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Chang Hwa Commercial Bank, Ltd.
Minutes for the 2024 Annual Meeting of Shareholders
(Summary Translation)

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

Location : No.57, Sec. 2, Zhongshan N. Rd., Taipei City, Taiwan.

Meeting type: Hybrid shareholders' meeting (physical shareholders' meeting supported by video conferencing)

E-Meeting Platform: Taiwan Depository & Clearing Corporation website:
<https://stockservices.tdcc.com.tw>

Total outstanding shares of the Company: 10,858,292,963 shares

Total shares represented by shareholders present in person or by proxy :
7,345,617,063 shares (including 6,471,280,254 shares voted via electronic transmission and E-Meeting)

Percentage of shares held by shareholders present in person or by proxy : 67.64 %

Chairperson: Joanne Ling, Chairperson of the Board of Directors

Directors present:

Directors: Chao-Chung Chou, Shiu-Yen Lin , Weng-Siung Lee, Jen-Chieh Hsu

Independent Directors: Yu-Hsueh Wu, Shu-Hua Lee, Chao-Kuei Huang

Attendees:

President: Chao-Chung Chou

Hengsheng Attorneys-at-Law-Lawyer: Chih-Ching Yu

Deloitte & Touche CPA: Amanda Wu

Mega Securities Registrar & Transfer Agency Dept.: Senior Vice Presidents
Chun-Chieh Huang, Manager Ying-Lung Chu

The measures taken in the event of any disruption in the video conferencing platform or participation by video conferencing due to natural disaster, unforeseen event, or other force majeure event, and the outcome of the handling of such disruption, please refer notice for 2024 AGM. (actual situation: no disruption)

Recorders: Wei-Chen Liu, Hsin-Yi Chung

Announcement: The aggregate shareholding of the shareholders present constituted a quorum; therefore, the meeting began.

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Chairperson Remarks

Good morning, ladies and gentleman, fellow shareholders and directors.

Today, we warmly welcome all shareholders taking time out of their busy schedules to attend the Bank's 2024 general shareholders' meeting. The Bank will hold a hybrid (in-person supplemented by video conferencing) shareholders' meeting, in hopes that all shareholders may participate in the meeting. Recently, the weather is trending warmer, so we ask that all shareholders stay hydrated to prevent heatstroke. On behalf of all employees at Chang Hwa Bank, I would like to express our deepest gratitude to all shareholders; your valuable encouragement and support are the greatest force driving the Bank to continued improvement and greater results.

I would like to report to shareholders on the 2023 performance of the management team in four aspects:

1. Financial Profit Performance

With the joint efforts of all employees, the Bank achieved historic high profits in 2023, with a net income after tax of NT\$12.982 billion, a growth of 18.33% from the previous year, and EPS of NT\$1.2, with ROE of 7.27%. The quality of the Bank's credit assets has also steadily improved, with a non-performing loan ratio of 0.18% and a coverage rate of 693.38%.

2. Credit Rating Outlook

The Bank received credit ratings of long term twAA+ and short term twA-1+ from Taiwan Ratings Corporation in December 2023; International Long Term A and Short Term A-1 ratings from Standard & Poor (S&P); and International Long Term A2 and Short Term P-1 ratings from Moody's in March 2024. These ratings show that the Bank's asset quality and operational performance remain stable, and that this has been recognized by international credit rating agencies.

3. Promoting Sustainable Development

The Bank's efforts to sprint for operational performance while also maintaining sustainable development achievements have also garnered repeated praise. In 2023, the Bank was awarded a National Sustainable Development Award; was ranked in the top 20% of the banking industry in the first Sustainable Financial Evaluation by the Financial Supervisory Commission; was selected as a constituent stock for the Dow Jones Sustainability World Index for the first time; and ranked in the top 10% of the global banking industry in the S&P Global Sustainability Yearbook 2024. The Bank has also implemented good corporate governance, ranking in the top 5% of listed companies in the Taiwan Stock Exchange Corporation's Corporate Governance Evaluation for three years in a row.

The Bank also adheres to the strategy of "Customer First, Sustainable Ethics" to gradually make sustainable finance a reality and fulfill our corporate social responsibility. We divide this section into three points to report to all shareholders:

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(1) Strengthening Climate Resilience

In response to the 2050 Net Zero Emissions goal, the Bank has signed up with the Science Based Targets Initiative (SBTi). Under the SBTi, with regard to our own operations, the Bank aims to keep global warming within 1.5°C, and so aims to reduce carbon emissions by 42% by 2030 as compared to the 2020 baseline. In our investment and financing portfolio, we aim to keep global warming within 2°C. We have set carbon reduction targets for each asset class that SBTi requires targets to be set for, and have already passed SBTi target review. We have also committed to set 2050 Net Zero Carbon Emissions as our long-term reduction target; incorporated climate change issues into our long-term strategies; and developed mechanisms for investment and financing risk management, operational risk management, and value chain management. We do all this in order to drive the transformation to the low-carbon economy.

In addition, the Bank participated in the Carbon Disclosure Project (CDP) climate change questionnaire evaluation, and has been given a score of Management four times since 2019. In 2023, we were upgraded to the “A-” Leadership score. We have released a “Task Force on Climate-Related Financial Disclosures (TCFD) Report”, which was also audited by the British Standards Institute (BSI) in 2023 and certified as Level 5+: Excellence. All this demonstrates the Bank’s commitment to mitigating climate risk impacts and our successes in taking climate transition action.

(2) Working Hard for the Sustainability Transformation

The Bank is committed to integrating the concept of sustainability into our core business. We focus on ESG investment and financing; promote a wide variety of green financial products and services; implement green loan projects, sustainable performance linked credit loans, sustainable wealth management, and insurance products; guide funds to flow toward sustainable development; and support energy transformation and enterprises’ sustainable development. We also won a Silver award for sustainable investment in the 2023 Taiwan Institute for Sustainable Energy’s Taiwan Sustainable Investment Awards, affirming the Bank’s commitment to sustainable investment.

As the global trend moves toward Net Zero Emissions, the Bank has also invested resources in a wide variety of energy-saving and carbon-reduction actions. We have put in place solar energy, green buildings, and carbon-neutral branch offices; moved our operations toward Net Zero Emissions; and continued to introduce international environmental sustainability standards, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 46001 Water Resource Efficiency Management System, ISO 14064-1 Greenhouse Gas Inventory, and more. Our greenhouse gas trade-off project received ISO 14064-2 certification in 2023, and our credit cards received ISO 14067 carbon footprint and ISO 14046 water footprint certification in 2024.

(3) Promoting Social Integration

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Valuing the principle of fair customer service, the Bank is committed to improving friendly financial services and enhancing digital financial service experiences, so as to provide customers with secure, convenient financial services. In 2023, we were given a Digital Inclusion Award, a Digital Service Award, and a Digital Information Security Award by the Commercial Times. In the fintech era, new forms of fraud are constantly emerging, so the Bank has also taken concrete actions to join with government agencies in jointly preventing financial fraud. In 2023, we joined the Project Eagle Eye fraud detection and prevention system, to work with agencies and other banks in strengthening fraud prevention and protect the security of customer assets. In addition, the Bank is engaged in Small & Medium Enterprise Credit Guarantee Fund of Taiwan affairs, winning TSMEG awards such as the Pandemic Revitalization Award, the Youth Entrepreneurship, New Innovation and Micro Business Support Award, and the Assistance in Regional Pandemic Revitalization and Transformation Award in 2024. The Bank supports national policies and takes practical action to support small and medium enterprises.

4. Implementing Ethical Corporate Management and Legal Compliance

At the same time as implement our businesses, the Bank attaches great importance to compliance with laws and regulations. Recently, the intensity of financial supervision has continued to increase, and issues such as preventing misappropriation of customer funds, preventing money laundering, protecting personal data, and managing information security have received much attention. The Bank has also continuously improved our internal control mechanisms; supervised our employees' compliance with laws and regulations; and implemented ethical corporate management and legal compliance, in order to make the corporate culture of financial consumer protection a reality.

In the future, the Bank will dedicate ourselves to a four-fold sustainability vision: “Carbon”, “Capital”, “Credit” and “Customer”. By contributing our financial influence, and working together with employees, customers, and partners from all fields, we will help create a sustainable future.

Finally, I would like to express my gratitude to all shareholders for your participation and guidance, and sincerely request your support for the proposals today. It is my honest hope that all shareholders will continue, as you have before, to provide encouragement and guidance to the management team of the Bank. Thank you again. I wish all of you good health, and all the best! Thank you!

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Report Items

Report No. 1:

2023 Business Outline:

President Chao-Chung Chou reported on the overall state of the Bank's business in 2023.

Good morning, chairperson, on-site and online shareholders, distinguished guests, directors, trade union representatives, and employees.

The Bank's 2023 business report is published on pages 57 to 64 of the Meeting Handbook. Please refer to it and allow me to provide a brief supplementary explanation.

In the past three years, our management team has focused on our core businesses and related systems, including adjusting the structure of our credit/insurance services and income/fund utilization, and promoting strategic deployment. At the same time, we expanded revenue channels beyond those of our core businesses; launched new business promotion models and customer segment management; and initiated a number of innovative products. The hard work and unremitting efforts of all employees are beginning to bear fruit. In 2023, we had brilliant achievements to show: Pre-tax earnings not only stayed high, at over NT\$10 billion, they even reached the unprecedented level of NT\$16.2 billion, for an annual growth rate of nearly 20% and EPS of NT\$1.2. In terms of asset quality improvement, the Bank strengthened clearance of overseas non-performing loans through warning and control measures for overdue loans; the non-performing loan ratio therefore decreased to 0.18%, a new ten-year low; and the coverage ratio of allowance for bad debts increased from 334% in 2020 to 693%. We balanced profit growth with asset quality optimization, creating a win-win for the Bank.

