

Stock No: 2812

 Taichung Commercial Bank Co., Ltd.

The 2022 Annual Meeting of Shareholders Annual Meeting Handbook

Time: 9:00 a.m. on May 17, 2022

Address: 10F, No. 87, Minquan Rd., W. District,
Taichung City

Convening method: physical shareholders meeting

Contents

I. Shareholders Agenda.....	2
II. Management Presentation (Company Reports)	4
III. Proposals	33
IV. Discussions.....	37
V. Questions and Motions	
VI. Appendix	
1. Independent Auditors' Report and financial statements	63
2. Company Corporate Charter (Articles of Incorporation)	87
3. Rules of Procedure for Shareholder Meetings.....	96
4. Shareholdings of Directors.....	102

Taichung Commercial Bank Co., Ltd.

The 2022 Annual Meeting of Shareholders Agenda

1. Report the number of shares represented by the attending shareholders and call the Meeting to Order
2. Chairperson Remarks
3. Management Presentation (Company Reports):
 - (1) The 2021 Business Reports
 - (2) Report on the review of 2021 Final Accounts by the Audit Committee and the communication situation with the internal audit supervisor and CPAs.
 - (3) The 2021 distribution of remuneration to employees and directors
 - (4) Report on the issuance of new shares of cash capital increase in 2021.
 - (5) Report on the offering of subordinated bank debentures for the year 2021.
 - (6) Report on the new construction progress of the new head office building and the implementation status of the financial budget.
 - (7) Report on the decree advocacy of Article 25 of the Banking Act.
4. Proposals:
 - (1) The proposal of the 2021 Business Report and financial statements
 - (2) The proposal of the 2021 Earnings Distribution Statement
5. Discussions:

- (1) Handling the issuance of new shares issued through capitalization of earnings in 2021.
 - (2) Amendments to partial provisions of the Company Corporate Charter (Articles of Incorporation)
 - (3) Amendments to partial provisions of the Rules of Procedure for Shareholders Meeting
6. Questions and Motions
 7. Adjournment

(The above proposals were presented by the Company's relevant units to the Board for consideration)

Management Presentation (Company Reports)

Management Presentation (Company Reports) No. 1

The 2021 Business Reports (Please refer to Pages 6~14 of the Annual Meeting Handbook)

The 2021 Business Report

1. Annual Business Results for 2021

(1) Domestic and international financial environment for 2021

In 2021, as the global economy depended on the improvement of the coverage of the (COVID-19) vaccine, the speed of recovery was accelerated and trade activities were back on track. Major economies continued to offer large-scale fiscal stimulus packages to boost economic growth momentum, and global economic and trade activities continued to increase. However, due to the impact of the pandemic situation on global transportation bottlenecks and loose monetary policy, the international raw material market rose strongly and the high inflation issue had become a serious threat. In order to sustain the current economic expansion, interest rate hikes had become an inevitable trend. In addition, the supply and demand imbalances that the overall market was facing, such as problems of tight material supply and labor shortages, continued to ferment, and demand had risen significantly. The global stock market had been climbing up in turbulence against the background of uncertainty, and it had performed brilliantly.

While the global pandemic is basically under control, the New Taiwan Dollar which has benefited from a substantial increase in the scale of exports, is stronger than the neighboring Asian currencies. Taiwan's economic growth momentum continues to recover amid the shake. The Directorate General of Budget, Accounting and Statistics, Executive Yuan announced that our country's annual economic growth rate in 2021 was 6.45%, and the GDP per capita was US\$ 33,004, a record high over the 11 years; in December 2021, the overall score for the Monitoring Indicator was 37 points, and the indicator continued to flash a yellow-red light. Although the leading indicator turned to a slight decline, the coincident indicator continued to rise, indicating that the domestic economy is still growing steadily. It shall be noticed that the variation of the COVID-19 pandemic, the evolution of US-China relations, the risk of geopolitical situations, and the crisis of climate change have all increased the volatility of the international financial markets. The follow-up development still needs to be carefully monitored and properly dealt with.

(2) Changes in the organization of the Bank

1. In order to adapt to the increasingly qualitative changes of financial technology, the “Digital Financial Department” was established to consolidate the foundation of digital development. The “Business Innovation Section” was also newly established under the Business Development Department so to provide customers with innovative and convenient financial life experience.

2. In order to accelerate the digital transformation of the Bank and promote the organizational transformation of the Information Department, the Information Department was split into the “System Development Department” and the “Information Operation Department” so as to drive growth through information innovation and lay a solid foundation.
3. In order to implement the internal control system and protect the rights and interests of customers, a “Crime Prevention Section” has been established under the Legal and Compliance Department to reduce the risk of financial crimes and prevent fraudulent events, so as to create a business culture of honesty and integrity.
4. In order to cooperate in government policies to promote goals, provide diversified international financial services, actively explore remittance business opportunities for foreign workers internally, and expand the new southbound overseas territory externally. The Penang Marketing Office in Malaysia opened on September 14, 2021, and will be followed by the preparation for the establishment of Kota Kinabalu Marketing Office; while the establishment of the representative office in Ho Chi Minh City, Vietnam was also approved by the Financial Supervisory Commission on May 20, 2021. It is expected to provide financing assistance for Taiwanese businessmen, assistance in expanding the market, and deepen the new southbound economic and trade relations.

(3) Business plan and business strategy implementation results

1. In 2021, it was under the continuous threat by the COVID-19 pandemic, and the severe challenges of working from home, diversion control, off-site office, and inconvenient customer visits in business. However, with the concerted efforts of all colleagues of the Bank, the overall operation scale continued to grow, and the net profit after tax in 2021 was NT\$4.796 billion, the after-tax earnings per share was NT\$1.10, the return on equity was 7.94%; the Non-Performing Loan Ratios(NPL ratio) and the coverage ratio at the end of 2021 were 0.15% and 898.26% respectively, and the asset quality continued to be optimized.
2. Considering the need for the establishment of overseas bases and the continuous growth of business volume, the Bank completed the cash capital increase of NT\$2.23 billion in ordinary shares and the long-term subordinated bank debentures of NT\$5 billion in 2021 to replenish the Bank's own capital; the capital adequacy ratio at the end of 2021 was 15.81 %, the Tier 1 Capital ratio was 14.24%, and the Common Equity Ratio was 12.24%.
3. In order to provide more professional and high-quality wealth management services for high-asset customers, the Bank has developed a mobile wealth management system to quickly switch applications among different scenarios.

In addition, through the optimization of products and systems, the Bank's competitiveness has been increased, and operational and investment risks are reduced. Through the penetration rate of different types of products, it assists customers in making the most appropriate asset allocation and creates reasonable income and protection for customers' assets.

4. The Bank has made its best efforts to be a support for our customers under the COVID-19 pandemic, and provide customers with the access to simple, fast and flexible relief by taking measures such as the online bailout loan system, simplifying loan application operations, reducing the usage fee of credit card machines and equipment, and postponed payment deadlines for credit card bills. In response to the quintuple stimulus voucher policy initiated by the Executive Yuan, activities such as “Stimulus Sole Sense Gift”, “Stimulus 10% Bonus Gift”, and “Joint Binding Plus Gift” were held, and the “Stimulus Double Loan” preferential line of credit project was also launched. We offer diversified financing access to stay together with customers through the most difficult times of the pandemic.
5. In response to an era of longevity in the aged society, we have implemented the Trust 2.0 “Full Functions of Trust Services” plan, promoted the “Full Score Love” cross-industry alliance project, provided a complete arrangement of combined medical care, trust, and insurance services, created a friendly environment of asset trusts, and improved services of financing, insurance, and medical care for customer needs, so as to ensure that customers at various stages of life can have a happy company and care giver by their side “We Do Our Best for You”.
6. In order to expand our customer base into digital payment consumers, we have cooperated with VISA International Service Association in issuing a new type of credit card “My Sense EasyCard Co-branded Visa Signature Card” in May 2021, and launching various goodies events featuring exclusive special offers to promote the new card.
7. Driven by “customer needs”, the Company has innovated the deployment of digital infrastructure, transformed counters into smart ones, and promoted contactless financial services such as smart account opening, remittance, deposit, withdrawal, and transfer that are free from form filling; set up a special zone for branch online services so as to significantly reduce the time and process taken for at the counter for customers; and has developed the function of inter-bank transfer of funds with mobile phone numbers (including ATM) to enhance the user's mobile payment experience.
8. In order to implement the ESG sustainable mission, cooperate with the government, and take account of environmental safety and economic development, we have given guidance to businesses as to full incorporation into government management, provided enterprises that meet the

low-pollution certification standards with preferential interest rates, and continued to promote project loans such as the “Solar Photovoltaic Power Generation Equipment Financing Project”, in order to assist businesses in achieving a win-win economy of sustainable development. In addition, in order to support green consumption, “Green Consumption Loans” have been provided to encourage consumers to purchase energy-saving and water-saving equipment or carry out decoration and repair with green building materials, and to cherish resources in order to create a better homeland.

(4) Achievements and affirmations

“We Do Our Best for You” is the corporate brand spirit of the Bank, upholding professional functions and caring services, at the same time cooperating with the government in promoting various important policies, continuously exploring various business opportunities, shattering and implementing the core concepts of “services, products, professionalism, customers, and charity” endowed therewith by the financial industry. With the concerted efforts of all colleagues, the Company has been recognized by all walks of life. The awards won in 2021 were as follows:

1. The Bank was ranked top 6%-20% among the listed companies by the 7th (2020) Corporate Governance Evaluation of the Taiwan Stock Exchange, and was recognized by being incorporated as a constituent of the “Corporate Governance (CG) 100 Index” by Taiwan Index Plus Corporation.
2. The Bank received the “Golden Security Awards” given by the Joint Credit Information Center to the outstanding institution in the implementation of credit information security control (having won the same award for 7 consecutive years from 2015 to 2021).
3. The Bank passed the “Taiwan Intellectual Property Management System (TIPS)” Certification Level A verified by the Ministry of Economic Affairs
4. The Bank won the ranking of “Top 5000 Large-scale Enterprises in Taiwan” by CRIF China Credit Information Service Ltd.
5. The Bank won the “Best New Southbound Contribution Award” by the Excellence Bank Evolution.
6. The Bank won the “Best Digital Intelligence System” award given by Wealth Magazine – Wealth Management Awards.
7. The Bank received the “Gold Award” for the report made in the Taiwan Corporate Sustainability Forum (TCSA) given by Taiwan Institute for Sustainable Energy.

8. The Bank received the Sports Promoter Award –”Sponsorship Award Gold Class” and “Sponsorship Award Long-Term Sponsorship Award” given by the Ministry of Education.
9. The Bank received the Art & Business Awards - “Permanent Award - Bronze Award” given by the Ministry of Culture.
10. The Bank was selected the Taichung City Happy Workplace - “Star Award - Three Star Award” and “Five Star Award for Promoting Happiness (Group Award)”.
11. The Bank won the Lohas Enterprise Poll - “Gold Award” and “Special Award” by the 1111 Job Bank Poll.

(5) Financial income and expenditure, and profitability analysis

Indicators	2021
Net profit before tax	NT\$5.454 billion
Net profit after tax	NT\$4.796 billion
After-tax earnings per share (EPS)	NT\$1.10
Capital adequacy ratio (BIS)	15.81%
Return on Equity (ROE)	7.94%

(6) Annual budget Performance for 2021

1. The average balance of deposits in New Taiwan Dollar and foreign currencies for 2021 was NT\$655.252 billion, an increase of NT\$27.349 billion over the same period last year, reaching 103.94%.
2. The average balance of loans in New Taiwan Dollar and foreign currencies for 2021 was NT\$ 479.14 billion, an increase of NT\$19.052 billion over the same period last year, reaching 101.42%.
3. The business undertaking in foreign exchange was US\$21.736 billion in 2021, an increase of US\$1.079 billion over the same period last year, reaching 120.42%.

(7) Research and development status

At the time of the new era of omnibearing digitalization, the Bank has actively developed digital finance, and regularly held the “Fintech Development Strategy Conference” to review the current status of the Bank’s digitalization and the changes in the overall market environment, draw up digital development strategies, and provide customers with innovative and diversified experience of a sound financial life.

The vision of the Bank's digital finance development is to focus on “people”, carry out innovative business promotion and internal digital transformation, and propose the five-dimensional strategic plan of “learning and growing organization”, “office mobility”, “accelerated digitalization”, “stable and efficient system environment”, and “strengthening information security and protection”, expand new customer sources, deploy and build up the development of the financial ecosystem so as to create people-oriented digital financial services.

2. Information on the Most Recent Credit Rating

Rating Agency	Announcement Date for Rating Results	Credit Rating		
		Long Term	Short Term	Outlook
Fitch Ratings (Taiwan Company)	April 28, 2021	A(twn)	F1(twn)	Stable

3. Summary of the Annual Business Plan for 2022

(1) Management principle and important management policies

1. Based on corporate governance, an intellectual property management system was introduced taking account of financial service innovation and regulatory compliance so as to enhance information security and protection capabilities, and establish a framework for financial crime prevention and of behavioral risk.
2. We have developed diversified incomes, improved financial investment performance, consolidated operating capacity and increased profitability, actively deepened ESG operations, practiced green finance mission, and aimed to create new revenue and new value.
3. We have continuously improved the capital adequacy ratio of the Bank, regularly monitored changes in credit risk, improved the effect of risk mitigation and low (no) capital consumption business, and gradually introduced Task Force on Climate-related Financial Disclosures (TCFD) so as to effectively manage sustainable risk.
4. In order to adjusting well to industrial changes in the post-pandemic era and to be in line with national economic development policies, we have provided enterprises with diversified financing solutions and financial products, strengthened transaction-based financing business and the expansion of new accounts for import and export, and continued to set up new overseas bases so as to connect with the international financial market.
5. We have cultivated an experienced and professional PM and market research

team to create reasonable income and protection for customer assets, provided exclusive prestigious services and privileges for wealth management VIP members, and cooperated with the competent authority in the implementation plan for Trust 2.0 business projects to continue the promotion for full functions of trust services.

6. From the perspective of customer journey, we have achieved business innovation through technology introduction and process improvement, used Open Data and API for information integration, continued to expand the use of new technologies (AI, blockchain, etc.) for core and essential competitiveness, and integrated services into daily life.
7. We have innovated consumer financial products according to market dynamics, provided products with differential pricing for targeted customer groups, focused on low-risk and competitive advantages, applied digital channels to expand new customer sources, strengthened consumer financial activities, and expanded incomes.

(2) Expected Operational Goals

Item	Goals by the end of 2022
Deposits (including foreign currencies)	NT\$671.65 billion
Lending (including foreign currencies)	NT\$500.391 billion
Foreign Exchanges Operations	Annual amount US\$20.38 billion

4. Strategy for the Future Development

In the face of the volatile global economy and uncertain risks in the financial market, the Bank, while taking account of risk control and asset quality, has continued the three major principles of “stable operation, friendly innovation, and sustainable development”, aimed to march toward the five major goals of optimizing financial supervision, strengthening business fitness, improving organizational resilience, accelerating digital transformation, and implementing inclusive finance, and continued to observe market trends, innovate digital services, and create a new era of omnibearing digitalization.

5. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

In addition to creating a friendly environment under the rule of law for financial technology, inclusive finance, green business opportunities and the new southbound market, the competent authority has also implemented enhanced policies for risk control, internal control, anti-money laundering, information

security, and countering of terrorist financing for the overall financial system in recent years. As the COVID-19 pandemic continues to spread, contactless services including electronic payment and digital accounts have been rapidly rising, which unexpectedly advances the pace of digital transformation. In view of the new risks in information security after the pandemic, the Financial Supervisory Commission has promoted the “Financial Information Security Action Plan” to respond thereto and implement the supervision mechanism under the innovate application.

