons with disposing capacity.</p> <p><u>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.</u></p> <p>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,</p>	<p>Article 16</p> <p>The Board of Directors of the Company shall consist of 9 to 21 Directors, <u>at least 3 of which</u>, and the independent director seats shall account for no less than one-fifth, all to be elected by the shareholders' meeting from the persons with disposing capacity.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>1. In response to Paragraphs 1–3, Article 4 of the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers” (hereinafter referred to as the “Directions”) amended and promulgated via TWSE's notice under Tai-Zheng-Zhi-Li-Zi No. 1120014763 dated August 23, 2023, in order to improve the independence and diversity of the Board of Directors, Paragraph 1 of this provision expressly states that the independent directors shall be no fewer than 3 persons, and since the 9th Board of Directors (i.e.</p>

Contents after amendment	Current Contents	Reasons for amendment
<p>and independence of Independent Directors shall be governed by the relevant laws and regulations.</p> <p>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.</p> <p>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.</p>	<p>individual committees' organization bylaws and approved by the Board of Directors.</p>	<p>the new term of office since the re-election of directors in 2025), 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.</p> <p>2. In response to Paragraph 1, Article 8 of the "Directions" and in reference to Paragraph 6, Article 30 of the "Corporate Governance Best-Practice Principles for Financial Holding Companies," Paragraph 2 of this provision expressly provides the time limit for the re-election or by-election of directors in the case of violation of Paragraph 1.</p>
<p>Article 18</p> <p>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.</p> <p><u>It is advisable that the consecutive</u></p>	<p>Article 18</p> <p>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.</p> <p><u>The re-election of Independent</u></p>	<p>1. I. In response to Paragraph 4, Article 4 of the "Directions" and to strengthen the independence of independent directors, Paragraph 2 of this provision</p>

Contents after amendment	Current Contents	Reasons for amendment
<p><u>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.</u></p> <p><u>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.</u></p>	<p><u>Directors shall be governed by the relevant laws and regulations.</u></p>	<p>expressly states that it is advisable that the consecutive terms of office of independent directors do not exceed three terms. Starting from the 9th Board of Directors (i.e. the new term of office since the re-election of directors in 2025), a majority of independent directors shall hold office for no more than three consecutive terms. Starting from 10th Board of Directors (i.e. the new term of office since the re-election of directors in 2028), all independent directors shall hold office for no more than three consecutive terms.</p> <p>2. II. In response to Paragraph 1, Article 8 of the "Directions," Paragraph 3 of this provision expressly states the time limit for the re-election or by-election of directors in the case of violation of Paragraph 2.</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 <u>and June 14, 2024.</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 and June 8, 2018; June 14, 2019; June 12, 2020 and June 17, 2022.</p>	<p>Add the dates of amendments.</p>

Agenda 2 : Discussion on the Corporation'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) Please discuss the related details of the long-term fund raising proposal as below. We hereby propose for discussion.

RESOLVED :

Description of the long-term fund raising proposal

- I. Issuance of common shares and preferred shares via domestic cash capital increase
 - A. In this cash capital increase proposal, we plan to issue common shares and 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 stock 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 book building consolidation, the situation of the issuance market, and the relevant laws and regulations.
 4. 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.

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 stock 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 situation of the issuance market and the relevant laws and regulations.

D. 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.

E. 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.

F. 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.

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 stock 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 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. The above pricing methods are compliant with relevant domestic laws, regulations and common practices in the market where the securities are issued, and the basis on which pricing is determined should be reasonable.

D. The issue price for the common shares that are participating in the issuance of GDR for cash capital increase 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. 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.

E. 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.

- F. 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 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.
- G. 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.

【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 stock 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, at least 3 of which, and the independent director seats shall account for no less than one-fifth, all to be elected by the shareholders' meeting from the persons with disposing capacity.

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.

The re-election of Independent Directors shall be governed by the relevant laws and regulations.

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 stock 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 and June 17, 2022.

【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.

Shareholding of the Directors

Ex-dividend date : April 16, 2024

Title	Name	2023 Annual Shareholders' Meeting Number of Outstanding Shares Registered in the Shareholders' Registry on the Ex-Dividend Date		Remarks
		Number of Outstanding Common Stocks	Number of Outstanding Preferred Stocks	
Chairman	Hong-Tu Tsai	49,632,697	6,128,386	
Director	Grace Yan-Ru Chen	60,004,377	5,153,614	Representative of Chia Yi Capital Co., Ltd.
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	Chang-Ken Lee	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
Independent Director	Feng-Chiang Miao	0	0	
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 Stocks and Preferred Stocks		198,750,164		

Explanation :

1. The Company has already issued 16,202,510,128 stocks. 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 16, 2024, 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.