However, behind these impressive achievements, we do not forget to constantly examine where we stand. Just as a bird cannot fly with only one wing, the Bank built an efficient team with a pair of wings for profit, cultivated operational adaptability, and unleashed upward momentum from profit growth. Therefore, we have set the main focus of our operations for 2024 as "Spread Wings to Fly High; Continue to Reach New Peaks", with "corporate finance" and "overseas market" as the main wing, and "personal finance" and "wealth management". Personal financial services are strengthened to become the secondary wing. We also focus on five major directions: Adjusting Structures; Creating Revenue; Striving for High-end; Expanding Overseas; and Developing Marketing Channels.

1. Adjusting Structures: Our lending business will still focus on the transformation of the credit structure throughout the Bank, making every effort to increase the proportion of credit granted to small and medium enterprises, and incorporating credit insurance funds to transfer risks, in order to balance returns and risks. In terms of personal finance, we will continue to focus on the self-dwelling housing loan customer group, and combine it with the New Peace-of-Mind-for-Young-People loan to expand the young customer group. At the same time, we will expand wealth management loans and online credit

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products to meet the needs of different ethnic groups, in order to increase diversified income and improve the profitability of the Bank's "double wings". In addition, in terms of adjusting the product sales structure, we will focus on high-protection insurance products and foreign bonds, and focus on the expansion of the diversity of products and services, so as to enhance handling fees as a defense against the impact of interest rate cuts.

2. **Creating Revenue:** In recent years, the Bank's investments in the stock and bond markets, as well as the operating income from derivative products such as FX swaps, have become important sources of profit, and make effective improvements to excessive long-term reliance on corporate credit services for profit. In the future, on the assumption that risks will first be controlled, we will adapt to international political and economic changes, find investments and products with stable returns, and continuously strengthen the efficiency of capital operations to expand returns.
3. **Striving for High-end:** The Bank plans to apply for the Financial Management 2.0 license. In addition to continually introducing diverse, innovative financial products and cultivating more high-level wealth management talent, we apply big data analysis to stay on top of customer demographics and strengthen high-value customer service capacity.
4. **Expanding Overseas:** We have reinitiated our overseas deployment, focusing on developing regional markets with potential, establishing locations near Taiwanese companies, and accelerating our progress in overseas deployment. The Osaka, Japan branch office opened in the first quarter of 2024. Our new offices in Sydney, Australia and Toronto, Canada were recently approved by the Financial Supervisory Commission. In addition to this, the Bank will continue to focus on expanding in the New Eastbound and New Southbound countries; conduct comprehensive assessments of profitability and the economic situation; and cautiously evaluate the establishment of new offices in areas with development potential. We will also implement strategies such as Localizing Credit Extensions, Strengthening Deposit Taking, and Increasing Bond Investment Returns to promote overseas business growth and improve profit growth.
5. **Developing Marketing Channels:** We will focus on information security and the customer experience, and continue developing and optimizing our online loan financing platforms. We recently launched the Bonus-Back Loan (增環貸) personal consumer loan scheme to create a convenient, dedicated financing channel. In addition, we will increase multi-industry cooperation, and deepen promotion of mobile payments for night markets, street vendors, and traditional markets. In the future, we will continue building a distinctive financial ecosystem and create diverse profit channels.

The first quarter of this year could be said to be our strongest first quarter ever. First, our post-tax profit in the first quarter reached a record high of NT\$3.831 billion, an increase of nearly 11% over the same period last year, with EPS of NT\$0.35. Secondly, with the steady growth of our businesses, the Bank's total assets exceeded the NT\$3 trillion threshold to reach NT\$3.0309 trillion. This is a major milestone in terms of total assets. Business is growing while risks are effectively controlled, the overall non-performing loan ratio is stable, coverage is

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gradually improving, and asset quality is good.

Looking ahead to the second half of 2024, the Bank will continue to move toward the five major orientations: Adjusting Structures; Creating Revenue; Striving for High-end; Expanding Overseas; and Developing Marketing Channels. In addition, while implementing businesses, we will gradually improve the Bank's capital by examining capital adequacy indicators, and lay a solid foundation for sustainable operations.

The management team shoulders the expectations of all shareholders, and will continue to uphold the concept of sustainable operations in the future. Together with all the employees, we will continue to pursue the growth of the Bank and create profits to give back to shareholders.

Finally, thank you once again for taking the time to attend the shareholders' meeting. I wish everyone family harmony and wishes fulfilled. Thank you!

Shareholder speaks:

1. Shareholder ○-Yen Lin (Shareholder No. 230461) inquired why the dividend per share of the Bank is lower than those of First Financial Holding Co., Ltd. and Hua Nan Financial Holdings Co., Ltd.

Chairperson's response:

Chang Hwa Bank is a single bank, with the main source of profits coming from banking. Compared to First Financial Holding Co., Ltd. and Hua Nan Financial Holdings Co., Ltd., they have subsidiaries including life insurance, securities, SITEs, and general insurance, all of which contribute to their profits. The dividend distribution status of the Bank in the past three years, including cash dividends and stock dividends, has been increasing year by year. It is hoped that with energy from improvements in lending and overall business, dividends will rise.

2. First Life Insurance Co., Ltd. (Shareholder No. 2956612), a video conference shareholder, inquired about the Bank's short-term/long-term plans regarding ESG, green electricity, energy conservation, and water resources.

Chairperson's response:

Thanks to the shareholder First Life Insurance Co., Ltd. for this guidance. The implementation of sustainable development by the Bank is stated on pages 52 to 57 of the 2023 annual report. The shareholder is asked to refer to this information.

Report No. 2:

Audit Committee review of 2023 audited Financial Statements.

(Please refer to pages 67 to 68 of the handbook.)

Shareholder speaks: None.

Report No. 3:

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The Bank's 2023 employee and director remuneration distribution status.

Explanation:

As adopted by the 11th board meeting of the 27th term held on March 20, 2024 for distribution of the Bank's 2023 employee and director remuneration. The employees' cash remuneration is NT\$858,114,400 and the directors' (independent directors not included) cash remuneration is NT\$68,649,152.

Shareholder speaks: None.

The above mentioned reports item acknowledged by all shareholders present.

Recognition Items

Recognition Item No. 1: Adoption of the Bank's 2023 Business Report and Financial Statements.

Explanation:

The Bank's 2023 Financial Statements, balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows, etc. (including stand-alone and consolidated basis, please refer to pages 69 to 100 of the handbook), have been certified by Amanda Wu, CPA and Jerry Gung, CPA of Deloitte & Touche, and the Business Report has also been reviewed by the Bank's Audit Committee and approved by the 10th meeting of the 27th term of the Board of Directors. Please adopt them.

Voting Method: Proposals shall be discussed on a case-by-case basis, and voting for every case at the same time after finished the discussions. A one-time voting will be conducted after discussions on all the agenda items for acknowledgement matters and discussion matters have been completed. For shareholders who participate by video conference, a voting function has already been provided through the video conference platform when the meeting is called to order, and the voting on each agenda item shall be completed before the chairperson announces close of the voting.

Shareholder speaks: None.

Shareholders present: 7,345,616,063 shares were represented by the shareholders present in person or by proxy, accounting for 67.64% of the total number of voting shares issued by the Bank.

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Voting results:

Voting results	Percent of total represented share present
Approval votes: 6,372,349,739 votes (including 6,105,897,983 votes voted via electronic transmission and E-Meeting)	86.75%
Disapproval votes: 3,268,324 shares (including 3,268,324 votes voted via electronic transmission and E-Meeting)	0.04%
Invalid votes: 0 votes	0%
Abstention votes : 969,998,000 shares (including 362,112,947 votes voted via electronic transmission and E-Meeting)	13.20%

Resolution: voted and acknowledged as proposed.

Recognition Item No. 2: Adoption of the Bank's distribution of 2023 profit.

Explanation:

1. The Bank's 2023 net profit after tax was NT\$ 12,982,142,080.01. After aggregating items except for net profit after tax: remeasurement of defined benefit plan, the amount was negative NT\$237,841,447.09, and gain on disposal of investments in equity instructions measured at fair value through other comprehensive income, the amount was NT\$625,625,250.00, and setting aside 30% legal reserve of NT\$4,010,977,765.00 by law along with the beginning retained earnings of NT\$112,824,921.14, the distributable net profit was NT\$9,471,773,039.06. The proposed distribution of profit is scheduled as below:
 - (1) Distribution of dividend to common stock shares – cash (NT\$0.55 per share):
NT\$ 5,972,061,129.00.
 - (2) Distribution of dividend to common stock shares – stock (NT\$0.32 per share):
NT\$ 3,474,653,740.00
 - (3) Unappropriated retained earnings are NT\$25,058,170.06
2. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. The ex-dividend date will be determined after the competent authorities approve the capitalization of the earnings case.
3. The last annual surplus is assigned in priority order.
4. The total cash dividend amount will be distributed to each individual shareholder to the nearest NT\$1, and fractional amounts less than NT\$1 will be listed in other incomes of the

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Bank.