After entering the year 2021, the global pandemic had been gradually under control, and our country's economic recovery had driven the growth of the stock market and the import and export had been booming. In addition, the New Taiwan dollar had continued to strengthen, and the overall capital market had been booming. However, a base period during which the indicator stands too high will challenge the growth curve to slow down. What is more, our country's overall economy is covered by the export boom, and the problem of imbalance between domestic and foreign demand is serious. Although the global economy has continued to warm up, the outlook still faces many downside risks, including: the variation and pandemic of the COVID-19, which hinders trade activities around the world; the unbalanced supply and demand in the United States leads to rising inflationary pressures, which will trigger a sharp tightening of the financial situation; the regulatory measures in mainland China may cause the production capacity of the manufacturing industry to be interrupted, affecting the operation of the global supply chain, etc., all of which have added a lot of uncertainty thereto.

In addition, under the ESG wave, in order to give full play to the role and function of the financial system in promoting the pursuit of sustainable development of the whole society, the Financial Supervisory Commission has not only released the “Green Finance Action Plan 2.0”, but also announced that it will publish “Sustainable Development Roadmap of TWSE-listed and TPEX-listed Companies” in March 2022, in the hope of integrating itself with the international market and building a sustainable financial ecosystem.

The Banking industry is not only a golden force to support the growth of industries, but also needs to actively improve organizational resilience, create a variety of innovative scenarios so as to become an important driver of the transformation wave for the overall market, and provide the public with more agile and flexible humanized services in order to welcome emerging business opportunities in the digital era.

6. Vision

Facing the year of 2022 full of hopes and challenges, the Bank will continue to uphold the brand spirit of “We Do Our Best for You” on the basis of taking account of regulatory compliance, performance management, information

security and risk management. We will endeavor to create higher value for shareholders through continuous profitable operations, innovative digital services, and construction of green transformation, actively deepen ESG operations to create a sustainable ecosystem where finance, enterprises, society and environment coexist and prosper together, and live up to the goal and vision of being “the first line of our country, the most expected by the society, and the most entrusted by customers”.

Best wishes to all shareholders

Blessed with good health, safe and smooth life, and a prosperous Lunar Year of the Tiger

President Te-Wei Chia Chairman Kuei-Fong Wang

Management Presentation (Company Reports) No. 2

Report on the review of 2021 Final Accounts by the Audit Committee and the communication situation with the internal audit supervisor and CPAs. (Please refer to Pages 17~18 of the Annual Meeting Handbook)

Taichung Commercial Bank Co., Ltd.

Audit Committee' Review Report

The financial statements of the parent company only and consolidated financial statements in 2021 of the Bank have been audited by the certified public accountants of Deloitte Taiwan with the issuance of auditors' reports, which were released together with the Business Report and proposal for Earnings Distribution. The Auditing Committee has review the aforementioned reports and statements and determined that they are presented fairly. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby present the report for your reference.

To:

2022 Shareholders' annual meeting, Taichung Commercial Bank Co.
Ltd.

Chairman of Audit Committee

Chien-An Shih

February 23, 2022

Communication status for independent directors, internal audit officers and CPAs

1. Communication policies for independent directors, internal audit officers and CPAs

1. Independent directors and internal audit officers shall hold a conference at least once a year to communicate on issues such as the examination opinion put forward by the internal audit of the Company and its subsidiaries, and keep a record thereof; in the event of a major abnormal incidental, a meeting may be convened at any time.
2. Independent directors and CPAs shall hold meetings at least twice a year to communicate on the audit status of the Company's financial report or other accounting issues; in the event of a major abnormal incidental, a meeting may be convened at any time.

2. Communication status of independent directors, internal audit officers, and CPAs

Date	Communication method	Counterparty of communication	Communication matters	Result
Feb. 24, 2021	Audit Committee	Chief Auditor of the Company	Audit report for the 4th quarter of 2020	Acknowledged
	Meeting	CPAs of the Company	General explanation of the Company's annual audit for the year 2020	Acknowledged
May 5, 2021	Audit Committee	Chief Auditor of the Company	Audit report for the 1st quarter of 2021	Acknowledged
Aug. 11, 2021	Audit Committee	Chief Auditor of the Company	Audit report for the 2nd quarter of 2021	1. Suggestion from the independent director: It is recommended to strengthen the guidance given to various units to implement the self-audit work. Implementation status: Supervision has been strengthened as suggested. 2. Acknowledged.
	Meeting	CPAs of the Company	General explanation of the audit for the first half of 2021	Acknowledged

Date	Communication method	Counterparty of communication	Communication matters	Result
Nov. 3, 2021	Audit Committee	Chief Auditor of the Company	Audit report for the 3rd quarter of 2021	<ol style="list-style-type: none"> 1. Suggestion from the independent director: It is recommended to pay attention to deficient items so to avoid recurrence thereof. Implementation status: It has been suggested to strengthen the operations process and system functions. 2. Acknowledged
	Meeting	CPAs of the Company	General explanation of the audit for the 3 rd quarter of 2021 Audit Planning for the year 2021	Acknowledged
Nov. 4, 2021	Conference	Chief auditor and audit colleagues of the Company	Conference on the internal control system and related matters	Acknowledged, and the meeting minutes were submitted and reported to the Board of Directors.
Dec. 16, 2021	Audit Committee	Chief Auditor of the Company	Drawing up the Bank's internal audit plan for the year 2022	Forwarded to the Board of Directors for deliberation

Management Presentation (Company Reports) No. 3

The 2021 distribution of remuneration to employees and directors

Explanation:

1. According to Article 35 of the Articles of Incorporation of the Company: “If the Bank makes a profit in the year, it shall allocate 0.5% to 3% as employee compensation, which shall be distributed in stock or in cash by the resolution of the Board of Directors; and the Bank may allocate no more than 2.5% of the foregoing profit by the resolution of the Board of Directors as director remuneration. The distribution proposal for employee compensation and director remuneration shall be reported to the Shareholders Meeting. However, if the Bank still has accumulated losses, it shall reserve the amount in advance to make up for the losses, and then allocate the amount as employee compensation and director remuneration according to the percentages specified in the preceding paragraph”.
2. The Company's profit for the year 2021 as audited by the CPAs was in the amount of NT\$5,636,908,146, from which the employee compensation, director remuneration, and income tax expense were not set aside.
3. It is proposed that 0.75% of the profit for the current year of 2021 be set aside as employee compensation and 2.5% thereof as director remuneration, in an amount of NT\$42,276,811 and NT\$140,922,704 respectively, all of which to be paid in cash.

Management Presentation (Company Reports) No. 4

Report on the issuance of new shares of cash capital increase in 2021. (Please refer to Pages 21~22 of the Annual Meeting Handbook)

Taichung Commercial Bank

Report on 2021 Cash Capital Increase for Issuance of Ordinary Shares

The Company's issuance of 200,000,000 ordinary shares through cash capital increase for the year 2021 has become effective through the filing made therewith by the letter No.: Chin-Kuan-Cheng-Fa-Tzu-1100359824 dated October 18, 2021 issued by the Financial Supervisory Commission.

1. Share allocation:

The resolution to issue a total of 200,000,000 ordinary shares through cash capital increase was adopted by the 12th meeting of the 24th term of the Board of Directors on July 15, 2021. According to Article 267 of the Company Act, 15% thereof accounting for 30,000,000 shares will be reserved for subscription by employees of the Company; 10% of the issuance accounting for 20,000,000 shares will be sold publicly through public subscription in accordance with Article 28-1 of the Securities and Exchange Act; and the remaining 75% thereof accounting for 150,000,000 shares will be subscribed by the original shareholders according to the shareholding ratio specified in the shareholder register on the subscription record date. In case that it is insufficient for the original shareholder to subscribe for one new share according to the shareholding therein, multiple shareholders may jointly subscribe for such shares, or such shares may be subscribed for in the name of one single shareholder. In case of subscription for less than one share and the waiver of subscription rights by original shareholders and employees, the chairman is authorized to negotiate such subscription with specific persons.

2. Determination of the issue price:

The issue price for this issuance was determined with the resolution adopted by the 15th meeting of the 24th term of the Board of Directors on October 20, 2021, and the issue price per share was set at NT\$11.15. According to Paragraph 1, Article 6 of the "Taiwan Securities Association Self-regulatory Rules for Underwriters Giving Guidance in Offering and Issuing of Securities", the price shall not be lower than 70% of the average share price calculated based on the simple arithmetic average of the closing price of ordinary shares for the preceding 1, 3, or 5 business day, deducting the ex-rights due to dividends of the free allotment (or ex-rights due to capital reduction) and ex-dividend. The ex-rights date in this case was on November 4, 2021, of which the preceding 5 business day was the record date for pricing of the issue price on October 28, 2021. According to the foregoing rules, the Bank thereby set the issue price per share at NT\$11.15.

3. Subscription status:

In this case, the share subscription payments were collected in full on December 22, 2021, and such shares were listed for trading on December 27, 2021.

4. Items, progress and benefits of the fund utilization plan:

(1) Items for the use of the funds:

This cash capital increase is to replenish working capital so as to meet various loan requirements, strengthen the Bank's financial structure, and increase the capital adequacy ratio.

(2) Progress for the use of the funds:

The offering was completed in the fourth quarter of 2021 and the funds are used to replenish working capital so as to meet various loan requirements.

(3) Benefits for the use of the funds:

This cash capital increase is used to replenish working capital and improve capital soundness, increase the Company's own capital adequacy ratio, Tier 1 Capital Ratio and the common equity tier 1 ratio, which greatly strengthen and enhance the Company's capital structure.

Management Presentation (Company Reports) No. 5

Report on the offering of subordinated bank debentures for the year 2021. (Please refer to Pages 24~28 of the Annual Meeting Handbook)

Taichung Commercial Bank

Offering Status of Subordinated Bank Debentures for the Year 2021

1. Reason for issuance:

In order to replenish working capital and improve its capital, the Bank issued the first tranche of subordinated bank debentures in the amount of NT\$5 billion on December 27, 2021, which got listed on the Taipei Exchange. The limit of this issuance was previously approved with the letter No.: Chin-Kuan-Yin-Kuo-Tzu-1100226929 by the Financial Supervisory Commission on October 12, 2021.

2. Debenture information:

	2021
Debenture tranche	Tranche 1, 2021
Debenture code	G13021
Issue date	December 27, 2021
Issue period	7 years
Maturity date	Matures on December 27, 2028
Method of offering	Public sale without engaging an underwriter
Debenture listing status	TPEX-listed
Place of listing / issuance	Republic of China
Issue currency	New Taiwan dollar
Total issuance amount	5 billion
Listing date	December 27, 2021
Debenture abbreviation	P10 Taichung Bank 1
Coupon rate	Fixed annual interest rate of 1.2%
Interest calculation and payment method	Simple interest is calculated once a year, and interest is paid once a year
Total annual interest payment	60,000,000

3. Counterparty of the subscription:

The sale of the Debentures is limited to professional investors specified in the “Regulations Governing Offshore Structured Products” only.

4. Benefits of using funds:

The Bank issued the first tranche of subordinated bank debentures in 2021 and such debentures got TPEX-listed. The purpose of this issuance is to replenish working capital and improve capital, increase the Bank's regulatory capital adequacy ratio, Tier 1 capital ratio, and common equity tier 1 ratio so as to significantly strengthen and improve the capital structure of the Company.

Taichung Commercial Bank Co., Ltd.

Guidelines for Issuance of Subordinated Bank Debentures for Tranche 1 in 2021

Taichung Commercial Bank Co., Ltd. (hereinafter referred to as “the Bank”) was approved with the letter No.: Chin-Kuan-Yin-Kuo-Tzu-1100226929 dated October 12, 2021 by the Financial Supervisory Commission to issue subordinated bank debentures. The issuance guidelines are set out as follows:

1. Name of debentures:

Taichung Commercial Bank Co., Ltd. Subordinated Bank Debentures for Tranche 1 in 2021 (hereinafter referred to as “the Debentures”).

2. Issuer credit rating:

The Bank commissioned Fitch Australia Pty Ltd, Taiwan Branch as the rating agency; credit rating date: April 28, 2021, subject of rating: issuer, credit rating result: national long-term rating of A (twn). The Debentures will not commission another credit rating agency to conduct credit rating, and investors shall pay attention to the risks of the Debentures.

3. Ranking of claims and investment risks:

(1) The order of priority for repayment (including principal and interest) of holders of the Debentures shall be superior only to the right of the Bank’s shareholders to claim the distribution of the remaining assets, and inferior to all the depositors and other general creditors of the Bank. However, in the event the Bank is taken over by personnel assigned by the competent authority, or is ordered to suspend business for clear off and liquidation, the order of priority for repayment of holders of the Debentures shall be the same as that of ordinary shareholders.

(2) The Bank or its affiliates did not provide guarantees, collateral or other arrangements to enhance the order of priority for repayment of holders of the Debentures.

(3) The Debentures are unsecured debentures.

(4) The Debentures are not deposits and are not protected by the deposit insurance of the Central Deposit Insurance Corporation.

4. Total issuance amount:

The total issuance amount of the Debentures is NT\$5 billion.

5. Face value:

The denomination of each of the Debentures is NT\$10,000,000.

6. Issue price:

The Debentures were issued in full on the issue date at the face value.

7. Issue period:

The issue period of the Debentures is 7 years. The Debentures were issued on December 27, 2021 and matured on December 27, 2028.

8. Coupon rate:

The coupon rate of the Debentures is a fixed annual interest rate of 1.2%.

9. Interest calculation and payment method:

(1) The Debentures will be calculated as simple interest on the actual number of days (act/act) at the coupon rate every year from the date of issuance, and the interest will be paid once a year. The amount of interest calculated by the Bank shall prevail.

(2) The interest payment amount of the Debentures is calculated based on the denomination of each of the Debentures and rounded to the ones place. The interest payment amount calculated by the Bank shall prevail. If the principal and interest repayment date of the Debentures happens to be on the closing day of the bank at the place of payment, the principal and interest shall be paid on the next business day following the closing day, and no additional interest shall be charged and paid. If the principal and interest are received after the principal and interest repayment date, no additional interest will be paid.

(3) When interest on the Debentures is paid, the Bank shall withhold income tax and supplementary insurance premiums of the National Health Insurance Administration in accordance with the law.

10. Principal repayment method:

The principal of the Debentures will be repaid at the face value upon maturity.

11. Form of debentures:

The Debentures are issued without the printing of physical certificates, and shall be registered with Taiwan Depository & Clearing Corporation.

12. Repayment service agency:

The Bank shall handle the principal and interest repayment matters of the Debentures, and carry out the transfer of funds operations for principal and interest repayments according to the data recorded on the register of debenture holders provided by Taiwan Depository & Clearing Corporation

13. Other provisions:

(1) The Debentures can be freely traded, transferred, pledged, and provided for guarantee, provided that the Bank shall not use the Debentures as collateral for secured loans.