5. If the number of outstanding shares is affected by any situations leading to a change in shareholder's distribution ratios, the Board of Directors will be authorized to adjust the distribution terms.
6. Attachment: 2023 Profit Distribution Table.

Shareholder speaks:

Shareholder ○-Tung Hsu (Shareholder No. 2867193) inquired about the Bank's earning distribution status.

Chairperson's response:

Thanks to shareholder Hsu for this guidance. In recent years, the Bank's operational performance has improved, and dividends distributed have also increased year by year. This year, the cash dividend is maintained as per last year. The main reason for the increase in the stock dividend is that it is not easy for banks to increase their capital. We hope to increase the Bank's capital through the conversion of stock dividends.

Shareholders present: 7,345,616,063 shares were represented by the shareholders present in person or by proxy, accounting for 67,64% of the total number of voting shares issued by the Bank.

Voting results:

Voting results	Percent of total represented share present
Approval votes: 6,379,056,924 votes (including 6,112,605,168 votes voted via electronic transmission and E-Meeting)	86.84%
Disapproval votes: 1,948,708 shares (including 1,948,708 votes voted via electronic transmission and E-Meeting)	0.02%
Invalid votes: 0 votes	0%
Abstention votes : 964,610,431 shares (including 356,725,378 votes voted via electronic transmission and E-Meeting)	13.13%

Resolution: voted and acknowledged as proposed.

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Chang Hwa Commercial Bank, Ltd.

2023 Profit Distribution Table

(Unit: NTD\$)

Net profit after tax	12,982,142,080.01
Add (Less): Items except for net profit after tax:	
Remeasurement of defined benefit plan	(237,841,447.09)
Gain on disposal of investments in equity instructions measured at fair value through other comprehensive income	625,625,250.00
Incorporation of distributable net profit	13,369,925,882.92
Set aside 30% legal reserve	(4,010,977,765.00)
Beginning retained earnings	112,824,921.14
Distributable net profit	9,471,773,039.06
Distributable items:	
Cash dividends on common shares - NT\$0.55 per share	(5,972,061,129.00)
Stock dividends on common shares - NT\$0.32 per share	(3,474,653,740.00)
Unappropriated retained earnings	25,058,170.06

Note:

1. The last annual surplus is assigned in priority order.
2. Legal reserve was calculated by sum of “net profit after tax and items except for net profit after tax” in accordance with the January 9, 2020 letter No. 10802432410 (Ministry of Economic Affairs) Gin-Shang.

Discussion Items

Discussion Item No. 1: Discussion and ratification of the Bank’s issuance of new shares through capitalization of earnings.

Explanation:

1. In order to reinforce working capital, strengthen the financial structure and raise the capital adequacy ratio, the Bank plans to set aside NT\$3,474,653,740. from the stock dividends of distribution of 2023 profit as the capital for issuing new shares with a face value of NT\$10 per share in accordance with Article 240 of the Company Act. It is expected to issue 347,465,374 shares of common stock and, after the capitalization of earnings, the Bank’s capital will become NT\$112,057,583,370.

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2. For the method of handling fractional shares, please refer to Article 267 of the Company Act. The Board of Directors is authorized to set the record date for the proposed capital increase after receiving approval from the competent authority. The distribution of the new shares should be made to the shareholders with no consideration at the ratio of 32 new shares for every 1,000 shares held by shareholders according to their respective shareholding as stated in the shareholders' register book on the record date. Within 7 days from the stock dividend record date, shareholders may apply to the stock affairs agent of the Bank to combine fractional shares into one share. Odd lots of less than one share thus collected by the Bank will be placed at its par value with specific parties as determined by the Chairman under the authorization of the AGM.
3. The rights and obligations of the newly issued shares will be the same as those of existing shares.
4. As a result of the repurchase of the Bank's shares or assignment, conversion and deletion of the treasury stock. The Board of Directors is authorized to adjust the distribution terms if the number of outstanding shares is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or other situations leading to change in shareholder's distribution ratios.

Shareholder speaks: None.

Shareholders present: 7,345,616,063 shares were represented by the shareholders present in person or by proxy, accounting for 67.64% of the total number of voting shares issued by the Bank.

Voting results:

Voting results	Percent of total represented share present
Approval votes: 6,340,467,907 votes (including 6,074,306,151 votes voted via electronic transmission and E-Meeting)	86.31%
Disapproval votes: 2,717,933 shares (including 2,427,933 votes voted via electronic transmission and E-Meeting)	0.03%
Invalid votes: 0 votes	0%
Abstention votes : 1,002,430,223 shares (including 394,545,170 votes voted via electronic transmission and E-Meeting)	13.64%

Resolution: voted and approved as proposed.

Discussion Item No. 2: Discussion and ratification to amend a portion of the Bank's Rules of Procedure for Shareholders Meetings.

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Explanation:

1. To respond to the progress of digital technology and to provide shareholders with more convenient and diverse ways to participate in shareholders' meetings, we propose based on the Taiwan Stock Exchange Corporation's Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, as announced and amended on March 17, 2023, to amend a portion of the Bank's Rules of Procedure for Shareholders Meetings.
2. Highlights of the amendments are listed below:
 - (1) Specifying regulations for how shareholders meetings may be convened, the resolution process of such, and regulations for how meeting materials can be provided. (Article 3 amended)
 - (2) Specifying regulations for, after proxy forms have been delivered but shareholders wish to instead attend the shareholders meeting online, how check-in/sign-in, shareholders meeting agenda, and other materials related to the shareholders meeting are to be uploaded and disclosed. (Articles 4 and 6 amended)
 - (3) Specifying regulations for convening a virtual shareholders meeting, matters that must be listed in a shareholders meeting notice, audio/video recording, calculation of the total number of shares represented at the meeting, and for holding the meeting and raising questions. (Article 6-1 added; Articles 8, 9, and 11 amended)
 - (4) Specifying regulations for disclosure of proposal resolutions and election results, as well as vote-counting methods, with virtual shareholders meetings; specifying deadlines for shareholders who have already signed in to attend hybrid shareholders meeting virtually but who wish to attend the shareholders meeting in person to revoke their registration; and specifying regulations on exercising voting rights for shareholders who exercise their voting rights by correspondence or electronic means (unless they have withdrawn the declaration of intent and attended the shareholders meeting online). (Article 13 amended)
 - (5) Specifying regulations for virtual shareholders meetings regarding what matters must be recorded in the meeting minutes, disclosure of the number of shares, and handling disconnections and the digital divide. (Articles 15 and 16 amended; Articles 19 and 20 added)
3. Attachment: A comparison table of the amendments to some articles in the Bank's Rules of Procedure for Shareholders Meetings.

Shareholder speaks: None.

Shareholders present: 7,345,616,063 shares were represented by the shareholders present in person or by proxy, accounting for 67.64% of the total number of voting shares issued by the Bank.

Voting results:

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Voting results	Percent of total represented share present
Approval votes: 6,333,744,436 votes (including 6,067,582,680 votes voted via electronic transmission and E-Meeting)	86.22%
Disapproval votes: 8,436,534 shares (including 8,146,534 votes voted via electronic transmission and E-Meeting)	0.11%
Invalid votes: 0 votes	0%
Abstention votes : 1,003,435,093 shares (including 395,550,040 votes voted via electronic transmission and E-Meeting)	13.66%

Resolution: voted and approved as proposed.

Attachment

**Chang Hwa Commercial Bank, Ltd.
Rules of Procedure for Shareholders Meetings
Comparison Table of Amendments to Some Articles**

Amended by the general Shareholders' Meeting on June 21th, 2024

Amended articles	Current articles	Descriptions
Article 3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, CHB's shareholders' meetings shall be convened by the board of directors. <u>CHB's shareholders meetings may be convened either virtually or in person.</u> <u>Shareholders' meetings with video conferencing are divided into the following two types:</u> <u>1. Hybrid shareholders' meeting: means CHB convenes a physical shareholders' meeting with the assistance of video</u>	Article 3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, CHB's shareholders' meetings shall be convened by the board of directors.	1. This Article is amended. 2. Based on the Regulations Governing the Administration of Shareholder Services of Public Companies, Article 44-9, paragraph 1; as well as on Article 3, paragraphs 2 and 3 of the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings reference template issued by the Taiwan Stock Exchange Corporation (below, the "Reference Template"), paragraphs 2 and 3 are added to this Article, specifying regulations regarding how shareholders'

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Amended articles	Current articles	Descriptions
<p><u>conferencing, and shareholders may choose to take part in the shareholders' meeting physically or by means of video conference.</u></p> <p><u>2. Virtual-only shareholders' meeting: means CHB does not convene a physical shareholders' meeting, and convenes the meeting only by video, and shareholders may attend the shareholders' meeting only by means of video conferencing.</u></p> <p><u>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, CHB that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors. Changes to how CHB convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders</u></p>		<p>meetings may be convened and the resolution process of such, to provide for later compliance.</p> <p>3. The extant paragraph 2 is moved to become paragraph 4, and its text is amended accordingly.</p> <p>4. Based on Article 3, paragraph 5 of the Reference Template, this Article's paragraph 5 is added, specifying regulations for how the shareholders meeting agenda and supplemental meeting materials shall be made available to shareholders for review, depending on how the shareholders meeting is convened, to provide for later compliance.</p> <p>5. The remaining paragraphs are renumbered, and their text is amended, accordingly.</p>