- (2) According to the Civil Code, the Bank shall not pay for the Debentures if the principal on the Debentures has not been collected for more than 15 years and the interest thereon has not been collected for more than five years from the date of repayment.
 - (3) The subscriber or holder of the Debentures shall not request early repayment.
 - (4) In the event that the Bank has undergone liquidation proceedings or has been declared bankrupt, the Debentures will cease to accrue interest from the commencement date of liquidation proceedings or the date of declaration of bankruptcy, and the principal and interest thereon shall be deemed to have matured. The holders or creditors of the Debentures shall waive the right of set-off.
 - (5) The transfer, inheritance, gifting, repayment of principal and interest, and other operations in relation to the book-entry for the Debentures shall all be handled in accordance with the rules of Taiwan Depository & Clearing Corporation as well as relevant laws and regulations. The relevant expenses shall be borne by the applicant.
 - (6) The statute of limitations of the Debentures shall be handled in accordance with the relevant provisions of the Civil Code or the applicable governing law at the time of issuance.
14. Counterparty of the sales:
The sale of the Debentures is limited to professional investors specified in the “Regulations Governing Offshore Structured Products” only.
 15. Method of notification:
The matters that shall be notified to the debenture holders or creditors of the Debentures may be announced on the Market Observation Post System of Taiwan Stock Exchange Corporation.
 16. Matters not covered in these Issuance Guidelines shall all be handled in accordance with the “Regulations Governing Issuance of Bank Debentures by Banks” as well as other relevant laws or regulations of the competent authority.

Management Presentation (Company Reports) No. 6

Report on the new construction progress of the new head office building and the implementation status of the financial budget.

Explanation:

1. The new construction progress of the new head office building: From April 27, 2019 to February 9, 2022, the actual implementation of the project that has been completed includes Section 9 (18th floor) steel structure hoisting, B5F~13F floor slab pouring, and 2F~3F curtain wall engineering ; The overall scheduled progress was 46.9718%, the actual progress was 41.9410%, and the difference in the current progress is -5.0308%.
2. Implementation status of the financial budget for the construction of the new head office building:
 - (1) To date (February 9, 2022), the design phase of the commissioned planning, design, and construction supervision technical services has been completed, for which the payment in an amount of NT\$245,112,750 (a budget of NT\$480 million) has been made; and the new construction progress was 22.4402%, for which the payment in an amount of NT\$4,735,422,360 (including 20% advance payment) (a budget of NT\$ 11.368 billion) has been made.
 - (2) The impact of this major capital expenditure on the Bank's finance and business is included in the aforementioned related expenses as of December 31, 2021. The Bank's return on assets (ROA) and return on equity (ROE) for the year 2021 were 0.64% and 7.94%, respectively. The earnings per share were NT\$ 1.10, which was higher or an increase and there was no significant difference compared with the return on assets (ROA) of 0.57% and the return on equity (ROE) of 7.41% in 2020, and the retrospective adjustment of earnings per share at NT\$ 0.98 in 2020. As of the year 2021, this major capital expenditure has had no significant impact on the Bank's finance and business.

Management Presentation (Company Reports) No. 7

Report on the decree advocacy of Article 25 of the Banking Act.

Explanation:

1. The Financial Supervisory Commission (hereinafter referred to as the FSC) issued a letter of instruction No.: Chin-Kuan-Yin-Kuo-Tzu- 10060005191 on January 31, 2012, stating that in order to effectively implement the execution of Article 25 of the Banking Act, it is advised to strengthen the advocacy of relevant laws and regulations to shareholders, so that shareholders are reminded of paying attention to the relevant regulations.
2. For a shareholders of a bank that holds shares in violation of Paragraphs 2, 3 or 5 of Article 25 of the Banking Act, where such holding of shares with voting rights issued by a bank is not reported to the FSC or is not approved by the FSC, the holding in excess of the limit shall have no voting rights. In addition, the FSC shall order such holding to be disposed of within a prescribed deadline. The FSC may also impose a fine of NT\$2 million or more but NT\$10 million or less on the said shareholder in accordance with Paragraph 3, Article 128 of the Banking Act.
3. Annex: Article 25 of the Banking Act. (See pages 31~32 of this Manual for details.)

Article 25 of The Banking Act of The Republic of China

- I. The shares issued by a Bank shall be registered shares.
- II. The same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of a Bank's outstanding voting shares shall report such fact to the Competent Authority within ten (10) days from the day of acquisition; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned party by more than one percent (1%) thereafter.
- III. The same person or same concerned party who intends to singly, jointly or collectively acquire more than ten percent (10%), twenty-five percent (25%) or fifty percent (50%) of a Bank's outstanding voting shares shall apply for prior approval of the Competent Authority.
- IV. A third party who holds shares of the Bank on behalf of the same person or same concerned party in trust, by mandate or through other types of contract, agreement or authorization shall fall within the purview of a concerned party.
- V. The same person or same concerned party who singly, jointly or collectively holds shares of the Bank representing more than five percent (5%) but less than fifteen percent (15%) of a Bank's outstanding voting shares prior to the implementation of the amendment to the Act on December 9, 2008 shall report such fact to the Competent Authority within six (6) months from the implementation date of the said amendment. Those who report to the Competent Authority within the said prescribed period may maintain their shareholding at the time of reporting. However, those whose original shareholding exceeds ten percent (10%) shall apply for the prior approval of the Competent Authority when they intend to increase their shareholding for the first time thereafter.
- VI. The regulations governing the qualifications and requirements for the same person or same concerned party who applies for approval pursuant to Paragraph 3 hereof or the proviso of the preceding paragraph, required documentation, shares to be acquired, purpose of acquisition, sources of funding, and other matters to be complied with shall be prescribed by the Competent Authority.
- VII. Where the same person or same concerned party who holds voting shares issued by a Bank without filing a report with the Competent Authority or obtaining approval from the Competent Authority in accordance with the provisions set forth in Paragraphs 2, 3 or 5 hereof, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the

Competent Authority.

VIII. If the total number of a Bank's shares held by the same person or by the principal, his/her spouse and children under twenty (20) years of age exceeds one percent (1%) of the Bank's outstanding voting shares, such principal shall notify the Bank thereof.

Proposals

Proposals No. 1

Proposal: The 2021 Business Report and Financial Statements are presented for proposal.

Explanation: The Board of Directors of the Bank has passed the Business Report, Financial Statements of parent company only and consolidated financial statements of the Bank covering 2021 (Please refer to Pages 6~14 and Pages 63~86 of the Annual Meeting Handbook)

Resolutions:

Proposals No. 2

Proposal: The 2021 Earnings Distribution Statement
Proposal is presented for adoption.

Explanation:

1. The Company's net profit after tax in 2021 was NT\$4,796,273,507.71, adding the disposal of equity instrument investment gains and losses measured at fair value through other comprehensive income in the amount of NT\$71,655,925, increasing the r emeasurement of the defined benefit plan for the year 2021 b y NT\$12,020,949, disposing of the special reserve in the amo unt of NT\$28,328 which was reversed in proportion thereof w hen the special reserve assets were set aside due to the adopti ng of TIFRS for the first time; and setting aside 30% thereof in accordance with the law as the legal reserve in the amou nt of NT\$1,463,993,613 as well as the transfer of employees or the resettlement expenditure, education and training expendit ure in the amount of NT\$573,030 in response to the develop ment of financial technology, which was reversed within the r ange of the special reserve balance set aside from the surplus from the years 2016 to 2018; after adding the unappropriated earnings of NT\$6,093,479.58 at the beginning of the period, the distributable surplus is in the amount of NT\$3,422,651,606.29, and the distribution is proposed as follows:
 - (1) Shareholder dividends – stock dividends (NT\$0.50):
NT\$2,269,260,280
 - (2) Shareholder dividends – cash dividend
(NT\$0.25):NT\$1,134,630,140
2. Taichung Commercial Bank 2021 Earnings Distribution Statement.
(Please refer to Page 36 of the Annual Meeting Handbook)

Resolutions:

Taichung Commercial Bank Co., Ltd.

Earnings Distribution Statement

2021

Unit: NT\$

Undistributed earnings - beginning		6,093,479.58
Current net profit after tax	4,796,273,507.71	
Disposal of equity instrument investments measured at fair value through OCI, cumulative gains and losses transferred directly to retained earnings	71,655,925.00	
Defined benefit plan remeasurement recognized to retained earnings	12,020,949.00	
Reversal to set aside the special reserve due to the first-time adoption of TIFRS	28,328.00	
The net profit after tax for the current period plus the items other than the net profit after tax for the current period are included in the amount of undistributed earnings for the current year		4,879,978,709.71
Legal reserve appropriated		(1,463,993,613.00)
Special reserve appropriated		0.00
Reversal for special reserve as required by law		573,030.00
Current distributable earnings		3,422,651,606.29
Distributions		
Shareholder dividends – stock (NT\$0.50 per share)	(2,269,260,280.00)	
Shareholder dividends – cash (NT\$0.25 per share)	(1,134,630,140.00)	(3,403,890,420.00)
Undistributed earnings - ending		\$ 18,761,186.29

Discussions

Discussions No. 1

Proposal: Handling the issuance of new shares issued through capitalization of earnings in 2021, please proceed to discuss.

Explanation:

1. The Company for business needs plans to appropriate stock dividends of NT\$2,269,260,280 from the 2021 distributable earnings with 226,926,028 shares issued at the ratio of 50 shares distributed per thousand shares at NT\$10 per share.
2. The earnings distribution is calculated in accordance with the shareholders and their respective shareholding ratio in the register of shareholders. Fractional share distribution is to be consolidated by shareholders and registered with the Company's Stock Department for stock consolidation within five days from the record date. Fractional share that is not consolidated or remains a fractional share after consolidation should be paid with an equivalent cash amount (rounded up to the dollar). Fractional shares will be purchased by persons arranged by the Chairman as authorized by the Board. In the event that the total number of outstanding shares in circulation and the shareholders' dividend ratio are affected as a result of the company's issuing new shares or financial bonds conversion through capitalization, employee's exercising warrants, repurchasing shares of the Company or transferring treasury shares to employees and canceling treasury shares, it is proposed to authorize the Board of Directors in the meeting of shareholders to arrange the necessary adjustments.
3. The capitalization of retained earnings into new shares is pending on the final approval of the Annual meeting of shareholders and the approval of the competent authority. Once approved, the Annual meeting of shareholders is requested to authorize the Board of Directors to set the dividend day.
4. The terms and conditions of the capitalization of retained earnings into new shares may be subject to alteration at the request of the competent authority. The Annual meeting of shareholders is requested to authorize the Board of Directors with full power of

attorney to make such alteration as per the request of the competent authority.

5. The shareholder's rights and obligations for the new shares are the same as those of the existing shares.
6. The new shares issued through capitalization in accordance with Article 10 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers are without a delivered printed stock but by a book-entry delivery.

Resolutions:

Discussions No. 2

Proposal: Amendments to partial provisions of the Company Corporate Charter (Articles of Incorporation), please proceed to discuss.

Explanation:

1. The content is proposed to be revised as follows:
 - (1) In order to meet the capital needs for business development and expansion of business scale in the future, Article 5 is hereby revised to increase the total authorized capital of the Company to NT\$ 77.7 billion.
 - (2) Article 7 is hereby deleted in response to the revision of Article 36.
 - (3) According to Paragraph 5, Article 240 of the Company Act, a public company may authorize the Board of Directors in the Articles of Incorporation to adopt a special resolution to distribute all or part of dividends and bonuses in cash, which shall be reported to the Shareholders Meeting. Paragraph 2, Article 36 is hereby added; the content of Paragraph 1 is adjusted, and the wording of Paragraph 3 is revised as appropriate in response to the added Paragraph 2 of Article 36.
2. A comparison table of the amendments of the Company's Articles of Incorporation and the provisions after such revision are shown in the annex. (Please refer to pages 41~52 of this Manual for details.)

Resolutions:

The Comparison table of the amendments for “Taichung Commercial Bank’s Corporate Charter” (Articles of Incorporation)

Clauses after the amendment	Existing clauses	Remark
<p>Article 5</p> <p>The Bank’s authorized capital amounted to <u>NT\$77.7 billion</u> with <u>7.77 billion shares</u> issued at a par value of NT\$10 per share, in which, the Board is authorized to have the unissued shares issued by installments.</p> <p>Preferred shares may be offered within the total amount of shares as mentioned in the previous paragraph.</p>	<p>Article 5</p> <p>The Bank’s authorized capital amounted to <u>NT\$61.5 billion</u> with <u>6.15 billion shares</u> issued at NT\$10 per share, in which, the Board is authorized to have the unissued shares issued by installments.</p> <p>Preferred shares may be offered within the total amount of shares as mentioned in the previous paragraph.</p>	<p>In order to meet the capital needs for business development and expansion of business scale in the future, the total authorized capital of the Company is increased, and the content of the provision is hereby revised.</p>
<p>Article 7</p> <p><u>(Deleted)</u></p>	<p>Article 7</p> <p>The Bank’s dividend distribution is proposed by the Board for resolution in the meeting of shareholders, but the Bank may not propose to have the capital distributed as dividends when there are no earnings.</p>	<p>Article 7 is hereby deleted in response to the revision of Article 36.</p>

<p>Article 36</p> <p>If the Bank has earnings after account settlement, appropriate for payment of applicable taxes as required by law and for write-off loss Continued, followed by the appropriation of 30% as legal reserve. No further appropriation is necessary if the amount of legal reserve is equivalent to the paid-in capital of the Bank. The remainder shall be appropriated or made reversal for special reserve, followed by the distribution of dividends of preferred shares. For the balance, pool up with accumulated undistributed earnings and the amount of reversal of special reserve as required by law. If there are still earnings, <u>the Board of Directors shall formulate a proposal for earnings distribution and submit it to the Shareholders Meeting for recognition.</u></p> <p><u>When the dividends and bonuses in the preceding paragraph are paid in cash, the Board of Directors shall be authorized to resolve with the attendance of two thirds or more of the directors and the consent of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.</u></p> <p>For the earnings distribution proposed to the Board of Directors in the shareholders' meeting for resolution, a working capital should be reserved first according to the changes in the operating environment, business operation, and investment, the ratio of cash and stock dividends should be proposed, of which, cash dividends should not be less than 10% of the total dividend amount.</p> <p>If the capital adequacy ratio fails to reach the legal ratio, the earnings shall be allocated in accordance with</p>	<p>Article 36</p> <p>If the Bank has earnings after account settlement, appropriate for payment of applicable taxes as required by law and for write-off loss Continued, followed by the appropriation of 30% as legal reserve. No further appropriation is necessary if the amount of legal reserve is equivalent to the paid-in capital of the Bank. The remainder shall be appropriated or made reversal for special reserve, followed by the distribution of dividends of preferred shares. For the balance, pool up with accumulated undistributed earnings and the amount of reversal of special reserve as required by law. If there are still earnings, for the <u>distribution of dividends and bonuses to the shareholders</u> at the proposal of the Board and ratification of the Annual Meeting.</p> <p>For the earnings distribution proposed to the Board of Directors in the shareholders' meeting for resolution in the preceding paragraph, a working capital should be reserved first according to the changes in the operating environment, business operation, and investment, the ratio of cash and stock dividends should be proposed, of which, cash dividends should not be less than 10% of the total dividend amount.</p> <p>If the capital adequacy ratio fails to reach the legal ratio, the earnings shall be allocated in accordance with the Banking Act of The Republic of China and the competent authority's requirements.</p>	<ol style="list-style-type: none"> 1. According to Paragraph 5, Article 240 of the Company Act, a public company may authorize the Board of Directors in the Articles of Incorporation to adopt a special resolution to distribute all or part of dividends and bonuses in cash, which shall be reported to the Shareholders Meeting. Paragraph 2 of this article is hereby added. 2. The content of Paragraph 1 is adjusted in response to the added Paragraph 2 thereof. 3. The wording of Paragraph 3 is revised as appropriate.
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the Banking Act of The Republic of China and the competent authority's requirements.		
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Taichung Commercial Bank Co., Ltd.