Notice to Readers

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Amended articles	Current articles	Descriptions
<p><u>meeting notice.</u></p> <p>CHB shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. CHB shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 30 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, CHB shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at CHB and its professional shareholder</p>	<p>CHB shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. CHB shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 30 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, CHB shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at CHB and its professional shareholder</p>	

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Amended articles	Current articles	Descriptions
<p>services agent designated thereby.</p> <p><u>CHB shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>CHB shall inform all shareholders before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting; as to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement via MOPS.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement.</p> <p>With the consent of the</p>	<p>services agent designated thereby <u>as well as being distributed on-site at the meeting place.</u></p> <p>CHB shall inform all shareholders before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting; as to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement via MOPS.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement.</p> <p>With the consent of the</p>	

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Amended articles	Current articles	Descriptions
<p>addressee, the meeting notice may be given in electronic form.</p> <p>Matters pertaining to 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, Article 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or CHB, and such website shall be indicated in the above notice.</p>	<p>addressee, the meeting notice may be given in electronic form.</p> <p>Matters pertaining to 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, Article 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or CHB, and such website shall be indicated in the above notice.</p>	

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Amended articles	Current articles	Descriptions
<p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to CHB a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Unless any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors shall include it in the agenda. Shareholders may submit recommendation proposals for the purpose of urging CHB to promote public interest or to properly fulfill its social responsibilities. Such proposals shall, in terms of the procedure, be subject to the relevant provisions of Article 172-1 of the Company Act and be limited to one item only, and no proposal containing more than one item will be</p>	<p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding 1 percent or more of the total number of issued shares may submit to CHB a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Unless any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors shall include it in the agenda. <u>Proposing</u> shareholders may submit recommendation proposals for the purpose of urging CHB to promote public interest or to properly fulfill its social responsibilities. Such proposals shall, in terms of the procedure, be subject to the relevant provisions of Article 172-1 of the Company Act and be limited to one item only, and no proposal containing</p>	

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Amended articles	Current articles	Descriptions
<p>included in the meeting agenda.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, CHB shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, CHB shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	<p>more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, CHB shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, CHB shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	
<p>Article 4 (Proxy to attend shareholders meetings)</p> <p>For each shareholders</p>	<p>Article 4 (Proxy to attend shareholders meetings)</p> <p>For each shareholders</p>	<p>1. This Article is amended. 2. Based on Article 4, paragraph 4 of the</p>

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Amended articles	Current articles	Descriptions
<p>meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by CHB and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to CHB or its professional shareholder services agent before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to CHB or its professional shareholder services agent, if the shareholder intends to attend the meeting in person, to <u>attend the shareholders meeting online</u>, or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to CHB before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by CHB and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to CHB or its professional shareholder services agent before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to CHB or its professional shareholder services agent, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to CHB before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Reference Template, this Article's paragraph 3 is amended, specifying regulations for shareholders who wish to attend the shareholders meeting virtually after proxy forms have been delivered to CHB or its professional shareholder services agent, to provide for later compliance.</p>

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Amended articles	Current articles	Descriptions
<p>Article 5 (The time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of CHB, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p> <p><u>The restrictions on the place of the meeting shall not apply when CHB convenes a virtual-only shareholders meeting, but the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>Article 5 (The time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of CHB, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<ol style="list-style-type: none"> 1. This Article is amended. 2. Based on Article 5, paragraphs 2 and 20 of the Reference Template, this Article’s paragraph 2 is added, specifying regulations for the venue when CHB holds a virtual-only shareholders meeting, to provide for later compliance.
<p>Article 6 (Procedures for reporting and preparation of AGM related documents)</p> <p>CHB shall specify in its shareholders meeting notices the time during which attendance registrations <u>for shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance</p>	<p>Article 6 (Procedures for reporting and preparation of AGM related documents)</p> <p>CHB shall specify in its shareholders meeting notices the time during which <u>shareholder</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance</p>	<ol style="list-style-type: none"> 1. This Article is amended. 2. Based on Article 6, paragraphs 1 and 2 of the Reference Template, this Article’s paragraphs 1 and 2 are amended, specifying the time and procedures for handling check-in with shareholders attending virtually. 3. Based on Article 6, paragraphs 7 and 8 of the Reference Template, this Article’s paragraphs 7 and 8 are added, specifying regulations for sign-in procedures that must be followed when shareholders attend shareholders meetings virtually; as well as requiring that CHB upload the meeting agenda,

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Amended articles	Current articles	Descriptions
<p>registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. CHB may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>CHB shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’ s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots</p>	<p>registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders <u>and their proxies (collectively, shareholders”)</u> shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. CHB may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>CHB shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker’ s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots</p>	<p>annual report, and other related materials to the virtual meeting platform, to make these matters clear.</p> <p>4. Other text is amended accordingly.</p>

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<p>shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with CHB or its professional shareholder services agent two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, CHB shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 6-1</u> <u>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u></p> <p><u>To convene a virtual shareholders meeting, CHB shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>1. How shareholders attend the</u></p>		<ol style="list-style-type: none">1. This Article is added.2. To allow shareholders to understand their rights and restrictions in participating in a shareholders meeting before the meeting begins, and based on Article 6-1 of the Reference Template, it is specified that, if CHB convenes a shareholders meeting virtually, CHB must, within the

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<p><u>virtual meeting and exercise their rights.</u></p> <p>2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p>A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p>B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p>C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting,</u></p>		<p>shareholders meeting notice, state how shareholders may participate and exercise their voting rights; and that CHB must also specify actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, as well as the virtual-only shareholder meeting's appropriate alternative measures and required assistance available to shareholders with difficulties in attending the meeting online, to provide for later compliance.</p>

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Amended articles	Current articles	Descriptions
<p><u>then the shareholders meeting shall continue.</u> <u>The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.</u> <u>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u> <u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u> <u>Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and</u></p>		

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Amended articles	Current articles	Descriptions
<p><u>necessary assistance, and specify the period during which shareholders may apply to CHB and other related matters requiring attention.</u></p>		
<p>Article 8 (Documentation of a shareholders meeting by audio or video)</p> <p>CHB, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders meeting is held online, CHB shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by CHB, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and</u></p>	<p>Article 8 (Documentation of a shareholders meeting by audio or video)</p> <p>CHB, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>1. This article is amended.</p> <p>2. Based on Article 8, paragraphs 3 and 4 of the Reference Template, this Article's paragraphs 3 and 4 are added, specifying regulations for logging data related to CHB's convening of virtual shareholders meetings, audio/visual recordings of the meeting process, storage of such, and other regulations, to provide for later compliance.</p>

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<p><u>video recordings in the preceding paragraph shall be properly kept by CHB during its entire existence, and copies of the audio and video recordings shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>		
<p>Article 9 (Calculation of the number of shares in attendance)</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time, and at the same time, announces the relevant information such as the number of non-voting rights and the number of shares in attendance.</p> <p>When the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two</p>	<p>Article 9 (Calculation of the number of shares in attendance)</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time, and at the same time, announces the relevant information such as the number of non-voting rights and the number of shares in attendance.</p> <p>When the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two</p>	<ol style="list-style-type: none"> 1. This article is amended. 2. Based on Article 9, paragraph 1 of the Reference Template, this Article’s paragraph 1 is amended, specifying how, when a shareholders meeting is held virtually, the number of shares from shareholders attending virtually who have completed check-in must be added to the total number of shares represented at the meeting. 3. Based on Article 9, paragraph 3 of the Reference Template, this Article’s paragraph 3 is amended, specifying that when a shareholders meeting is held virtually, if the chair declares the meeting adjourned, the adjournment shall be separately announced on the virtual meeting platform, to notify all shareholders in a timely manner. 4. Based on Article 9, paragraph 4 of the Reference Template, this

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<p>such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, CHB shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to CHB or its professional shareholder services agent in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may</p>	<p>such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may</p>	<p>Article's paragraph 4 is amended, specifying that if there is a tentative resolution to otherwise convene a shareholders meeting, and shareholders wish to attend virtually, they must sign in once more.</p>

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Amended articles	Current articles	Descriptions
resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act and Article 13, paragraph 7 of this Rules.	resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act and Article 13, paragraph 7 of this Rules.	
<p>Article 11 (Shareholder speech)</p> <p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and</p>	<p>Article 11 (Shareholder speech)</p> <p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and</p>	<ol style="list-style-type: none">1. This article is amended.2. Based on Article 11, paragraph 7 of the Reference Template, this Article's paragraph 7 is added, specifying methods, procedures, and restrictions for shareholder questions when shareholders virtually participate in shareholders meetings, to make these matters clear.

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Amended articles	Current articles	Descriptions
<p>obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p>	<p>obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	
<p>Article 13 (Voting, Scrutinizing and Calculation for Proposals)</p> <p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act or</p>	<p>Article 13 (Voting, Scrutinizing and Calculation for Proposals)</p> <p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act or</p>	<ol style="list-style-type: none">1. This article is amended.2. Based on Article 13, paragraph 4 of the Reference Template, this Article's paragraph 5 is amended, specifying regulations for when a shareholder has already exercised voting rights by

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Amended articles	Current articles	Descriptions
<p>other regulations</p> <p>When CHB holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The method of exercise shall be specified in the shareholders meeting notice.</p> <p>A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person under the preceding paragraph, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means shall deliver a written declaration of intent to CHB or its professional shareholder services agent before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend</p>	<p>other regulations</p> <p>When CHB holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The method of exercise shall be specified in the shareholders meeting notice.</p> <p>A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person under the preceding paragraph, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means shall deliver a written declaration of intent to CHB or its professional shareholder services agent before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend</p>	<p>correspondence or electronic means but wishes to instead attend the shareholders meeting virtually, to make these matters clear.</p> <p>3. To allow shareholders participating in a virtual shareholders meeting to understand the resolution status of all proposals and voting results in a timely manner, and based on Article 19 of the Reference Template, this Article's paragraph 10 is amended, specifying what constitutes sufficient time for information disclosure, to provide for later compliance.</p> <p>4. To allow shareholders participating virtually to have relatively sufficient time to vote, and based on Article 13, paragraphs 9 and 10 of the Reference Template, this Article's paragraphs 11 and 12 are added, specifying procedures for shareholder voting and calculation of votes on proposals when a shareholders meeting is held virtually, to provide for later compliance.</p> <p>5. Based on Article 13, paragraph 11 of the Reference Template, this Article's paragraph 13 is added, specifying</p>

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Amended articles	Current articles	Descriptions
<p>the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to CHB, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.</p> <p>When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in CHB's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting,</p>	<p>the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to CHB, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.</p> <p>When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in CHB's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting,</p>	<p>regulations for shareholders who have already signed in to attend a hybrid shareholders meeting virtually, but who wish to instead attend the shareholders meeting in person, to make these matters clear.</p> <p>6. Based on Article 13, paragraph 12 of the Reference Template, this Article's paragraph 14 is added, specifying regulations on exercising voting rights for shareholders who exercise their voting rights by correspondence or electronic means (unless they have withdrawn the declaration of intent and attended the shareholders meeting online).</p>

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Amended articles	Current articles	Descriptions
<p>on the same day it is held, the results based on the numbers of votes for and against and the number of abstentions shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of CHB.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. <u>In the event of a virtual shareholders meeting, CHB shall disclose real-time results of votes and</u></p>	<p>on the same day it is held, the results based on the numbers of votes for and against and the number of abstentions shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of CHB.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	

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Amended articles	Current articles	Descriptions
<p><u>election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p> <p><u>When CHB convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When CHB convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may</u></p>		

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Amended articles	Current articles	Descriptions
<p><u>only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 15 (Meeting Minutes)</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and made a public announcement via the MOPS within 20 days after the conclusion of the meeting.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair’s full name, the methods by which resolutions were adopted, and a summary of the deliberations and the voting results (including statistical weights) shall be recorded. When there is an election of directors, the number of voting rights each</p>	<p>Article 15 (Meeting Minutes)</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and made a public announcement via the MOPS within 20 days after the conclusion of the meeting.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair’s full name, the methods by which resolutions were adopted, and a summary of the deliberations and the voting results (including statistical weights) shall be recorded. When there is an election of directors, the number of voting rights each</p>	<ol style="list-style-type: none"> 1. This article is amended. 2. To help shareholders understand virtual shareholder meeting results; with regard to alternative measures for shareholders experiencing a digital divide; with regard to disconnection handling methods/statuses; and based on Article 15, paragraphs 4 and 5 of the Reference Template, this Article’s paragraphs 3 and 4 are added, specifying matters that must be recorded in the meeting minutes when a shareholders meeting is held virtually, to make these matters clear.

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Amended articles	Current articles	Descriptions
<p>candidate obtains shall be disclosed. Shall be retained for the duration of the existence of CHB.</p> <p><u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, CHB shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>	<p>candidate obtains shall be disclosed. Shall be retained for the duration of the existence of CHB.</p>	
<p>Article 16 (Public Disclosure)</p> <p>On the day of a shareholders meeting, CHB shall compile in the prescribed format a statistical statement of the number of shares obtained by</p>	<p>Article 16 (Public Disclosure)</p> <p>On the day of a shareholders meeting, CHB shall compile in the prescribed format a statistical statement of the number of shares obtained by</p>	<p>1. This article is amended.</p> <p>2. To make shareholders aware that the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and</p>

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Amended articles	Current articles	Descriptions
<p>solicitors through solicitation, the number of shares represented by proxies, <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, CHB shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During CHB's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, CHB shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>solicitors through solicitation <u>and</u> the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, CHB shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>the number of shares represented by shareholders attending the meeting by correspondence or electronic means must all be expressly disclosed at the place of the shareholders meeting, and based on Article 16, paragraph 1 of the Reference Template, this Article's paragraph 1 is amended, specifying that when a CHB shareholders meeting is held virtually, the relevant information shall be uploaded to the virtual meeting platform.</p> <p>3. To make sure that shareholders attending a virtual shareholder meeting simultaneously learn whether the number of votes in attendance has reached the threshold for holding the meeting, and based on Article 16, paragraph 2 of the Reference Template, this Article's paragraph 2 is added, specifying that the total number of shares represented at the meeting when the meeting is called to order, as well as any later recounts of the total numbers of shares represented at the meeting and new tallies of votes, must all be disclosed on the virtual meeting platform. The extant paragraph 2 is renumbered accordingly.</p>

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Amended articles	Current articles	Descriptions
<p><u>Article 19</u> <u>(Handling of disconnection)</u></p> <p><u>In the event of a virtual shareholders meeting, CHB may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph,</u></p>		<ol style="list-style-type: none">1. This Article is added.2. Based on Article 21, paragraph 1 of the Reference Template, this Article's paragraph 1 is added, specifying that prior to a shareholders meeting, CHB may offer connection tests, and may provide related real-time services before and during the meeting, to help resolve communication technical issues.3. Based on Article 21, paragraph 2 of the Reference Template, this Article's paragraph 2 is added, specifying that when CHB holds a virtual shareholders meeting, upon declaring the meeting open, the chair shall also declare that, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events, and the obstruction continues for more than 30 minutes, the meeting shall be held or resumed on another date within five days.4. Based on Article 21, paragraph 3 of the Reference Template, this Article's paragraph 3 is added, specifying that when there is a postponed or resumed meeting as mentioned in paragraph 2 of

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Amended articles	Current articles	Descriptions
<p><u>shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.</u></p> <p><u>When CHB convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented</u></p>		<p>this Article, shareholders who have not registered to virtually attend the affected shareholders meeting shall not attend the postponed or resumed session.</p> <p>5. Based on Article 21, paragraph 4 of the Reference Template, this Article’s paragraph 4 is added, specifying that when a meeting is postponed or resumed in accordance with this Article’s paragraph 2, the number of shares at the affected shareholders meeting represented by, and voting rights and election rights exercised by, the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting but do not attend the postponed or resumed session, shall be counted towards the postponed or resumed session.</p> <p>6. Based on Article 21, paragraph 5 of the Reference Template, this Article’s paragraph 5 is added, specifying that when a meeting is postponed or resumed in accordance with this Article’s paragraph 2, for proposals at the previous meeting for which votes have been cast and counted and results have been</p>

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Amended articles	Current articles	Descriptions
<p><u>at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, CHB shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth</u></p>		<p>announced, or lists of elected directors, they may be considered resolved; no additional re-discussion or resolution is required.</p> <p>7. Based on Article 21, paragraph 6 of the Reference Template, this Article's paragraph 6 is added, specifying that when CHB convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in this Article's paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and no postponement or resumption thereof under this Article's paragraph 2 is required.</p> <p>8. Based on Article 21, paragraph 7 of the Reference Template, this Article's paragraph 7 is added, specifying that, under the circumstances where a meeting must continue as in this Article's paragraph 2 and there is no need to postpone or resume the meeting, the shares represented by shareholders</p>

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Amended articles	Current articles	Descriptions
<p><u>under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, CHB shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		<p>attending the meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on that shareholder meeting's meeting agenda.</p> <p>9. Given that there is identity between an aforementioned affected shareholders meeting original meeting that is disconnected, and the postponed or resumed meeting, and that there is no need to redo the preparatory work for the meeting's postponed or resumed date; and based on Article 21, paragraph 8 of the Reference Template, this Article's paragraph 8 is added.</p> <p>10. Additionally, given that when a virtual shareholders meeting has already been postponed, the matters related to the shareholders meeting that must be disclosed on the day of the meeting must then still be disclosed to the shareholders on the day of the postponed or resumed meeting, and based on Article 21, paragraph 9 of the Reference Template, this Article's paragraph 9 is</p>

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Amended articles	Current articles	Descriptions
<u>Article 20</u> <u>(Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, CHB shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to CHB and other related matters requiring attention.</u>		added. 1. This Article is added. 2. In consideration that shareholders experiencing a digital divide may unfortunately experience obstacles to their virtual participation at shareholders meetings, and based on Article 22 of the Reference Template, it is specified that when CHB holds a virtual shareholders meeting, CHB shall provide appropriate alternative measures, supplying such shareholders with connection facilities and necessary assistance, to provide for later compliance.
Article 21 (Authorized Level and Execution) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	Article 19 (Authorized Level and Execution) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.	Numbering adjusted in accordance with the amendments/additions made at this time.

Questions and Motions

1. Shareholder ○-Tung Hsu (Shareholder No. 2867193) inquired about the reason why the stock price of the Bank is lower than those of First Financial Holding Co., Ltd. and Hua Nan Financial Holdings Co., Ltd.