Company Corporate Charter (Articles of Incorporation) (Draft)

Chapter 1 General rules

- Article 1 The Bank was organized and incorporated in accordance with The Banking Act of The Republic of China and the Company Corporate Charter (Articles of Incorporation), known as “Taichung Commercial Bank Co., Ltd.” (hereinafter referred to as “Taichung Bank”)
- Article 2 The Bank is dedicated to support the national policy in finance and banking, and provide viable financial service and advocate industrial and economic development.
- Article 3 The Bank’s head office is in Taichung City and with appropriate branches set-up domestically and internationally depending on its business operations. The incorporation, revocation, or amendment of branch offices are reported to the competent authorities for approval and are registered with the Ministry of Economic Affairs in accordance with the resolutions of the Board.
- Article 4 The Bank has announcements made by publishing it in the local daily newspaper where the head office of the Bank is located or by the instructions of the competent authorities.

Chapter 2 Shares

- Article 5 The Bank’s authorized capital amounted to NT\$77.7 billion with 7.77 billion shares issued at a par value of NT\$ 10 per share, in which, the Board is authorized to have the unissued shares issued by installments.
- Preferred shares may be offered within the total amount of shares as mentioned in the previous paragraph.
- Article 5-1 The rights and obligations of the preferred shares of the Bank and other important conditions for issuance are shown below:
1. If the Bank has earnings after account settlement, it shall appropriate the payment of applicable taxes and for write-off loss Continued from previous periods. If there is still a balance, appropriate or make reversal for the legal reserve and special reserve as required by law. The remainder shall be distributed as the stock dividend to preferred shares of the year at the first priority.
 2. Dividends for preferred shares shall be set at no more than 8% per annum.
 3. Dividends for preferred shares shall be calculated on the offering price per share and will be paid in cash once a year. After the ratification of the financial statements by the annual meeting of shareholders, the Board shall set the dividend day for the distribution of dividends of the previous fiscal year. The distribution of dividends in the year of offering and the year of redemption shall be based on the quantity of the issuing day.
 4. The Bank is discretionary in payment of stock dividend for preferred shares. If the Bank has no earnings in particular year and there is no payment of stock dividend for ordinary shares, or the earnings are insufficient for dividend payment, or the payment of dividend of preferred shares makes the capital adequacy ratio of the Bank fall below the minimum requirements under law or the competent authority, the Bank may resolve not to pay dividend for preferred shares. Holders of

preferred shares shall not have any objection of such decision. If the preferred shares so issued are the non-accumulative type, the dividends not being distributed or inadequate amount of dividends shall not be accumulated to deferred payments with subsequent years in which the Bank has earnings.

5. Further to the entitlement of dividend stated in Subparagraph 3, if the preferred shares offered are non-participating, the holders of preferred shares are not entitled to cash dividend or stock dividend for ordinary shares through for cash payment or capitalization of retained earnings and capital reserve.
6. Holders of preferred shares issued by the Bank have the priority to distribution of residual assets over the holders of ordinary shares up to the amount of cash in the offering and its preferential order to receive indemnification is the same as that of shareholders of various preferred shares issued by the Bank. In case the competent authority ordered for a takeover of the Bank, discontinuation of operation for clearing, and liquidation, the priority of the holders of preferred shares is the same as the holders of ordinary shares.
7. Holders of preferred shares are not entitled to vote and taking part in the election but could be elected as Directors, and are entitled to vote only in the Shareholders' Meeting of preferred shares and session of the Shareholders' Meeting related to the rights and obligations of the holders of preferred shares.
8. No conversion of the convertible preferred shares issued by the Bank within 1 year from the day of offering. The timing for conversion shall be determined by the Board as an integral part of the condition of offering under authorization. Holders of convertible preferred shares may apply for conversion of preferred shares in their holding to ordinary shares in whole or in part as stated in the conditions of offering at the ratio of 1 preferred share to 1 ordinary share (conversion ratio is 1:1). After the conversion of Preferred shares to ordinary shares, the rights and obligations shall be the same as ordinary shares. The payment of dividend in the year of conversion of preferred shares shall be based on the exact number of outstanding days of the shares in proportion to the number of days in the year in the calculation. However, preferred shares converted to ordinary shares prior to the ex-right (dividend) day are not entitled to the payment of dividend for preferred shares in the year of payment and payment in subsequent years, but are entitled to the payment of dividend of ordinary shares from earnings and capital reserve.
9. There is no maturity date for preferred shares issued by the Bank and the holders of preferred shares are not entitled to claim for the redemption of the shares. The Bank may redeem the outstanding Preferred shares in whole or in part from the day after the 5th anniversary of the offering of preferred shares under law or at the permission of the competent authority. Redemption will be made at the offering price. The preferred shares not being redeemed still be granted the rights and obligations as mentioned in preceding paragraphs. Where the Bank may determine to pay stock dividend in particular year, the payable dividend to the deadline of redemption shall be calculated on the exact number of outstanding days.
10. If the preferred shares issued by the Bank have a maturity date, it shall be no less than 5 years. Holders of preferred shares are not entitled to request the Bank for redemption of the shares before maturity. At maturity or the day after the 5th anniversary of the issuance day and as permitted by applicable laws and the competent authority, the Bank may redeem the shares at the offering price and

under related regulations of issuance, issue new shares for compulsory conversation with the preferred shares (in the ratio of 1:1), or redeem by another means as permitted by law. If the Bank cannot redeem the preferred shares in whole or in part at maturity under objective factors or force majeure, the rights inherent to the preferred shares shall prevail under the same conditions for issuance provided under related regulations for issuance until the whole issue was redeemed by the Bank.

The Board shall be authorized to assign the title, issuing date and the terms and conditions for the offering of preferred shares at the time of offering pending on the situation of the capital market and the willingness of the investors and in accordance with the Articles of Incorporation of the Bank and other applicable legal rules.

Article 6 The Bank may have new shares issued by a book-entry in accordance with the Company Act.

Article 7 (Deleted)

Article 8 The Bank's stock is processed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" published by the competent authorities and other relevant laws and regulations.

Article 9 The Bank's stock shares cannot be transferred within 60 days prior to the Annual Meeting of Shareholders, 30 days prior to the extraordinary meeting of shareholders, or 5 days prior to the record date of the bank's distributing dividends, bonus or other benefits.

Article 10 The Bank's elected directors shall report the shareholding at the time of election to the competent authorities. A director in office who has stock shares transferred for over one half of the shareholding at the time of election will be discharged automatically.

A director in office shall report to the competent authorities and announce any increase or decrease of shareholdings.

The director who is reelected prior to the tenure expired and has shares transferred before inauguration for over one half of the shareholding at the time of election, or has shares transferred for over one half of the shareholding during the stop-transferring period before the meeting of shareholders convened will be disqualified.

Chapter 3 Business operation

Article 11 The Bank's business operation is H101021 Commerce banking.

It is limited to the businesses authorized by the competent authorities referred to above.

Article 12 The Bank may operate other businesses authorized by the competent authorities.

Chapter 4 Meeting of shareholders

Article 13 The meeting of shareholders includes the annual meeting of shareholders and extraordinary meeting of shareholders. The annual meeting of shareholders is held once a year and it is to be convened by the Board within 6 months after the fiscal year. The extraordinary meeting of shareholders is to be convened by the Board or the Auditing Committee when it is necessary. Shareholders who have over 3% shareholding for more than 1 year may request the Board to convene an extraordinary meeting of shareholders by filing a written proposal with the matters and reasons detailed.

Where necessary, the meeting of the holders of preferred shares may be convened under the applicable legal rules.

Article 14 Shareholders should be informed of the meeting date, place and subject 30 days in advance for the Annual Meeting of Shareholders and 15 days in advance for the extraordinary meeting of shareholders.

Article 15 Shareholders who are unable to attend the meeting of shareholders may issue the Bank's proxy with the scope of authorization detailed and signed or sealed to commission the representative attending the meeting, but a shareholder is limited to issuing one proxy and assigning one representative only. Proxy shall be served to the Bank 5 days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

Other pending matters are to be processed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies" published by the competent authorities.

Article 16 The resolutions reached in the meeting of shareholders and the executions are as follows:

1. Regulating and amending the Bank's Company Corporate Charter (Articles of Incorporation).
2. Resolutions reached on capital increase or decrease;
3. The election or dismissal of directors.
4. Audit the financial statements prepared by the Board and the Auditing Committee's Report. The reviewers for auditing the financial statements and reports are to be appointed at the meeting of shareholders.
5. Resolutions reached on the distribution of earnings and shareholder bonus;
6. Resolutions reached on the other important matters;

Article 17 The resolutions reached in the meeting of shareholders, unless otherwise provided in the Company Act, must be with the majority votes of the attending shareholders and the shareholdings of the attending shareholders is over one half of the total number of shares issued.

Article 18 If the shareholdings of the attending shareholders are not more than 50% but one third of the total number of shares issued, a pseudo-resolution can be reached with the majority votes of the attending shareholders. The shareholders should be informed regarding the pseudo-resolution reached and another meeting of shareholders will be convened within one month.

The pseudo-resolution reached in the meeting of shareholders referred to above with the attendance of shareholders representing over one third of the shareholdings and resolved with the majority votes is deemed as a resolution reached.

Article 19 Shareholders are entitled to one vote per share, unless otherwise provided by law.

Article 20 The minutes of the meeting of shareholders shall include the meeting time and date and place, the name of the chairperson and the method of the resolutions, the essentials of procedure and results, and the signature or seal of the chairperson. It should be permanently reserved throughout the duration of the Company. The attendance registry for the signature of the attending shareholders or the proxy of the representative should be reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Chapter 5 Directors and the Board of Directors

Article 21 The Bank's Board is composed of 7~15 directors elected among the competent individuals in the meeting of shareholders for a 3-year tenure and can be reelected in accordance with Article 198 of the Company Act. The total stock shares of all directors shall comply with the requirements of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

For the directors (including independent directors) of this Bank, the nomination system is adopted to have directors elected from the list of candidates.

For the directors, the number of independent directors shall not be less than three seats, and one fifth of the director seats; also, non-independent directors and independent directors should be elected together for the respective number of seats with the candidates receiving the higher electoral votes elected.

The professional qualifications, shareholding and part-time job restrictions, definition of independence, nomination method, proxy and other compliance matters of the independent directors shall be handled in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Article 22 The Board shall have 3~5 managing directors elected by voting with the consent of the majority attending directors and the attendance of two thirds of the directors. According to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," there must be at least one independent director among the managing directors, and shall not constitute less than one fifth of the managing directors. The vice chairman and standing managing director will be appointed, if necessary, by a resolution of the Board.

Chairman, vice chairman and standing managing director will be elected among the managing directors in accordance with the methods described in the preceding paragraph.

Where there is no establishment of managing directors, the chairman shall be elected by and from among the directors, with two-thirds or more of the directors present and the consent of more than half of the directors present at the meeting, and if necessary, one person may be elected as the vice chairman by and from among themselves.

The chairman chairs the meeting of shareholders, the Board and the General Board internally, and represents the Bank externally. When the chairman is on leave or unable to exercise his powers for certain reasons, the vice chairman is to act on the chairman's behalf. If there is no establishment of vice chairman or the vice chairman is on leave or cannot exercise his or her powers due to some reason, the chairman shall appoint one managing director to act on his or her behalf; if there is no establishment of managing directors, the chairman shall appoint one director to act on his or her behalf; if the chairman does not appoint a proxy, the managing directors or directors shall elect one person by and from among themselves to act on the behalf of the chairman.

If the credibility of the Bank or the person in charge is damaged by the spreading rumors or fraud, the chairman of the Bank should immediately file a lawsuit to the prosecution office according to law.

When the Board meeting is in recess, the managing directors shall comply with the law and regulations, the resolutions of the meeting of shareholders and the resolution of the Board to execute banking business by convention convened by the chairman at any

time and resolved with the consent of the majority votes of the majority attending managing directors.

Article 23 The Board of Directors exercises the following authorities:

1. Review and approval of bylaws;
2. The review and approval of important business and plans, and the decision on business plan;
3. Review and approval of important contracts;
4. Review and approval of budget;
5. The proposed earnings distribution;
6. The proposed capital increase or decrease;
7. The establishment, revocation or amendment of the Bank's branches;
8. The property trade and investment decisions;
9. Auditing management and execution;
10. The appointment and dismissal of the managers;
11. The other powers entrusted in accordance with the law and regulations and in the meeting of shareholders;

Article 24 The Board is to convene a meeting quarterly. An extraordinary meeting can be convened for urgent matters or upon the request of a majority of the directors, unless otherwise provided by the Company Act; it is to be convened by the chairman. To strengthen the management functions, the Board may set up functional committees for various types of functionalities with the terms of powers regulated by the Board separately.

Article 25 Directors shall attend the Board meeting in person. The directors who are unable to attend the meeting for reasons may appoint another director to attend the meeting by proxy each time and with the scope of authorization detailed.

The proxy referred to above is limited to one representative only.

Article 26 The resolutions of the Board, unless otherwise provided by the Company Act, must be with the attendance of the majority of the directors and the consent of the majority of the attending directors. The minutes of meeting should be signed or sealed by the chairman.

Article 27 When the number of the director discharged is over one third of the elected seats, the Board shall convene a meeting of shareholders for a lawful election. The newly reelected directors are to serve the remaining tenure of the former directors.

Article 27-1 The Board of Directors is authorized to have the remuneration to the chairman, vice chairman, standing managing director, managing director, independent directors and directors determined and paid by referring to the general payment standard of the industry.

Independent Directors are not eligible for our bank's earnings distribution.

Our bank should pay for liability insurance policies that cover the liabilities for damages as defined by statutes or court ruling within the scope of the business of Directors.

Article 28 The President and Vice President may be invited to attend the Board meetings,

managing director and responsible personnel meeting for consultation.

Chapter 6 Audit Committee

Article 29 The Auditing Committee of the Bank is consisted of all the independent directors. The term of office is identical with the term of office for the independent directors and the committee shall contain at least three members of whom at least one shall be expertise in accounting or finance.

The performance of the duties and exercise of rights by the Auditing Committee, the meeting procedure and other rules to comply shall be based on the “Regulations Governing the Exercise of Powers by the Audit Committees of Public Companies” and the “Organizational Code of the Auditing Committee” of the Bank.

Article 29-1 (Deleted)

Article 30 (Deleted)

Article 31 (Deleted)

Chapter 7 Manager

Article 32 The Bank has one President appointed to manage business fully adhering to the resolutions of the Board of Directors, and with one Vice President and several Deputy Executive Vice President appointed to help the President in business operations whose appointment is with the consent of a majority of the Board of Directors. In addition, several managers at all levels are appointed by the President who are proposed to the Board of Directors for appointment and dismissal with the consent of a majority of the Board of Directors.

The Bank has one Chief Auditor appointed, a position equivalent to the Vice President, with the consent of a majority of the Audit Committee and two thirds of the Board of Directors; also, the appointment, dismissal, and transfer of the Chief Auditor should be reported to the competent authorities for approval in advance.

If the said appointment of the Chief Auditor in the preceding paragraph is without the consent of a majority of the Audit Committee, the resolution of the Audit Committee should be stated in the minutes of the Board meeting.

Chapter 8 Accounting

Article 33 The Bank has the business operations settled at the end of each month and the final settlement scheduled on December 31.

Article 34 The Bank shall have the following books and statements prepared after the annual settlement for the review of the Board and the audit of the Audit Committee; also, submitted to the meeting of shareholders for admission and reported to the competent authorities and the Central Bank for filing within 15 days, respectively.