Chairperson's response:

Chang Hwa Bank is a single bank, with the main source of profits coming from banking. Compared to First Financial Holding Co., Ltd. and Hua Nan Financial Holdings Co., Ltd., they have subsidiaries including life insurance, securities, SITEs, and general insurance, all

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of which contribute to their profits. If we look at the stock price and overall dividend yield, the difference among the three is not significant.

- 2.A corporate customer shareholder ○- Hsia Lin (Shareholder No.2859574) expressed gratitude for the services provided by the Bank, and also hoped that the Bank's overseas business services can be more versatile and flexible, and that the Bank's system operations more efficient.

Chairperson's response:

Thanks to shareholder Lin for your support and encouragement to the Bank, as well as for your suggestions and guidance. In the future, the Bank will continue to promote and provide services in different business areas.

3. Questions from shareholder ○-Chou Yang (Shareholder No. 640580):

(1)I hope the Chairperson and President can leave time for shareholders to ask questions after the shareholders' meeting.

(2)I recommend that there be written records of shareholders' statements.

Chairperson's response:

Thanks to shareholder Yang for this guidance. If you have any suggestions, you can express them directly through the shareholders' meeting; in addition, the Bank discloses the shareholders' meeting minutes on its website for your reference.

- 4.shareholder Representative of CHB Corporate Union ○-Tung Huang (Shareholder No. 2629040) stated that the senior management of the Bank should pay attention to issues related to the Bank's talent turnover and gaps.

Chairperson's response:

Thanks to Chairman Huang for this guidance. The Bank attaches great importance to talent, not only recruiting talent from universities, but also putting in place a career development rotation training and smooth promotion channels. In terms of employee benefits, the Bank is a happy enterprise and hopes that its employees can unite and work together with the goal of performance improvement.

5. Questions from shareholder ○-Yen Lin (Shareholder No. 230461):

(1)It is suggested that the Bank's shareholder meeting be held in Taichung to reduce north/south traveling.

(2)The Bank is asked to explain the definitions in Articles 24 and 40 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chairperson's response:

Thanks to shareholder Lin for this guidance. Regarding the issues raised:

(1)The shareholders' meeting of the Bank is held in person, supplemented by video conferencing. Please refer to participation through video conferencing.

(2)Regarding the related legal issues, as this involves personal shareholder data, we will ask the related employees to explain this to you after the meeting.

The adjournment: 10:37 a.m

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**Chang Hwa Commercial Bank, Ltd.
Audit Report of Audit Committee
February 26, 2024**

To: Shareholders of Chang Hwa Commercial Bank, Ltd.

The Board of Directors has prepared the 2023 Report on Business Operations and various financial statements (including Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement). All the financial statements (including consolidated basis) have been certified by Amanda Wu, CPA and Jerry Gung, CPA of Deloitte & Touche, and upon which a Standard Unqualified Opinion has been issued. These statements referred to above present fairly the financial position as of December 31, 2023 and the operation results and cash flows in 2023 of the company. The Audit Committee has reviewed the above-mentioned statements in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and hereby provides such audit report.

The Audit Committee, Chang Hwa Commercial Bank, Ltd.

Independent Director & Chairman : Yu-Hsueh Wu



Independent Director : Shu-Hua Lee



Independent Director : Chao-Kuei Huang



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Chang Hwa Commercial Bank, Ltd.
Audit Report of Audit Committee
April 18, 2024

To: Shareholders of Chang Hwa Commercial Bank, Ltd.

The Board of Directors has prepared the 2023 Earnings Distribution Proposal. The Audit Committee has reviewed the aforementioned Proposal in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and confirmed its consistency with related laws and rules. The Audit Committee hereby provides the said audit report.

The Audit Committee, Chang Hwa Commercial Bank, Ltd.

Independent Director & Chairman : Yu-Hsueh Wu



Independent Director : Shu-Hua Lee



Independent Director : Chao-Kuei Huang



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2023 Business Report of Chang Hwa Commercial Bank, Ltd.

A. 2023 Results of Operations

a. The domestic and overseas financial environments

In 2023, despite facing adverse events such as the collapse of Silicon Valley Bank, defaults in Chinese real estate firms, downgrades in U.S. credit ratings, and geopolitical conflicts, as well as the significant tightening effects of major central banks raising interest rates, the dampening impact on global trade momentum due to subdued end-demand led to a slowdown in manufacturing activities worldwide. However, the resilience of the global economy persisted, supported by robust performance in the employment markets and consumer behavior of major economies.

Regarding the domestic economy, the ongoing effects of major central bank monetary tightening have led brands and retailers to adjust their inventories continuously. This has suppressed the export momentum of domestic manufacturers and limited private investment growth. Nevertheless, consumer spending momentum has remained strong since the lifting of domestic pandemic restrictions. Consumers have shifted their focus to expenditures on dining, entertainment, and domestic and international travel, which has supported the domestic demand momentum and economic growth performance of our country this year. Banks are responsible for providing funding to address the financing needs of businesses affected by the pandemic and assist enterprises in transitioning towards low-carbon, intelligent, and compliance with environmental and safety requirements. Banks are making efforts to assist industries in upgrading and transforming, leading to an increase in the loan balances of domestic banks. Additionally, the widening of the interest spread due to central bank interest rate hikes has significantly boosted banks' interest income.

b. Bank organization and change

None.

c. Operational planning and implementation results of management strategies

1. In profit performance, driven by the Bank's internal operational strategies and coupled with the external economic environment, the Bank achieved outstanding performance in 2023, with a net income after tax of NT\$ 12.982 billion, a growth of 18.33% from the previous year, and EPS of NT\$1.20, with ROE of 7.27%. The Bank's credit asset quality also showed stable improvement, with a non-performing loan ratio of 0.18% and a coverage ratio of 693.38%.
2. Business development:
 - (1) Deposit/Loan business:

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- i. The Bank is committed to developing and strengthening the credit extension of the existing SME customer base, optimizing the deposit and loan structure, and expanding the spread of deposits. The SMEs loan balance has increased by more than NT\$55 billion compared with the end of 2022. Meanwhile, we aligned with government policies to promote post-pandemic recovery and support low-carbon smart projects, offering specialized loans in collaboration with the SME Credit Guarantee Fund. This aids SMEs in post-pandemic recovery, enhances competitiveness, and restores operational prosperity. In addition, to support youth entrepreneurship and small and micro enterprises, the Bank provided a wide range of loan products, supported over 13,000 young entrepreneurs, ranked third among banks in Taiwan, and promoted home ownership through residential mortgage loans, leveraging the New Youth Advantage Interest Subsidy and expanding Bank's mortgage business.
 - ii. In line with the global trend of sustainable development, we are actively implementing various loan programs to support green initiatives. These include the Sustainability Linked Loan Projects, the Green Enterprise Project Loans, and the Solar Photovoltaic Equipment Installation Project Loan. Moreover, we are intensifying the Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries, focusing on related industries of Green Power and Renewable Energy. We have established the Equator Principles Credit Case Operation Guidelines to effectively manage and evaluate the potential environmental and social risks associated with large-scale project financing. Additionally, in light of climate change concerns, we have enhanced the risk management of our real estate collateral financing operations and implemented a climate risk forecasting model to categorize the risk associated with real estate collateral into low, medium, and high levels, which serves as a reference during the review process.
 - iii. In 2023, the Bank's deposit and loan volumes continued to grow steadily, with average deposit balances increasing by 4.62% and average loan balances increasing by 3.96% compared to the previous year.
- (2) Digital finance business:
- i. In response to the digital transformation trend, banks continue to improve various digital financial services and create a digital financial ecosystem. Initiatives include implementing the Smart Teller Machine system to simplify account opening processes, reduce waiting times, and leverage cross-selling capabilities. A dedicated payment and collection mechanism for traditional meat markets and online project financing services were introduced to promote

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diverse mobile payment transactions. Expanding e-payment services for medical institutions was also initiated, providing a convenient and diverse payment channel. The Bank also collaborated with Taipower to develop an innovative supply chain finance, integrating online disbursement and repayment based on transaction data to expand online credit services for businesses. It introduced a Revolving Loan (premises-secured revolving credit loan) with a fully online application process.

ii. The Bank prioritizes the customer financial service experience and continuously improves our online service functionalities. For instance, we have introduced the Mobile-amulet 2.0 mechanism, which enhances transaction security and simplifies the application process for personal online and mobile banking. Additionally, we have optimized our intelligent robot system and the Chang Hwa Bank Mobile Network App interface. Furthermore, we have comprehensively upgraded and redesigned the Fund Management Website to offer a smoother and more comprehensive user experience.

(3) Wealth management business: Actively expanding foreign securities business, the transaction fee income from foreign bonds in 2023 grew by 482.03% compared to the previous year. Our wealth management system has developed the Customer Financial Label feature to effectively target our customer base and enhance our service capacity for existing and new customers. Moreover, we provide our customers with differentiated and prestigious high-quality services through the Wealth Management VIP Customer Exclusive Benefits program. In 2023, the Bank's net wealth management fee income accounted for 66.22% of the overall net fee income, an increase of 38.26% compared with the same period of the previous year.

3. Sustainable development:

The Bank has been paying attention to the international trend in sustainable finance. To implement the sustainable development policy, the Bank has incorporated ESG factors into its core business and operational activities and reviewed its sustainable development plan every year to implement the policy. In 2023, the Bank has achieved important environmental, social, and governance goals.