1. Business report
2. Financial statements
3. Earnings distribution or deficit compensation proposal;

Article 35 If there is a profit, the Bank shall appropriate 0.5% to 3% as remuneration to the employees. The Board shall determine if stock or cash shall be released for such purpose. In addition, the Bank may allocate no more than 2.5% of the aforementioned amount as remuneration to the Directors. The distribution of remuneration to employees and directors should be reported in the shareholders’ meeting. If the Bank has accumulated deficit, an equivalent amount should be reserved for making up such

loss, then the remuneration to employees and directors can be appropriated in accordance with the ratio stated in the preceding paragraph thereafter.

- Article 36 If the Bank has earnings after account settlement, appropriate for payment of applicable taxes as required by law and for write-off loss Continued, followed by the appropriation of 30% as legal reserve. No further appropriation is necessary if the amount of legal reserve is equivalent to the paid-in capital of the Bank. The remainder shall be appropriated or made reversal for special reserve, followed by the distribution of dividends of preferred shares. For the balance, pool up with accumulated undistributed earnings and the amount of reversal of special reserve as required by law. If there are still earnings, the Board of Directors shall formulate a proposal for earnings distribution and submit it to the Shareholders Meeting for recognition.

When the dividends and bonuses in the preceding paragraph are paid in cash, the Board of Directors shall be authorized to resolve with the attendance of two thirds or more of the directors and the consent of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.

For the earnings distribution proposed to the Board of Directors in the shareholders' meeting for resolution, a working capital should be reserved first according to the changes in the operating environment, business operation, and investment, the ratio of cash and stock dividends should be proposed, of which, cash dividends should not be less than 10% of the total dividend amount.

If the capital adequacy ratio fails to reach the legal ratio, the earnings shall be allocated in accordance with the Banking Act of The Republic of China and the competent authority's requirements.

Chapter 9 Appendix

- Article 37 The organization code of the Bank shall be instituted separately.
- Article 38 The matters that are not regulated in the Company Corporate Charter (Articles of Incorporation) should be processed in accordance with the Company Act, the Banking Act of The Republic of China and related laws and regulations.
- Article 39 The Company Corporate Charter (Articles of Incorporation) is implemented after the resolution reached in the meeting of shareholders, so is the amendment. The Company Corporate Charter (Articles of Incorporation) was established on October 22, 1977 and implemented on January 1, 1978.
- The 1st amendment was implemented on March 4, 1979.
- The 2nd amendment was implemented on March 9, 1980.
- The 3rd amendment was implemented on March 1, 1981.
- The 4th amendment was implemented on March 7, 1982.
- The 5th amendment was implemented on March 5, 1983.
- The 6th amendment was implemented on March 7, 1985.
- The 7th amendment was implemented on March 22, 1986.
- The 8th amendment was implemented on March 19, 1987.
- The 9th amendment was implemented on March 23, 1988.

The 10th amendment was implemented on March 23, 1989.
The 11th amendment was implemented on October 5, 1989.
The 12th amendment was implemented on March 23, 1990.
The 13th amendment was implemented on June 28, 1991.
The 14th amendment was implemented on October 13, 1992.
The 15th amendment was implemented on June 5, 1993.
The 16th amendment was implemented on April 23, 1994.
The 17th amendment was implemented on June 10, 1995.
The 18th amendment was implemented on October 18, 1995.
The 19th amendment was implemented on March 28, 1996.
The 20th amendment was implemented on May 8, 1997.
The 21st amendment was implemented on June 20, 1998.
The 22nd amendment was implemented on October 12, 1998.
The 23rd amendment was implemented on May 18, 1999.
The 24th amendment was implemented on June 15, 2000.
The 25th amendment was implemented on May 17, 2002.
The 26th amendment was implemented on June 25, 2003.
The 27th amendment was implemented on June 9, 2006.
The 28th amendment was implemented on December 7, 2006.
The 29th amendment was implemented on June 15, 2007.
The 30th amendment was implemented on June 13, 2008.
The 31st amendment was implemented on June 19, 2009.
The 32nd amendment was implemented on June 15, 2010.
The 33rd amendment was implemented on June 22, 2011
The 34th amendment was implemented on June 13, 2013.
The 35th amendment was implemented on June 19, 2014.
The 36th amendment was implemented on June 2, 2015.
The 37th amendment was implemented on June 21, 2016.
The 38th amendment was implemented on June 7, 2017.
The 39th amendment was implemented on June 5, 2018.
The 40th amendment was implemented on June 28, 2019.
The 41st amendment was implemented on June 30, 2020.
The 42nd amendment was implemented on July 1, 2021.
The 43rd amendment was implemented on --2022.

Discussions No. 3

Proposal: Amendments to partial provisions of the Rules of Procedure for Shareholders Meeting, please proceed to discuss.

Explanation:

1. It is revised by reference to the Decree No.: Chin-Kuan-Chen-Chiao-Tzu-1100365384 issued by the Financial Supervisory Commission on December 16, 2021 and the Letter No.: Tai-Chen-Shan-Yi-Tzu-1100025782 issued by Taiwan Stock Exchange on December 17, 2021.
2. By reference to the “Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies” amended by the FSC, the wording used for the information reporting website designated by the FSC in Paragraph 2 of Article 3 and the reporting time for the relevant meeting manual and the supplementary materials for the meeting prior to the Ordinary Shareholders Meeting are hereby revised.
3. A comparison table of the amendments and the provisions after such amendment are shown in the annex. (Please refer to pages 53~60 of this Manual for details).

Resolutions:

The comparison table of the amendments and the amended provisions for Rules of Procedure for Shareholder Meetings

Clauses after the amendment	Existing clauses	Remark
<p>Article 3</p> <p>The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.</p> <p>The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded <u>to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the FSC)</u> 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded <u>to the information reporting website designated by the FSC</u> 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place. (The following articles: omitted)</p>	<p>Article 3</p> <p>The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.</p> <p>The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the <u>MOPS</u> 30 days prior to the annual meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the <u>MOPS</u> 21 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place.</p> <p style="text-align: center;">(The following articles: omitted)</p>	<p>By reference to Letter No.: Chin-Kuan-Chen-Chiao-Tzu-11003653845 issued by the Financial Supervisory Commission on December 16, 2021 amending the “Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies” amended by the FSC, the wording used for the information reporting website designated by the FSC in Paragraph 2 of Article 3 and the reporting time for the relevant meeting manual and the supplementary materials for the meeting prior to the Ordinary Shareholders Meeting are hereby revised.</p>

Rules of Procedure for Shareholder Meetings (Draft)

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the information reporting website designated by the Financial Supervisory Commission (hereinafter referred to as the FSC) 30 days prior to the annual meeting of shareholders or fifteen days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the information reporting website designated by the FSC 30 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place.

The reasons for convening the meeting should be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.

Where the agenda for calling the Shareholders’ Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders’ Meeting is completed.

Shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, where the motion proposed by the shareholder is for the purpose of urging the Company to promote public interest or the

recommendation of fulfilling its social responsibilities, the Board of Directors may still include such a motion into the agenda. Unless any of the circumstances under Article 172-1, paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 5 The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.

Article 6 The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder's representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company should have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots should be distributed for the election of directors, if applicable.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has

attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 7 If the meeting of shareholders is convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors should be elected among the board members to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 9 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented.

If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; and the relevant motions (including questions and motions and amendments to the original motions) shall all be voted by means of case-by-case. Also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairman with the majority votes of the attending shareholders to continuously chair the meeting.

A chairperson who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.

Article 11 Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The chairperson may reply to the speaking shareholders personally or by the designated personnel.

Article 12 Resolutions of the meeting of shareholders should be based on their shareholdings.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' Meeting, it shall adopt electronic means for the exercise of the voting rights, which may also be exercised in writing; when the vote is cast in writing or by electronic means, the election method should be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in

writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders.

Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.

Article 14 The election of directors held at the meeting of shareholders should be arranged in accordance with the Company's election specifications and with the election results announced immediately at the meeting place, including the list of the directors-elect and the number of voting rights won, as well as the list of unselected directors and the number of voting rights obtained.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15 The resolutions reached in the meeting of shareholders should be documented in the minutes of meeting and signed or sealed by the chairman; also, it should be uploaded to the MOPS within 20 days after the meeting adjournment.

The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company.

Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting.

For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 18 The chairperson may announce the meeting in recess. The chairperson may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.

If the meeting place cannot be used continuously before the proposals (including questions and motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 19 The Rules of Procedure for Shareholder Meetings is implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.

Resolved in the Annual Meeting of Shareholders on June 20, 1998.

Resolved in the Annual Meeting of Shareholders on June 13, 2013.

Resolved in the Annual Meeting of Shareholders on June 28, 2019.

Resolved in the Annual Meeting of Shareholders on June 30, 2020.

Resolved in the Annual Meeting of Shareholders on July 1, 2021.

Resolved in the Annual Meeting of Shareholders on 2022.

Questions and Motions

Appendix



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taichung Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taichung Commercial Bank Co., Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank 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 financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the descriptions of the key audit matter in the audit of the financial statements of the Bank for the year ended December 31, 2021:

Expected Credit Losses of Notes Discounted and Loans, Net

As described in Notes 13 and 30 to the financial statements, notes discounted and loans amounted to \$478,441,414 thousand, which accounted for 63% of total assets at December 31, 2021 and the expected credit losses of notes discounted and loans amounted to \$1,039,941 thousand, which accounted for 8% of total net revenue for the year ended December 31, 2021. Due to the large amount, such accounts have a significant effect on the financial statements of the Bank. In addition, the measurement of expected credit losses of notes discounted and loans involved various financial factors, such as probability of default and loss given default, which involved the management's critical estimations and judgments, and also required compliance with relevant laws and regulations. Therefore, the expected credit loss of notes discounted and loans was identified as a key audit matter.

The relevant accounting policies, estimate, assumptions and other information are referred to in Notes 4, 5, 13 and 30 to the financial statements.

The main audit procedures performed for the expected credit losses of notes discounted and loans were as follows:

- We understood the internal controls for the expected credit losses of notes discounted and loans of the Bank. We checked the Bank's compliance with relevant regulations issued by authorities on assessment of the expected credit losses.
- We understood and recalculated the key parameters (such as probability of default and loss given default) for the expected credit losses of notes discounted and loans assessed by the Bank to evaluate the reasonableness of expected credit losses.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in 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 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 Bank'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 Bank'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 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 Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 financial statements for the year ended December 31, 2021 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 Wen-Yea Shyu and Shu-Lin Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2022

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

TAICHUNG COMMERCIAL BANK CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 17,627,033	2	\$ 11,216,775	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	38,193,986	5	40,371,218	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	32,663,892	4	30,141,869	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	47,922,451	6	40,088,916	5
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	109,181,808	14	112,624,454	15
SECURITIES PURCHASED UNDER RESALE AGREEMENT	11,258,439	2	12,773,121	2
RECEIVABLES, NET	3,176,429	1	3,545,783	-
NOTES DISCOUNTED AND LOANS, NET	478,441,414	63	455,442,354	63
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	6,064,223	1	5,440,017	1
OTHER FINANCIAL ASSETS, NET	437,502	-	2,246	-
PROPERTIES AND EQUIPMENT, NET	13,707,859	2	12,276,706	2
RIGHT-OF-USE ASSETS, NET	685,706	-	831,231	-
INVESTMENT PROPERTIES, NET	-	-	18,014	-
INTANGIBLE ASSETS, NET	161,518	-	162,028	-
DEFERRED TAX ASSETS	766,162	-	712,389	-
OTHER ASSETS	<u>2,049,377</u>	<u>-</u>	<u>2,029,183</u>	<u>-</u>
TOTAL	<u>\$ 762,337,799</u>	<u>100</u>	<u>\$ 727,676,304</u>	<u>100</u>
LIABILITIES AND EQUITY				
DUE TO THE CENTRAL BANK AND OTHER BANKS	\$ 3,953,700	1	\$ 7,037,338	1
FUNDS BORROWED FROM THE CENTRAL BANK AND OTHER BANKS	3,489,540	1	2,167,280	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	492,678	-	739,143	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	1,205,559	-	2,300,077	-
PAYABLES	8,178,890	1	5,228,706	1
CURRENT TAX LIABILITIES	335,518	-	121,429	-
DEPOSITS AND REMITTANCES	661,383,489	87	638,273,838	88
BANK DEBENTURES	16,500,000	2	11,500,000	2
OTHER FINANCIAL LIABILITIES	584,493	-	107,246	-
PROVISIONS	1,355,169	-	1,424,492	-
LEASE LIABILITIES	713,902	-	853,806	-
DEFERRED TAX LIABILITIES	109,486	-	111,021	-
OTHER LIABILITIES	<u>575,390</u>	<u>-</u>	<u>490,175</u>	<u>-</u>
Total liabilities	<u>698,877,814</u>	<u>92</u>	<u>670,354,551</u>	<u>92</u>
EQUITY				
Ordinary shares	45,385,205	6	41,516,943	6
Capital surplus	1,054,006	-	803,606	-
Retained earnings				
Legal reserve	10,677,008	1	9,469,859	1
Special reserve	149,678	-	150,243	-
Unappropriated earnings	4,886,043	1	4,077,345	1
Other equity	<u>1,308,045</u>	<u>-</u>	<u>1,303,757</u>	<u>-</u>
Total equity	<u>63,459,985</u>	<u>8</u>	<u>57,321,753</u>	<u>8</u>
TOTAL	<u>\$ 762,337,799</u>	<u>100</u>	<u>\$ 727,676,304</u>	<u>100</u>

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE	\$ 11,471,305	91	\$ 11,545,960	108	(1)
INTEREST EXPENSE	<u>(2,775,768)</u>	<u>(22)</u>	<u>(3,697,723)</u>	<u>(35)</u>	(25)
NET INTEREST	8,695,537	69	7,848,237	73	11
NET INCOME AND LOSS OTHER THAN INTEREST					
Service fee income, net	2,481,588	20	2,116,592	20	17
Gains (losses) on financial assets and liabilities at fair value through profit or loss	334,653	3	(92,252)	(1)	463
Realized gains on financial assets at fair value through other comprehensive income	142,458	1	155,318	1	(8)
Foreign exchange gains, net	144,226	1	283,659	3	(49)
Impairment losses on assets	(5,960)	-	(8,068)	-	(26)
Share of profit of subsidiaries and associates for using the equity method	779,557	6	409,567	4	90
Other non-interest gains, net	<u>30,470</u>	<u>-</u>	<u>15,667</u>	<u>-</u>	94
TOTAL NET REVENUE	<u>12,602,529</u>	<u>100</u>	<u>10,728,720</u>	<u>100</u>	17
PROVISION FOR BAD DEBTS EXPENSE, COMMITMENTS AND GUARANTEES	<u>(1,203,947)</u>	<u>(10)</u>	<u>(366,410)</u>	<u>(3)</u>	229 (Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
OPERATING EXPENSES					
Employee benefits expenses	\$ (3,692,498)	(29)	\$ (3,501,089)	(32)	5
Depreciation and amortization expenses	(437,950)	(4)	(407,337)	(4)	8
Other selling and administrative expenses	<u>(1,814,425)</u>	<u>(14)</u>	<u>(1,789,391)</u>	<u>(17)</u>	1
Total operating expenses	<u>(5,944,873)</u>	<u>(47)</u>	<u>(5,697,817)</u>	<u>(53)</u>	4
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS					
	5,453,709	43	4,664,493	44	17
INCOME TAX EXPENSE	<u>(657,435)</u>	<u>(5)</u>	<u>(638,960)</u>	<u>(6)</u>	3
NET PROFIT FOR THE YEAR	<u>4,796,274</u>	<u>38</u>	<u>4,025,533</u>	<u>38</u>	19
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	14,745	-	(34,806)	-	142
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	206,546	2	212,001	2	(3)
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	78,096	1	28,286	-	176
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,512)</u>	<u>-</u>	<u>819</u>	<u>-</u>	(407)
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>296,875</u>	<u>3</u>	<u>206,300</u>	<u>2</u>	44

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on the translation of financial statements of foreign operations	\$ 31,960	-	\$ (23,328)	-	237
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	4,063	-	(1,466)	-	377
Unrealized gains on investments in debt instruments designated as at fair value through other comprehensive income	(244,933)	(2)	264,206	2	(193)
Income tax relating to items that may be reclassified subsequently to profit	<u>-</u>	<u>-</u>	<u>3,151</u>	<u>-</u>	(100)
Items that may be reclassified subsequently to profit or (loss), net of income tax	<u>(208,910)</u>	<u>(2)</u>	<u>242,563</u>	<u>2</u>	(186)
Other comprehensive income for the year, net of income tax	<u>87,965</u>	<u>1</u>	<u>448,863</u>	<u>4</u>	(80)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,884,239</u>	<u>39</u>	<u>\$ 4,474,396</u>	<u>42</u>	9
EARNINGS PER SHARE					
Basic	<u>\$1.10</u>		<u>\$0.98</u>		
Diluted	<u>\$1.10</u>		<u>\$0.98</u>		

(Concluded)

TAICHUNG COMMERCIAL BANK CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2020	\$ 37,088,349	\$ 726,981	\$ 8,188,237	\$ 150,243	\$ 4,302,204	\$ (96,316)	\$ 949,508	\$ 51,309,206
Appropriation of 2019 earnings								
Legal reserve	-	-	1,281,622	-	(1,281,622)	-	-	-
Cash dividends	-	-	-	-	(1,038,474)	-	-	(1,038,474)
Share dividends	1,928,594	-	-	-	(1,928,594)	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	4,025,533	-	-	4,025,533
Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax	-	-	-	-	(27,761)	(24,794)	501,418	448,863
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	3,997,772	(24,794)	501,418	4,474,396
Issuance of ordinary shares for cash	2,500,000	50,000	-	-	-	-	-	2,550,000
Issuance of ordinary shares under employee share options	-	26,625	-	-	-	-	-	26,625
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	26,059	-	(26,059)	-
BALANCE AT DECEMBER 31, 2020	41,516,943	803,606	9,469,859	150,243	4,077,345	(121,110)	1,424,867	57,321,753
Appropriation of 2020 earnings								
Legal reserve	-	-	1,207,149	-	(1,207,149)	-	-	-
Special reserve	-	-	-	(565)	565	-	-	-
Cash dividends	-	-	-	-	(996,407)	-	-	(996,407)
Share dividends	1,868,262	-	-	-	(1,868,262)	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	4,796,274	-	-	4,796,274
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	12,021	36,023	39,921	87,965
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,808,295	36,023	39,921	4,884,239
Issuance of ordinary shares for cash	2,000,000	230,000	-	-	-	-	-	2,230,000
Issuance of ordinary shares under employee share options	-	20,400	-	-	-	-	-	20,400
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	71,656	-	(71,656)	-
BALANCE AT DECEMBER 31, 2021	\$ 45,385,205	\$ 1,054,006	\$ 10,677,008	\$ 149,678	\$ 4,886,043	\$ (85,087)	\$ 1,393,132	\$ 63,459,985

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,453,709	\$ 4,664,493
Adjustments for:		
Depreciation expense	381,300	353,537
Amortization expense	56,650	53,800
Provision for bad debts expense, commitments and guarantees liabilities	1,203,947	366,410
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(334,653)	92,252
(Gains) losses on disposal of properties and equipment	(10,517)	120
Interest expense	2,775,768	3,697,723
Interest revenue	(11,471,305)	(11,545,960)
Dividend income	(137,745)	(72,140)
Net changes in provision for losses on others	-	446
Compensation costs of employee share options	20,400	26,625
Share of profit of subsidiaries and associates	(779,557)	(409,567)
Gains on disposal of investments in debt instruments at fair value through other comprehensive income	(4,713)	(83,178)
Impairment losses on financial assets	5,960	8,068
Unrealized loss on foreign currency exchange	433,009	1,279,863
Gain on lease suspension	(5,797)	(1,143)
Total adjustment	<u>(7,867,253)</u>	<u>(6,233,144)</u>
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(1,445,572)	(1,452,847)
Financial assets at fair value through profit or loss	(1,228,543)	(5,211,325)
Receivables	393,659	357,123
Notes discounted and loans	(24,027,273)	(21,217,414)
Other financial assets	(534,176)	740
Other assets	(7,692)	635
Due to the Central Bank and other banks	(3,083,638)	510,278
Financial liabilities at fair value through profit or loss	(1,205,292)	(491,417)
Securities sold under repurchase agreements	(1,094,518)	(8,068,948)
Payables	2,994,115	464,016
Deposits and remittances	23,109,651	53,407,354
Other financial liabilities	477,247	107,246
Provision for employee benefits	(114,423)	(79,296)
Other liabilities	85,215	129,225
Changes in operating assets and liabilities	<u>(5,681,240)</u>	<u>18,455,370</u>
Cash (used in) generated from operations	(8,094,784)	16,886,719
Interest received	11,602,460	11,912,914
Dividend received	375,207	559,198
Interest paid	(2,814,699)	(3,821,404)
Income tax paid	<u>(501,166)</u>	<u>(762,769)</u>
Net cash generated from operating activities	<u>567,018</u>	<u>24,774,658</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (11,284,192)	\$ (15,159,499)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,317,086	6,422,235
Purchase of financial assets at amortized cost	(907,585,588)	(793,961,984)
Proceeds from repayments sale of financial assets at amortized cost	910,515,784	787,997,560
Payments for properties and equipment	(1,602,516)	(1,850,995)
Proceeds from disposal of properties and equipment	15,050	-
Increase in refundable deposits	(16,502)	(613,024)
Payments for intangible assets	<u>(56,164)</u>	<u>(97,992)</u>
Net cash used in investing activities	<u>(6,697,042)</u>	<u>(17,263,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing from Central Bank and other banks	1,322,260	2,167,280
Proceeds from issuance of bank debentures	5,000,000	-
Repayment of bank debentures	-	(2,500,000)
Repayment of the principal portion of lease liabilities	(185,017)	(148,529)
Cash dividends distributed	(996,407)	(1,038,474)
Proceeds from issuance of ordinary shares	<u>2,230,000</u>	<u>2,550,000</u>
Net cash generated from financing activities	<u>7,370,836</u>	<u>1,030,277</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>31,960</u>	<u>(23,328)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,272,772	8,517,908
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>45,756,375</u>	<u>37,238,467</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>\$ 47,029,147</u>	<u>\$ 45,756,375</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	<u>December 31</u>	
	2021	2020
RECONCILIATIONS OF THE AMOUNTS IN THE STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE BALANCE SHEETS AT DECEMBER 31, 2021 AND 2020		
Cash and cash equivalents in the balance sheets	\$ 17,627,033	\$ 11,216,775
Due from the central bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	18,143,675	21,766,479
Securities purchased under resale agreements in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>11,258,439</u>	<u>12,773,121</u>
Cash and cash equivalents at the end of the year	<u>\$ 47,029,147</u>	<u>\$ 45,756,375</u>

(Concluded)



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taichung Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taichung Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, 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 Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the descriptions of the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2021:

Expected Credit Losses of Notes Discounted and Loans, Net

As described in Notes 13 and 32 to the consolidated financial statements, notes discounted and loans amounted to \$479,806,373 thousand which accounted for 62% of total assets at December 31, 2021 and the expected credit losses of the notes discounted and loans amounted to \$1,040,130 thousand which accounted for 8% of total net revenue for the year ended December 31, 2021. Due to the large amount, such accounts have a significant effect on the consolidated financial statements of the Group. In addition, the measurement of expected credit losses of notes discounted and loans involved various financial factors, such as probability of default and loss given default, which involved the management's critical estimations and judgments, and also required compliance with relevant laws and regulations. Therefore, the expected credit loss of notes discounted and loans was identified as a key audit matter.

The relevant accounting policies, estimates, assumptions and other information are referred to in Notes 4, 5, 13 and 32 to the consolidated financial statements.

The main audit procedures performed for the expected credit losses of notes discounted and loans were as follows:

- We understood the internal controls for the expected credit losses of notes discounted and loans of the Group. We checked the Group's compliance with relevant regulations issued by authorities on assessment of the expected credit losses.
- We understood and recalculated the key parameters (such as probability of default and loss given default) for the expected credit losses of notes discounted and loans assessed by the Bank to evaluate the reasonableness of expected credit losses.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2021 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 Wen-Yea Shyu and Shu-Lin Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2022

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.

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

ASSETS	2021		2020	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 17,964,974	2	\$ 11,709,619	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	38,193,986	5	40,371,218	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	33,675,502	4	30,867,825	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	48,547,804	6	41,009,840	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	109,181,808	14	112,624,454	15
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	11,258,439	2	12,773,121	2
RECEIVABLES, NET	14,351,605	2	13,483,664	2
CURRENT TAX ASSETS	-	-	3,279	-
NOTES DISCOUNTED AND LOANS, NET	479,806,373	62	456,541,322	62
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	165,124	-	163,148	-
RESTRICTED ASSETS, NET	394,621	-	439,283	-
OTHER FINANCIAL ASSETS, NET	437,502	-	2,246	-
PROPERTIES AND EQUIPMENT, NET	13,755,424	2	12,332,669	2
RIGHT-OF-USE ASSETS, NET	817,320	-	978,218	-
INVESTMENT PROPERTIES, NET	-	-	18,014	-
INTANGIBLE ASSETS, NET	220,723	-	213,470	-
DEFERRED TAX ASSETS	859,352	-	795,104	-
OTHER ASSETS	<u>3,047,836</u>	<u>1</u>	<u>2,443,527</u>	<u>-</u>
TOTAL	<u>\$ 772,678,393</u>	<u>100</u>	<u>\$ 736,770,021</u>	<u>100</u>
LIABILITIES AND EQUITY				
DUE TO THE CENTRAL BANK AND OTHER BANKS	\$ 3,953,700	1	\$ 7,037,338	1
FUNDS BORROWED FROM THE CENTRAL BANK AND OTHER BANKS	10,459,156	2	8,510,652	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	512,399	-	785,819	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	1,205,559	-	2,300,077	-
PAYABLES	11,092,958	2	7,349,384	1
CURRENT TAX LIABILITIES	406,178	-	162,112	-
DEPOSITS AND REMITTANCES	659,116,235	85	636,589,468	87
BANK DEBENTURES	16,500,000	2	11,500,000	2
OTHER FINANCIAL LIABILITIES	2,648,169	-	1,695,813	-
PROVISIONS	1,355,169	-	1,424,492	-
LEASE LIABILITIES	853,218	-	1,006,781	-
DEFERRED TAX LIABILITIES	109,486	-	111,021	-
OTHER LIABILITIES	<u>1,006,181</u>	<u>-</u>	<u>975,311</u>	<u>-</u>
Total liabilities	<u>709,218,408</u>	<u>92</u>	<u>679,448,268</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Ordinary shares	45,385,205	6	41,516,943	6
Capital surplus	1,054,006	-	803,606	-
Retained earnings				
Legal reserve	10,677,008	1	9,469,859	1
Special reserve	149,678	-	150,243	-
Unappropriated earnings	4,886,043	1	4,077,345	1
Other equity	<u>1,308,045</u>	<u>-</u>	<u>1,303,757</u>	<u>-</u>
Total equity attributable to owners of the Bank	<u>63,459,985</u>	<u>8</u>	<u>57,321,753</u>	<u>8</u>
Total equity	<u>63,459,985</u>	<u>8</u>	<u>57,321,753</u>	<u>8</u>
TOTAL	<u>\$ 772,678,393</u>	<u>100</u>	<u>\$ 736,770,021</u>	<u>100</u>

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUE	\$ 12,245,485	89	\$ 12,129,429	104	1
INTEREST EXPENSE	<u>(2,967,855)</u>	<u>(21)</u>	<u>(3,850,336)</u>	<u>(33)</u>	(23)
NET INTEREST	9,277,630	68	8,279,093	71	12
NET INCOME AND LOSS OTHER THAN INTEREST					
Service fee income, net	3,374,711	25	2,905,903	25	16
Gains (losses) on financial assets and liabilities at fair value through profit or loss	735,073	5	(26,390)	-	2,885
Realized gains on financial assets at fair value through other comprehensive income	157,660	1	171,098	1	(8)
Foreign exchange gains, net	153,176	1	311,605	3	(51)
Impairment losses on assets	(5,960)	-	(8,068)	-	(26)
Share of loss of associates for using the equity method	(592)	-	(3,294)	-	(82)
Other non-interest gains, net	<u>30,176</u>	<u>-</u>	<u>13,795</u>	<u>-</u>	119
TOTAL NET REVENUE	<u>13,721,874</u>	<u>100</u>	<u>11,643,742</u>	<u>100</u>	18
PROVISION FOR BAD DEBTS EXPENSE, COMMITMENTS AND GUARANTEES	<u>(1,368,511)</u>	<u>(10)</u>	<u>(519,032)</u>	<u>(4)</u>	164

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses	\$ (4,305,442)	(31)	\$ (3,970,323)	(34)	8
Depreciation and amortization expenses	(498,065)	(4)	(490,795)	(4)	1
Other selling and administrative expenses	<u>(1,980,647)</u>	<u>(14)</u>	<u>(1,905,162)</u>	<u>(17)</u>	4
Total operating expenses	<u>(6,784,154)</u>	<u>(49)</u>	<u>(6,366,280)</u>	<u>(55)</u>	7
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS					
	5,569,209	41	4,758,430	41	17
INCOME TAX EXPENSE	<u>(772,935)</u>	<u>(6)</u>	<u>(732,897)</u>	<u>(7)</u>	5
NET PROFIT FOR THE YEAR	<u>4,796,274</u>	<u>35</u>	<u>4,025,533</u>	<u>34</u>	19
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	14,745	-	(34,806)	-	142
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	282,074	2	230,633	2	22
Share of the other comprehensive income of associates accounted for using the equity method	2,568	-	9,654	-	(73)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,512)</u>	<u>-</u>	<u>819</u>	<u>-</u>	(407)
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>296,875</u>	<u>2</u>	<u>206,300</u>	<u>2</u>	44

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on the translation of financial statements of foreign operations	\$ 36,023	1	\$ (24,794)	-	245
Unrealized (losses) gains on investments in debt instruments designated as at fair value through other comprehensive income	(244,933)	(2)	264,206	2	(193)
Income tax relating to items that may be reclassified subsequently to profit	-	-	3,151	-	(100)
Items that may be reclassified subsequently to profit or loss, net of income tax	(208,910)	(1)	242,563	2	(186)
Other comprehensive income for the year, net of income tax	87,965	1	448,863	4	(80)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,884,239</u>	<u>36</u>	<u>\$ 4,474,396</u>	<u>38</u>	9
EARNINGS PER SHARE					
Basic	<u>\$ 1.10</u>		<u>\$ 0.98</u>		
Diluted	<u>\$ 1.10</u>		<u>\$ 0.98</u>		