(1) Environmental: In line with the government's 2050 net-zero transition pathway, the Bank has progressively adopted international standards about environmental sustainability. Our head office and the Hsi-Sung Branch have implemented the greenhouse gas offset project and obtained ISO 14064-2 certification in 2023, making us the first financial institution in Taiwan to attain this certification. In addition, the Bank released the TCFD Report for three consecutive years and

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again obtained the highest "Level 5+: Excellence" certification from the British Standards Institution (BSI) in 2023. This demonstrates the Bank's commitment to mitigating the impacts of climate risks, seizing opportunities for transformation, and taking concrete actions to achieve the goal of net zero emissions.

- (2) Social: In our commitment to friendly financial services, the Bank established 85 bilingual branches offering bilingual environments and consultation services in Chinese and English. We have partnered with the Taiwan Association of Sign Language Interpreters to introduce the Transcription Appointment service. The Bank has implemented a Priority Answering Service for Customers Aged 65 and Above to minimize customer waiting time. We have also introduced online reservation applications for elderly care, nurturing, and disability trusts, allowing customers to save time by avoiding branch visits and enhancing the efficiency of trust case planning through online form submission. Furthermore, the Bank's automated teller machines (ATMs) meet barrier-free models, and 245 have barrier-free voice functions.
- (3) Governance: The Bank is committed to furthering the soundness of the corporate governance system, ranking in the top 5% of the 9th Corporate Governance Evaluation among listed companies and within the top 4 in the financial and insurance category.
- (4) The bank also attaches great importance to sustainable finance. In 2023, we were ranked among the top 20% of the banking industry in the first Sustainable Finance Evaluation conducted by the Financial Supervisory Commission (FSC) and selected as a constituent stock of the Dow Jones Sustainability™ World Index for the first time, which underscores the recognition of our accomplishments in advancing ESG development.

d. Budget execution

1. The total deposit volume was NT\$2,363,310,621 thousand or 96.04% of the budget target.
2. The total loan volume was NT\$1,736,328,559 thousand or 98.18% of the budget target.
3. The total investment business (securities) average volume was NT\$741,277,402 thousand or 91.52% of the budget target.
4. The foreign exchange transactions were US\$117,810,708 thousand or 65.51% of the budget target.
5. The securities brokerage transactions were NT\$213,013,279 thousand or 104.11% of the budget target.
6. Trust fund subscription business was NT\$47,576,093 thousand or 127.57% of the

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budget target.

7. The assets under custody was NT\$368,366,190 thousand or 113.53% of the budget target.
8. The insurance agency transactions were NT\$9,422,899 thousand, or 60.99% of the budget target.
9. Card business (Volume of transaction) was NT\$24,420,583 thousand or 103.74% of the budget target.

e. Financial highlights

1. Net interest income: NT\$22,232,574 thousand.
2. Net non-interest income: NT\$16,337,498 thousand
3. Net revenue and gains: NT\$38,570,072 thousand.
4. Bad debts expenses, commitment and guarantee liability provision: NT\$3,241,455 thousand.
5. Operating expenses: NT\$19,092,029 thousand.
6. Income before income tax: NT\$16,236,588 thousand.
7. Income tax expense: NT\$3,254,446 thousand.
8. Net income: NT\$12,982,142 thousand.
9. Other comprehensive income: NT\$11,814,097 thousand.
10. Total comprehensive income: NT\$24,796,239 thousand.
11. EPS after tax: NT\$1.20
12. Return on Assets (ROA): 0.46%.
13. Return on Equity (ROE): 7.27%.

f. Research and development

1. Innovative financial services

Regarding R&D patents, the Bank continued to accumulate innovation in FinTech. In 2023, the Bank obtained 24 utility model patents and 9 invention patents; 7 are currently under review.

2. Business Research

To keep abreast of the latest industry and economic trends, the Bank has set up a dedicated unit to collect and analyze relevant information on the economy, industry, and market and prepare overall economic and industry outlooks and research reports as a reference for business promotion and marketing interviews of all bank units. Additionally, to promote business innovation and development, all employees are encouraged to research current business development trends and financial-related issues, and 23 business research reports

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were issued in 2023.

3. Big data application and development

We introduced the Real Estate Appraisal Positioning Assistance System, which incorporates a self-developed model for rectifying registered parking space prices and monitoring unusual registered unit prices, efficiently capturing the dynamics of the real estate transaction market.

4. Introducing Robotic Process Automation (RPA) technology.

RPA technology is being gradually implemented in various operational processes, including anti-money laundering, credit granting, wealth management, insurance, funds, and alert accounts to enhance operational efficiency, reduce workforce burden, mitigate operational risks, minimize resource consumption, and improve service quality.

B. 2024 Highlights of Business Plans

a. Business directions and operational policies

In 2024, the Bank will uphold the main strategies of “Customer orientation, Sustainability, and Integrity” and the 4Cs sustainability targets (Carbon Reduction, Sustainable Capital, Responsible Credit, and Financial Inclusion of Customers) to construct six major business principles as follows:

1. Consolidate core business and expand overseas presence.
2. Promote digital transformation and innovate financial technology.
3. Integrate multidimensional services and deepen engagement with wealth management clients.
4. Adhere to integrity and compliance and strengthen risk management and cybersecurity.
5. Enhance fair treatment of customers and promote social inclusion.
6. Foster sustainable governance and drive sustainable operations

Important operating policies are as follows:

➤ Operation

1. Maintain a prudent credit asset quality, strengthen the deposit loan structure, and enhance interest rate spread.
2. Develop diversified financial products, enrich professional financial services, and tap into high-asset customer groups.
3. Arrange housing loan capacity by diversifying customer sources, increasing penetration of cross-business products, and deepening customer loyalty.
4. Expend the niche of authorized store business, broaden the digital financial ecosystem, and create profitable blue oceans.

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5. Accelerate overseas expansion, accumulate local development momentum, and strengthen overseas profit dynamics.
6. Seize green opportunities, focus on sustainable financial products, and promote the implementation of sustainable development.

➤ **Management**

1. Strengthen climate resilience, cultivate sustainable finance talents, and foster sustainable development.
2. Improve corporate governance, refine ethical operations, and enhance integrity management and legal compliance mechanisms.
3. Ensure the protection of the rights and interests of the financial consumer, build a financial-friendly environment, and actively engage in social care initiatives.
4. Optimize operation process, improve operational efficiency, and reduce operational risk.
5. Enhance information security measures, strengthen monitoring capabilities, and deepen information security governance.

b. Business operational targets

1. Deposits Volume: NT\$2,489,254,536 thousand.
2. Loans Volume: NT\$1,817,361,114 thousand.
3. Investment Business (Securities): NT\$808,491,267 thousand.
4. Foreign Exchange Transactions: US\$119,854,330 thousand.
5. Securities Brokerage Transactions: NT\$220,619,587 thousand.
6. Trust Fund Subscription: NT\$49,321,270 thousand.
7. Assets under Custody: NT\$358,800,000 thousand.
8. Insurance Agency Transactions: NT\$9,132,408 thousand.
9. Card Business (Volume of transaction): NT\$27,000,000 thousand.

C. Future Development Strategy

Looking ahead to 2024, to realize the Bank's vision of becoming “the most trustworthy financial service provider”, we will continue to expand diversified financial products, enhance service quality across our operational branches, promote sustainable financial products, and collaborate with customers to achieve sustainability development goals. We aim to establish customer segmentation marketing and increase cross-industry collaborations, build diversified relationships, expand customer base, and create a comprehensive digital financial environment to enhance digital financial inclusivity. Furthermore, the Bank will actively strengthen the operational capabilities of our high-asset

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service team, focusing on developing and managing high-asset customers and professional investors. We will leverage the synergies of our customer resources to increase wealth management revenue and service quality. We will continue to expand our overseas presence, carefully assessing profitability and economic conditions and strengthening international financial talents to augment overseas profits.

The Bank will continue to pursue its goal of developing its core businesses and actively pursue a variety of revenue streams while embracing the trend and opportunities of contactless financial services driven by digital technology. It is also committed to promoting positive change in corporate governance, responsible finance, employee care, social inclusion, and environmental sustainability and implementing sustainable development goals. We look forward to creating new milestones with steady and solid steps.

D. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

a. The impact of external competitive environment

1. Adapting to global economic trends, we adopt a dynamic approach to adjust short-term fund allocations. While ensuring liquidity, we aim to increase interest income by maximizing interest rate differentials. Additionally, we leverage FX SWAP transactions and provide short-term credit loans to enhance the overall yield of deployable funds.
2. To address the growing trend of population aging and the increasing opportunities in the trust business, the Bank is actively training Eldercare Financial Planning Consultants and Family Trust Planning Consultants to enhance their expertise in delivering professional services to high-net-worth and elderly clients.

b. The impact of regulatory environment

1. In May 2023, the Executive Yuan approved the Next Generation Anti-Fraud Strategy Guidelines Version 1.5 to prevent fraud through public-private cooperation. The Bank actively collaborates with the government in the fight against fraud. Moreover, on October 16, 2023, the Bank joined the Eagle Eye Anti-Fraud Alliance, established by the Criminal Investigation Bureau of the Ministry of the Interior. The Alliance aims to leverage the patented AI detection technology of the Eagle Eye model to improve the identification of suspicious transactions and the detection rate of abnormal accounts. This will enable prompt fraud prevention and protection of customer assets.
2. To sustain the momentum of financial technology innovation and build upon the existing foundation, the FSC released the FinTech Development Roadmap (2.0) in August 2023. The Bank is also committed to continuously enhancing digital technology and financial services while proactively managing the cybersecurity risks associated with the evolving trends and integrating digital finance and emerging

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technologies.