(Concluded)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Bank					Other Equity		Total Equity
	Capital Stock Ordinary Shares	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
			Legal Reserve	Special Reserve				
BALANCE AT JANUARY 1, 2020	\$ 37,088,349	\$ 726,981	\$ 8,188,237	\$ 150,243	\$ 4,302,204	\$ (96,316)	\$ 949,508	\$ 51,309,206
Appropriation of 2019 earnings								
Legal reserve	-	-	1,281,622	-	(1,281,622)	-	-	-
Cash dividends	-	-	-	-	(1,038,474)	-	-	(1,038,474)
Share dividends	1,928,594	-	-	-	(1,928,594)	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	4,025,533	-	-	4,025,533
Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax	-	-	-	-	(27,761)	(24,794)	501,418	448,863
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	3,997,772	(24,794)	501,418	4,474,396
Issuance of ordinary shares for cash	2,500,000	50,000	-	-	-	-	-	2,550,000
Issuance of ordinary shares under employee share options	-	26,625	-	-	-	-	-	26,625
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	26,059	-	(26,059)	-
BALANCE AT DECEMBER 31, 2020	41,516,943	803,606	9,469,859	150,243	4,077,345	(121,110)	1,424,867	57,321,753
Appropriation of 2020 earnings								
Legal reserve	-	-	1,207,149	-	(1,207,149)	-	-	-
Special reserve	-	-	-	(565)	565	-	-	-
Cash dividends	-	-	-	-	(996,407)	-	-	(996,407)
Share dividends	1,868,262	-	-	-	(1,868,262)	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	4,796,274	-	-	4,796,274
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	12,021	36,023	39,921	87,965
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,808,295	36,023	39,921	4,884,239
Issuance of ordinary shares for cash	2,000,000	230,000	-	-	-	-	-	2,230,000
Issuance of ordinary shares under employee share options	-	20,400	-	-	-	-	-	20,400
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	71,656	-	(71,656)	-
BALANCE AT DECEMBER 31, 2021	\$ 45,385,205	\$ 1,054,006	\$ 10,677,008	\$ 149,678	\$ 4,886,043	\$ (85,087)	\$ 1,393,132	\$ 63,459,985

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,569,209	\$ 4,758,430
Adjustments for:		
Depreciation expense	433,704	432,361
Amortization expense	64,361	58,434
Provision for bad debts expense, commitments and guarantees liabilities	1,368,511	519,032
(Gains) losses on financial assets and liabilities at fair value through profit or loss	(735,073)	26,390
Gain on disposal of properties and equipment	(11,163)	(8)
Interest expense	2,967,855	3,850,336
Interest revenue	(12,245,485)	(12,129,429)
Dividend income	(152,947)	(87,920)
Net changes in provision for losses on others	-	446
Compensation cost of employee share options	20,400	26,625
Share of loss of associates	592	3,294
Gains on disposal of investments in debt instruments at fair value through other comprehensive income	(4,713)	(83,178)
Impairment losses on financial assets	5,960	8,068
Unrealized loss on foreign currency exchange	433,605	1,280,144
Gain on lease suspension	(5,797)	(1,184)
Total adjustment	<u>(7,860,190)</u>	<u>(6,096,589)</u>
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(1,445,572)	(1,452,847)
Financial assets at fair value through profit or loss	(1,224,701)	(5,670,776)
Receivables	(1,002,399)	(977,517)
Notes discounted and loans	(24,293,453)	(21,387,413)
Other financial assets	(534,192)	740
Other assets	(583,537)	(114,402)
Due to the Central Bank and other banks	(3,083,638)	510,278
Financial liabilities at fair value through profit or loss	(1,121,323)	(295,887)
Securities sold under repurchase agreements	(1,094,518)	(8,068,948)
Payables	3,787,213	1,498,838
Deposits and remittances	22,526,767	53,267,511
Other financial liabilities	477,247	107,246
Provision for employee benefits	(114,423)	(79,296)
Other liabilities	(43,979)	91,485
Changes in operating assets and liabilities	<u>(7,750,508)</u>	<u>17,429,012</u>
Cash (used in) generated from operations	(10,041,489)	16,090,853
Interest received	12,370,389	12,496,942
Dividends received	152,947	87,920
Interest paid	(3,006,494)	(3,974,263)
Income tax paid	<u>(593,885)</u>	<u>(939,992)</u>
Net cash (used in) generated from operating activities	<u>(1,118,532)</u>	<u>23,761,460</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (11,365,309)	\$ (15,491,073)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,769,302	6,502,875
Purchase of financial assets at amortized cost	(907,585,588)	(793,961,984)
Proceeds from repayments of financial assets at amortized cost	910,515,784	787,997,560
Payments for properties and equipment	(1,619,357)	(1,871,092)
Proceeds from disposal of properties and equipment	16,308	779
Decrease (increase) in refundable deposits	19,890	(526,986)
Payments for intangible assets	<u>(68,436)</u>	<u>(105,285)</u>
Net cash used in investing activities	<u>(6,317,406)</u>	<u>(17,455,206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from Central Bank and other banks	1,948,504	2,418,612
Proceeds from commercial papers issued	475,109	414,484
Proceeds from issuance of bank debentures	5,000,000	-
Repayments of bank debentures	-	(2,500,000)
Proceeds from (refund of) guarantee deposits received	74,849	(14,916)
Repayments of principal portion of lease liabilities	(214,271)	(203,293)
Cash dividends distributed	(996,407)	(1,038,474)
Proceeds from issuance of ordinary shares	<u>2,230,000</u>	<u>2,550,000</u>
Net cash generated from financing activities	<u>8,517,784</u>	<u>1,626,413</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>36,023</u>	<u>(24,794)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,117,869	7,907,873
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>46,249,219</u>	<u>38,341,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 47,367,088</u>	<u>\$ 46,249,219</u>

(Continued)

TAICHUNG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	<u>December 31</u>	
	2021	2020
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2021 AND 2020		
Cash and cash equivalents in the consolidated balance sheets	\$ 17,964,974	\$ 11,709,619
Due from the central bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	18,143,675	21,766,479
Securities purchased under resale agreements in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>11,258,439</u>	<u>12,773,121</u>
Cash and cash equivalents at the end of the year	<u>\$ 47,367,088</u>	<u>\$ 46,249,219</u>

(Concluded)

Taichung Commercial Bank Co., Ltd.

Company Corporate Charter (Articles of Incorporation)

Chapter 1 General rules

- Article 1 The Bank was organized and incorporated in accordance with The Banking Act of The Republic of China and the Company Corporate Charter (Articles of Incorporation), known as “Taichung Commercial Bank Co., Ltd.” (hereinafter referred to as “Taichung Bank”)
- Article 2 The Bank is dedicated to support the national policy in finance and banking, and provide viable financial service and advocate industrial and economic development.
- Article 3 The Bank’s head office is in Taichung City and with appropriate branches set-up domestically and internationally depending on its business operations. The incorporation, revocation, or amendment of branch offices are reported to the competent authorities for approval and are registered with the Ministry of Economic Affairs in accordance with the resolutions of the Board.
- Article 4 The Bank has announcements made by publishing it in the local daily newspaper where the head office of the Bank is located or by the instructions of the competent authorities.

Chapter 2 Shares

- Article 5 The Bank’s authorized capital amounted to NT\$61.5 billion with 6.15 billion shares issued at NT\$10 per share, in which, the Board is authorized to have the unissued shares issued by installments.
- Preferred shares may be offered within the total amount of shares as mentioned in the previous paragraph.
- Article 5-1 The rights and obligations of the preferred shares of the Bank and other important conditions for issuance are shown below:
1. If the Bank has earnings after account settlement, it shall appropriate the payment of applicable taxes and for write-off loss Continued from previous periods. If there is still a balance, appropriate or make reversal for the legal reserve and special reserve as required by law. The remainder shall be distributed as the stock dividend to preferred shares of the year at the first priority.
 2. Dividends for preferred shares shall be set at no more than 8% per annum.
 3. Dividends for preferred shares shall be calculated on the offering price per share and will be paid in cash once a year. After the ratification of the financial statements by the annual meeting of shareholders, the Board shall set the dividend day for the distribution of dividends of the previous fiscal year. The distribution of dividends in the year of offering and the year of redemption shall be based on the quantity of the issuing day.
 4. The Bank is discretionary in payment of stock dividend for preferred shares. If the Bank has no earnings in particular year and there is no payment of stock dividend for ordinary shares, or the earnings are insufficient for dividend payment, or the payment of dividend of preferred shares makes the capital adequacy ratio of the Bank fall below the minimum requirements under law or the competent authority,

the Bank may resolve not to pay dividend for preferred shares. Holders of preferred shares shall not have any objection of such decision. If the preferred shares so issued are the non-accumulative type, the dividends not being distributed or inadequate amount of dividends shall not be accumulated to deferred payments with subsequent years in which the Bank has earnings.

5. Further to the entitlement of dividend stated in Subparagraph 3, if the preferred shares offered are non-participating, the holders of preferred shares are not entitled to cash dividend or stock dividend for ordinary shares through for cash payment or capitalization of retained earnings and capital reserve.
6. Holders of preferred shares issued by the Bank have the priority to distribution of residual assets over the holders of ordinary shares up to the amount of cash in the offering and its preferential order to receive indemnification is the same as that of shareholders of various preferred shares issued by the Bank. In case the competent authority ordered for a takeover of the Bank, discontinuation of operation for clearing, and liquidation, the priority of the holders of preferred shares is the same as the holders of ordinary shares.
7. Holders of preferred shares are not entitled to vote and taking part in the election but could be elected as Directors, and are entitled to vote only in the Shareholders' Meeting of preferred shares and session of the Shareholders' Meeting related to the rights and obligations of the holders of preferred shares.
8. No conversion of the convertible preferred shares issued by the Bank within 1 year from the day of offering. The timing for conversion shall be determined by the Board as an integral part of the condition of offering under authorization. Holders of convertible preferred shares may apply for conversion of preferred shares in their holding to ordinary shares in whole or in part as stated in the conditions of offering at the ratio of 1 preferred share to 1 ordinary share (conversion ratio is 1:1). After the conversion of preferred shares to Ordinary shares, the rights and obligations shall be the same as ordinary shares. The payment of dividend in the year of conversion of preferred shares shall be based on the exact number of outstanding days of the shares in proportion to the number of days in the year in the calculation. However, preferred shares converted to ordinary shares prior to the ex-right (dividend) day are not entitled to the payment of dividend for preferred shares in the year of payment and payment in subsequent years, but are entitled to the payment of dividend of ordinary shares from earnings and capital reserve.
9. There is no maturity date for preferred shares issued by the Bank and the holders of preferred shares are not entitled to claim for the redemption of the shares. The Bank may redeem the outstanding preferred shares in whole or in part from the day after the 5th anniversary of the offering of preferred shares under law or at the permission of the competent authority. Redemption will be made at the offering price. The preferred shares not being redeemed still be granted the rights and obligations as mentioned in preceding paragraphs. Where the Bank may determine to pay stock dividend in particular year, the payable dividend to the deadline of redemption shall be calculated on the exact number of outstanding days.
10. If the preferred shares issued by the Bank have a maturity date, it shall be no less than 5 years. Holders of preferred shares are not entitled to request the Bank for redemption of the shares before maturity. At maturity or the day after the 5th anniversary of the issuance day and as permitted by applicable laws and the

competent authority, the Bank may redeem the shares at the offering price and under related regulations of issuance, issue new shares for compulsory conversion with the preferred shares (in the ratio of 1:1), or redeem by another means as permitted by law. If the Bank cannot redeem the preferred shares in whole or in part at maturity under objective factors or force majeure, the rights inherent to the preferred shares shall prevail under the same conditions for issuance provided under related regulations for issuance until the whole issue was redeemed by the Bank.

The Board shall be authorized to assign the title, issuing date and the terms and conditions for the offering of preferred shares at the time of offering pending on the situation of the capital market and the willingness of the investors and in accordance with the Articles of Incorporation of the Bank and other applicable legal rules.

Article 6 The Bank may have new shares issued by a book-entry in accordance with the Company Act.

Article 7 The Bank's dividend distribution is proposed by the Board for resolution in the meeting of shareholders, but the Bank may not propose to have the capital distributed as dividends when there are no earnings.

Article 8 The Company's stock is processed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" published by the competent authorities and other relevant laws and regulations.

Article 9 The Bank's stock shares cannot be transferred within 60 days prior to the Annual Meeting of Shareholders, 30 days prior to the extraordinary meeting of shareholders, or 5 days prior to the record date of the bank's distributing dividends, bonus or other benefits.

Article 10 The Bank's elected directors shall report the shareholding at the time of election to the competent authorities. A director in office who has stock shares transferred for over one half of the shareholding at the time of election will be discharged automatically.

A director in office shall report to the competent authorities and announce any increase or decrease of shareholdings.

The director who is reelected prior to the tenure expired and has shares transferred before inauguration for over one half of the shareholding at the time of election, or has shares transferred for over one half of the shareholding during the stop-transferring period before the meeting of shareholders convened will be disqualified.

Chapter 3 Business operation

Article 11 The Bank's business operation is H101021 Commerce banking.

It is limited to the businesses authorized by the competent authorities referred to above.

Article 12 The Bank may operate other businesses authorized by the competent authorities.

Chapter 4 Meeting of shareholders

Article 13 The meeting of shareholders includes the annual meeting of shareholders and extraordinary meeting of shareholders. The annual meeting of shareholders is held once a year and it is to be convened by the Board within 6 months after the fiscal year. The extraordinary meeting of shareholders is to be convened by the Board or the Auditing Committee when it is necessary. Shareholders who have over 3% shareholding for more than 1 year may request the Board to convene an extraordinary meeting of shareholders by filing a written proposal with the matters and reasons

detailed.

Where necessary, the meeting of the holders of preferred shares may be convened under the applicable legal rules.

Article 14 Shareholders should be informed of the meeting date, place and subject 30 days in advance for the Annual Meeting of Shareholders and 15 days in advance for the extraordinary meeting of shareholders.

Article 15 Shareholders who are unable to attend the meeting of shareholders may issue the Bank's proxy with the scope of authorization detailed and signed or sealed to commission the representative attending the meeting, but a shareholder is limited to issuing one proxy and assigning one representative only. Proxy shall be served to the Bank 5 days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

Other pending matters are to be processed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies" published by the competent authorities.

Article 16 The resolutions reached in the meeting of shareholders and the executions are as follows:

1. Regulating and amending the Bank's Company Corporate Charter (Articles of Incorporation).
2. Resolutions reached on capital increase or decrease;
3. The election or dismissal of directors.
4. Audit the financial statements prepared by the Board and the Auditing Committee's Report. The reviewers for auditing the financial statements and reports are to be appointed at the meeting of shareholders.
5. Resolutions reached on the distribution of earnings and shareholder bonus;
6. Resolutions reached on the other important matters;

Article 17 The resolutions reached in the meeting of shareholders, unless otherwise provided in the Company Act, must be with the majority votes of the attending shareholders and the shareholdings of the attending shareholders is over one half of the total number of shares issued.

Article 18 If the shareholdings of the attending shareholders are not more than 50% but one third of the total number of shares issued, a pseudo-resolution can be reached with the majority votes of the attending shareholders. The shareholders should be informed regarding the pseudo-resolution reached and another meeting of shareholders will be convened within one month.

The pseudo-resolution reached in the meeting of shareholders referred to above with the attendance of shareholders representing over one third of the shareholdings and resolved with the majority votes is deemed as a resolution reached.

Article 19 Shareholders are entitled to one vote per share, unless otherwise provided by law.

Article 20 The minutes of the meeting of shareholders shall include the meeting time and date and place, the name of the chairperson and the method of the resolutions, the essentials of procedure and results, and the signature or seal of the chairperson. It should be permanently reserved throughout the duration of the Company. The attendance registry

for the signature of the attending shareholders or the proxy of the representative should be reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Chapter 5 Directors and the Board of Directors

Article 21 The Bank's Board is composed of 7~15 directors elected among the competent individuals in the meeting of shareholders for a 3-year tenure and can be reelected in accordance with Article 198 of the Company Act. The total stock shares of all directors shall comply with the requirements of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

For the directors (including independent directors) of this Bank, the nomination system is adopted to have directors elected from the list of candidates.

For the directors, the number of independent directors shall not be less than three seats, and one fifth of the director seats; also, non-independent directors and independent directors should be elected together for the respective number of seats with the candidates receiving the higher electoral votes elected.

The professional qualifications, shareholding and part-time job restrictions, definition of independence, nomination method, proxy and other compliance matters of the independent directors shall be handled in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Article 22 The Board shall have 3~5 managing directors elected by voting with the consent of the majority attending directors and the attendance of two thirds of the directors. According to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," there must be at least one independent director among the managing directors, and shall not constitute less than one fifth of the managing directors. The vice chairman and standing managing director will be appointed, if necessary, by a resolution of the Board.

Chairman, vice chairman and standing managing director will be elected among the managing directors in accordance with the methods described in the preceding paragraph.

Where there is no establishment of managing directors, the chairman shall be elected by and from among the directors, with two-thirds or more of the directors present and the consent of more than half of the directors present at the meeting, and if necessary, one person may be elected as the vice chairman by and from among themselves.

The chairman chairs the meeting of shareholders, the Board and the General Board internally, and represents the Bank externally. When the chairman is on leave or unable to exercise his powers for certain reasons, the vice chairman is to act on the chairman's behalf. If there is no establishment of vice chairman or the vice chairman is on leave or cannot exercise his or her powers due to some reason, the president shall appoint one managing director to act on his or her behalf; if there is no establishment of managing directors, the chairman shall appoint one director to act on his or her behalf; if the chairman does not appoint a proxy, the managing directors or directors shall elect one person by and from among themselves to act on the behalf of the chairman.

If the credibility of the Bank or the person in charge is damaged by the spreading rumors or fraud, the chairman of the Bank should immediately file a lawsuit to the prosecution office according to law.

When the Board meeting is in recess, the managing directors shall comply with the law and regulations, the resolutions of the meeting of shareholders and the resolution of the Board to execute banking business by convention convened by the chairman at any time and resolved with the consent of the majority votes of the majority attending managing directors.

Article 23 The Board of Directors exercises the following authorities:

1. Review and approval of bylaws;
2. The review and approval of important business and plans, and the decision on business plan;
3. Review and approval of important contracts;
4. Review and approval of budget;
5. The proposed earnings distribution;
6. The proposed capital increase or decrease;
7. The establishment, revocation or amendment of the Bank's branches;
8. The property trade and investment decisions;
9. Auditing management and execution;
10. The appointment and dismissal of the managers;
11. The other powers entrusted in accordance with the law and regulations and in the meeting of shareholders;

Article 24 The Board is to convene a meeting quarterly. An extraordinary meeting can be convened for urgent matters or upon the request of a majority of the directors, unless otherwise provided by the Company Act; it is to be convened by the chairman. To strengthen the management functions, the Board may set up functional committees for various types of functionalities with the terms of powers regulated by the Board separately.

Article 25 Directors shall attend the Board meeting in person. The directors who are unable to attend the meeting for reasons may appoint another director to attend the meeting by proxy each time and with the scope of authorization detailed.

The proxy referred to above is limited to one representative only.

Article 26 The resolutions of the Board, unless otherwise provided by the Company Act, must be with the attendance of the majority of the directors and the consent of the majority of the attending directors. The minutes of meeting should be signed or sealed by the chairman.

Article 27 When the number of the director discharged is over one third of the elected seats, the Board shall convene a meeting of shareholders for a lawful election. The newly reelected directors are to serve the remaining tenure of the former directors.

Article 27-1 The Board of Directors is authorized to have the remuneration to the chairman, vice chairman, standing managing director, managing director, independent directors and directors determined and paid by referring to the general payment standard of the industry.

Independent Directors are not eligible for our bank's earnings distribution.

Our bank should pay for liability insurance policies that cover the liabilities for

damages as defined by statutes or court ruling within the scope of the business of Directors.

Article 28 The President and Vice President may be invited to attend the Board meetings, managing director and responsible personnel meeting for consultation.

Chapter 6 Audit Committee

Article 29 The Auditing Committee of the Bank is consisted of all the independent directors. The term of office is identical with the term of office for the independent directors and the committee shall contain at least three members of whom at least one shall be expertise in accounting or finance.

The performance of the duties and exercise of rights by the Auditing Committee, the meeting procedure and other rules to comply shall be based on the “Regulations Governing the Exercise of Powers by the Audit Committees of Public Companies” and the “Organizational Code of the Auditing Committee” of the Bank.

Article 29-1 (Deleted)

Article 30 (Deleted)

Article 31 (Deleted)

Chapter 7 Manager

Article 32 The Bank has one President appointed to manage business fully adhering to the resolutions of the Board of Directors, and with one Vice President and several Deputy Executive Vice President appointed to help the President in business operations whose appointment is with the consent of a majority of the Board of Directors. In addition, several managers at all levels are appointed by the President who are proposed to the Board of Directors for appointment and dismissal with the consent of a majority of the Board of Directors.

The Bank has one Chief Auditor appointed, a position equivalent to the Vice President, with the consent of a majority of the Audit Committee and two thirds of the Board of Directors; also, the appointment, dismissal, and transfer of the Chief Auditor should be reported to the competent authorities for approval in advance.

If the said appointment of the Chief Auditor in the preceding paragraph is without the consent of a majority of the Audit Committee, the resolution of the Audit Committee should be stated in the minutes of the Board meeting.

Chapter 8 Accounting

Article 33 The Bank has the business operations settled at the end of each month and the final settlement scheduled on December 31.

Article 34 The Bank shall have the following books and statements prepared after the annual settlement for the review of the Board and the audit of the Audit Committee; also, submitted to the meeting of shareholders for admission and reported to the competent authorities and the Central Bank for filing within 15 days, respectively.

1. Business report
2. Financial statements
3. Earnings distribution or deficit compensation proposal;

Article 35 If there is a profit, the Bank shall appropriate 0.5% to 3% as remuneration to the employees. The Board shall determine if stock or cash shall be released for such

purpose. In addition, the Bank may allocate no more than 2.5% of the aforementioned amount as remuneration to the Directors. The distribution of remuneration to employees and directors should be reported in the shareholders' meeting. If the Bank has accumulated deficit, an equivalent amount should be reserved for making up such loss, then the remuneration to employees and directors can be appropriated in accordance with the ratio stated in the preceding paragraph thereafter.

Article 36 If the Bank has earnings after account settlement, appropriate for payment of applicable taxes as required by law and for write-off loss Continued, followed by the appropriation of 30% as legal reserve. No further appropriation is necessary if the amount of legal reserve is equivalent to the paid-in capital of the Bank. The remainder shall be appropriated or made reversal for special reserve, followed by the distribution of dividends of preferred shares. For the balance, pool up with accumulated undistributed earnings and the amount of reversal of special reserve as required by law. If there are still earnings, for the distribution of dividends and bonuses to the shareholders at the proposal of the Board and ratification of the Annual Meeting.

For the earnings distribution proposed to the Board of Directors in the shareholders' meeting for resolution in the preceding paragraph, a working capital should be reserved first according to the changes in the operating environment, business operation, and investment, the ratio of cash and stock dividends should be proposed, of which, cash dividends should not be less than 10% of the total dividend amount.

If the capital adequacy ratio fails to reach the legal ratio, the earnings shall be allocated in accordance with the Banking Act of The Republic of China and the competent authority's requirements.

Chapter 9 Appendix

Article 37 The organization code of the Bank shall be instituted separately.

Article 38 The matters that are not regulated in the Company Corporate Charter (Articles of Incorporation) should be processed in accordance with the Company Act, the Banking Act of The Republic of China and related laws and regulations.

Article 39 The Company Corporate Charter (Articles of Incorporation) is implemented after the resolution reached in the meeting of shareholders, so is the amendment. The Company Corporate Charter (Articles of Incorporation) was established on October 22, 1977 and implemented on January 1, 1978.

The 1st amendment was implemented on March 4, 1979.

The 2nd amendment was implemented on March 9, 1980.

The 3rd amendment was implemented on March 1, 1981.

The 4th amendment was implemented on March 7, 1982.

The 5th amendment was implemented on March 5, 1983.

The 6th amendment was implemented on March 7, 1985.

The 7th amendment was implemented on March 22, 1986.

The 8th amendment was implemented on March 19, 1987.

The 9th amendment was implemented on March 23, 1988.

The 10th amendment was implemented on March 23, 1989.

The 11th amendment was implemented on October 5, 1989.

The 12th amendment was implemented on March 23, 1990.

The 13th amendment was implemented on June 28, 1991.

The 14th amendment was implemented on October 13, 1992.

The 15th amendment was implemented on June 5, 1993.

The 16th amendment was implemented on April 23, 1994.

The 17th amendment was implemented on June 10, 1995.
The 18th amendment was implemented on October 18, 1995.
The 19th amendment was implemented on March 28, 1996.
The 20th amendment was implemented on May 8, 1997.
The 21st amendment was implemented on June 20, 1998.
The 22nd amendment was implemented on October 12, 1998.
The 23rd amendment was implemented on May 18, 1999.
The 24th amendment was implemented on June 15, 2000.
The 25th amendment was implemented on May 17, 2002.
The 26th amendment was implemented on June 25, 2003.
The 27th amendment was implemented on June 9, 2006.
The 28th amendment was implemented on December 7, 2006.
The 29th amendment was implemented on June 15, 2007.
The 30th amendment was implemented on June 13, 2008.
The 31st amendment was implemented on June 19, 2009.
The 32nd amendment was implemented on June 15, 2010.
The 33rd amendment was implemented on June 22, 2011.
The 34th amendment was implemented on June 13, 2013.
The 35th amendment was implemented on June 19, 2014.
The 36th amendment was implemented on June 2, 2015.
The 37th amendment was implemented on June 21, 2016.
The 38th amendment was implemented on June 7, 2017.
The 39th amendment was implemented on June 5, 2018.
The 40th amendment was implemented on June 28, 2019.
The 41st amendment was implemented on June 30, 2020.
The 42nd amendment was implemented on July 1, 2021.

Rules of Procedure for Shareholder Meetings

Resolved in the Annual Meeting of Shareholders on June 20, 1998.
 Resolved in the Annual Meeting of Shareholders on June 13, 2013.
 Resolved in the Annual Meeting of Shareholders on June 28, 2019.
 Resolved in the Annual Meeting of Shareholders on June 30, 2020.
 Resolved in the Annual Meeting of Shareholders on July 1, 2021.

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 The Company’s meeting of shareholders shall be convened by the Board, unless otherwise provided by law.

The Company shall have the Annual Meeting of Shareholders notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the MOPS 30 days prior to the annual meeting of shareholders or fifteen days prior to the extraordinary meeting of shareholders. Also, the Annual Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the MOPS 21 days prior to the Annual Meeting of Shareholders or 15 days prior to the extraordinary meeting of shareholders. The Annual Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the annual meeting of shareholders; also, on display at the Company’s and its Stock Agent’s and distributed to shareholders at the meeting place.

The reasons for convening the meeting should be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting, and the essential contents shall be explained. None of the above matters may be raised by a question and motion.

Where the agenda for calling the Shareholders’ Meeting has stated clearly the general re-election of directors, and the date of appointment, which date shall not be altered by means of questions and motions or otherwise at the same meeting after the re-election at the Shareholders’ Meeting is completed.

Shareholder holding 1 percent or more of the total number of issued shares may

submit to this Corporation for discussion at a regular shareholders meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, where the motion proposed by the shareholder is for the purpose of urging the Company to promote public interest or the recommendation of fulfilling its social responsibilities, the Board of Directors may still include such a motion into the agenda. Unless any of the circumstances under Article 172-1, paragraph 4 of the Company Act is satisfied, the board of directors of the Company shall include the proposal submitted by a shareholder in the list of proposals to be discussed at a regular meeting of shareholders.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the Annual Meeting of Shareholders in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may attend the meeting of shareholders by proxy that is printed and issued by the Company with the scope of authorization detailed.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 5 The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.

Article 6 The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder's representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company should have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots should be distributed for the election of directors, if applicable.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors

should have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 7 If the meeting of shareholders is convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the vice chairman is to chair the meeting. If a vice chairman is not appointed or the vice chairman is also on leave or is unable to perform his duties for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors should be elected among the board members to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 9 Attendance of the meeting of shareholders should be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall call the meeting to order at the meeting time. At the same time, the chairperson will announce the relevant information such as the number of non-voting rights and the number of shares presented.

If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board; and the relevant motions (including questions and motions and amendments to the original motions) shall all be voted by means of case-by-case. Also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairman with the majority votes of the attending shareholders to continuously chair the meeting.

A chairperson who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.

Article 11 Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers.

Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.

Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal.

The chairperson may reply to the speaking shareholders personally or by the designated personnel.

Article 12 Resolutions of the meeting of shareholders should be based on their shareholdings.

For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' Meeting, it shall adopt electronic means

for the exercise of the voting rights, which may also be exercised in writing; when the vote is cast in writing or by electronic means, the election method should be stated in the notice of meeting of shareholders. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the meeting of shareholders, it is deemed as a waiver.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders.

Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.

Article 14 The election of directors held at the meeting of shareholders should be arranged in accordance with the Company's election specifications and with the election results announced immediately at the meeting place, including the list of the directors-elect and the number of voting rights won, as well as the list of unselected directors and the number of voting rights obtained.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15 The resolutions reached in the meeting of shareholders should be documented in the minutes of meeting and signed or sealed by the chairman; also, it should be uploaded to the MOPS within 20 days after the meeting adjournment.

The minutes of meeting should be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting (including the statistical weight) to be stated

therein. Where the election of directors is proceeded, the ballot weight received by each candidate shall be disclosed, which shall be permanently reserved throughout the duration of the Company.

Article 16 The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the meeting of the shareholders commencement date and disclosed in the meeting.

For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands.

The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 18 The chairperson may announce the meeting in recess. The chairperson may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.

If the meeting place cannot be used continuously before the proposals (including questions and motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 19 The Rules of Procedure for Shareholder Meetings is implemented after the resolution reached in the meeting of shareholders, so is the amendment and revocation.

Shareholdings of Directors

1. All directors minimum shareholding and the shareholdings listed in the registry of shareholders

Title	Shareholdings	Shareholdings registered in the registry of shareholders	Remarks
Director	108,924,493 shares	145,112,981 shares	

Note: The stop transfer date is scheduled on March 19, 2022.

2. Directors shareholding list

Title	Name	Shareholdings registered in the registry of shareholders	Remarks
Chairman	Kuei-Fong Wang	494,146	
Managing Director	Hsu Tian Investment Co., Ltd., Representative: Ming-Hsiung Huang	144,618,835	
Managing Director	Hsu Tian Investment Co., Ltd., Representative: Wei-Liang Lin	144,618,835	
Independent managing director	Chien-An Shih	0	
Independent director	Li-Woon Lim	0	
Independent director	Hsin-Chang Tsai	0	
Independent director	Pi-Ta Chen	0	
Director	Hsu Tian Investment Co., Ltd., Representative: Te-Wei Chia	144,618,835	
Director	Hsu Tian Investment Co., Ltd., Representative: Shiow-Huey Yeh	144,618,835	
Director	Hsu Tian Investment Co., Ltd., Representative: Hsin-Ching Chang	144,618,835	
Director	Hsu Tian Investment Co., Ltd., Representative: Shih-Yi Chiang	144,618,835	
Director	Hsu Tian Investment Co., Ltd., Representative: Li-Tzu Lai	144,618,835	