3. In recent years, there has been a steady rise in the intensity of financial regulation, accompanied by an increase in consumer awareness of the need for financial protection. This has resulted in higher costs for the monitoring mechanisms associated with these regulations. The Bank will continue to optimize the code of conduct and management mechanisms for financial advisors, supplemented by monitoring and auditing mechanisms and timely revisions of relevant operational guidelines, to enhance the professional ethics and compliance awareness of wealth management personnel.

c. The impact of macroeconomic environment

Since 2023, global economic performance has been impacted by increasing inflationary pressures, a gradual rise in interest rates, and a lackluster post-pandemic recovery in China. These factors have dampened global demand for finished goods, resulting in ongoing inventory liquidation and even company layoffs. Likewise, the tightening of funds has spread, leading to higher investment costs and a sluggish pace of corporate investment. The substantial interest expenses associated with high default risks have placed significant pressure on the financial market, further weighing down global economic performance. Nevertheless, global inflation has been effectively managed due to the decrease in international oil prices, enhancements in the supply chain, and a slowdown in the competitive labor market. It is anticipated that major central banks will initiate a cycle of interest rate cuts in the coming year, which will have positive implications for corporate production, investment, and private consumption. Yet, it is important to acknowledge that the global economy is still confronted with numerous uncertainties, including national elections, geopolitics, climate change, and fluctuations in raw material prices, which persistently influence the rate of global economic recovery.

In general, the uncertainty in the macroeconomic environment is still dependent on the inflationary developments in different countries and the monetary policy trends of major economies. These factors will have an impact on the global financial market. However, as the pressure of inventory reduction in the manufacturing industry eases and terminal demand gradually recovers, domestic exports are expected to move towards positive growth. This is anticipated to drive private investment and increase inventory expansion by businesses. In addition, consumer momentum is expected to remain strong. Looking ahead to 2024, despite facing numerous challenges, the economic outlook is still expected to remain positive.

E. Latest Credit Ratings

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Credit Rating Agency	Release Date	International Rating		Domestic Rating		Outlook
		Long term	Short term	Long term	Short term	
Taiwan Ratings	2023/12	-	-	twAA+	twA-1+	Stable
S&P	2023/12	A	A-1	-	-	Stable
Moody's	2023/3	A2	P-1	-	-	Stable

February 26, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Chang Hwa Commercial Bank, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chang Hwa Commercial Bank, Ltd. (the “Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by 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 effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following is the description for the key audit matter in the audit of the consolidated financial statements of the Group for the year ended December 31, 2023.

Impairment Assessment of Loans

Loans are the most important assets of the Group. As of December 31, 2023, the balance of the Group's loans totaled \$1,802,524,696 thousand, accounting for 62% of the Group's total consolidated assets. The Group assessed the impairment on loans in accordance with IFRS 9 and with relevant regulations on recognizing allowance for loans. As the assessment of the impairment on the aforementioned assets involves the management's critical judgments, estimations and assumptions, we considered the impairment assessment on loans as a key audit matter. Refer to Notes 4, 5 and 12 to the Group's consolidated financial statements for related information.

Our main audit procedures performed in response to the key audit matter described above were as follows:

When assessing the appropriateness of the impairment on loans, we understood and tested the internal controls relevant to the lending process and assessment of loan impairment. We tested whether the expected credit loss was calculated by loans grouped by borrowers and credit risk characteristics. We further verified whether the parameters utilized in the impairment loss model (including the probability of default adjusted for forward-looking factors, loss given default, and exposure at default) to reflect the actual situation, and we recalculated the impairment loss on loans, examined the classification of loan credit assets, and assessed the loan provisions in compliance with relevant regulations.

Other Matter

We have also audited the financial statements of Chang Hwa Commercial Bank, Ltd. as of and for the years ended December 31, 2023 and 2022 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Mei Hui Wu and Tza Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

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

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
Cash and cash equivalents	\$ 59,446,777	2	\$ 51,758,581	2
Due from the Central Bank and call loans to banks	183,833,192	6	149,988,138	6
Financial assets at fair value through profit or loss	73,576,072	3	31,485,681	1
Financial assets at fair value through other comprehensive income	261,736,003	9	214,615,957	8
Investments in debt instruments at amortized cost	453,142,979	16	485,011,259	18
Receivables, net	20,991,624	1	22,446,573	1
Current tax assets	135,733	-	44,675	-
Discounts and loans, net	1,802,524,696	62	1,685,320,445	63
Other financial assets, net	1,235,692	-	1,768,723	-
Property and equipment, net	21,047,700	1	21,030,975	1
Right-of-use assets, net	1,938,304	-	1,954,493	-
Investment properties, net	13,872,697	-	13,845,593	-
Intangible assets, net	996,476	-	1,121,815	-
Deferred tax assets	3,361,545	-	3,390,756	-
Other assets, net	<u>3,034,649</u>	-	<u>1,068,655</u>	-
TOTAL	<u>\$ 2,900,874,139</u>	<u>100</u>	<u>\$ 2,684,852,319</u>	<u>100</u>
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks	\$ 113,218,248	4	\$ 52,877,055	2
Financial liabilities at fair value through profit or loss	6,594,822	-	6,920,062	-
Securities sold under repurchase agreements	11,138,326	1	941,013	-
Payables	36,498,738	1	31,965,424	1
Current tax liabilities	1,795,507	-	896,855	-
Deposits and remittances	2,475,788,955	86	2,349,882,620	88
Bank notes payable	49,163,511	2	51,219,465	2
Other financial liabilities	1,234,258	-	858,883	-
Reserve for liabilities	3,306,843	-	3,023,164	-
Lease liabilities	1,783,082	-	1,794,804	-
Deferred tax liabilities	9,874,181	-	9,430,267	1
Other liabilities	<u>2,479,612</u>	-	<u>6,014,489</u>	-
Total liabilities	<u>2,712,876,083</u>	<u>94</u>	<u>2,515,824,101</u>	<u>94</u>
EQUITY				
Capital stock				
Common stock	108,582,930	4	105,934,566	4
Retained earnings				
Legal reserve	46,674,889	2	43,043,607	2
Special reserve	12,201,590	-	12,201,590	-
Unappropriated earnings	13,482,750	-	12,218,872	-
Other equity	<u>7,055,897</u>	-	<u>(4,370,417)</u>	-
Total equity	<u>187,998,056</u>	<u>6</u>	<u>169,028,218</u>	<u>6</u>
TOTAL	<u>\$ 2,900,874,139</u>	<u>100</u>	<u>\$ 2,684,852,319</u>	<u>100</u>

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME	\$ 64,843,059	168	\$ 41,611,955	122	56
INTEREST EXPENSE	<u>(42,610,485)</u>	<u>(110)</u>	<u>(16,966,652)</u>	<u>(50)</u>	151
NET INCOME OF INTEREST	<u>22,232,574</u>	<u>58</u>	<u>24,645,303</u>	<u>72</u>	(10)
NET NON-INTEREST INCOME					
Net service fee income	5,142,288	13	4,256,183	12	21
Gain on financial assets or liabilities measured at fair value through profit or loss	9,610,359	25	3,311,935	10	190
Realized gain on financial assets at fair value through other comprehensive income	905,973	2	70,374	-	1,187
Loss arising from derecognition of financial assets at amortized cost	(233,854)	(1)	(1,637)	-	14,186
Foreign exchange gain	735,811	2	1,640,408	5	(55)
Net other non-interest income	<u>176,921</u>	<u>1</u>	<u>216,024</u>	<u>1</u>	(18)
Net non-interest income	<u>16,337,498</u>	<u>42</u>	<u>9,493,287</u>	<u>28</u>	72
NET REVENUE AND GAINS	<u>38,570,072</u>	<u>100</u>	<u>34,138,590</u>	<u>100</u>	13
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(3,241,455)</u>	<u>(8)</u>	<u>(3,319,215)</u>	<u>(10)</u>	(2)
OPERATING EXPENSES					
Employee benefits expenses	(12,265,046)	(32)	(11,721,438)	(34)	5
Depreciation and amortization expenses	(1,650,408)	(4)	(1,570,762)	(5)	5
Other general and administrative expenses	<u>(5,176,575)</u>	<u>(14)</u>	<u>(4,476,447)</u>	<u>(13)</u>	16
Total operating expenses	<u>(19,092,029)</u>	<u>(50)</u>	<u>(17,768,647)</u>	<u>(52)</u>	7

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INCOME BEFORE INCOME TAX	\$ 16,236,588	42	\$ 13,050,728	38	24
INCOME TAX EXPENSE	<u>(3,254,446)</u>	<u>(8)</u>	<u>(2,079,577)</u>	<u>(6)</u>	56
NET INCOME	<u>12,982,142</u>	<u>34</u>	<u>10,971,151</u>	<u>32</u>	18
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss, net of tax:					
Remeasurement of defined benefit plans	(297,306)	(1)	1,371,103	4	(122)
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	9,397,106	24	(4,665,626)	(14)	301
Income tax related to items that will not be reclassified to profit or loss	59,464	-	(274,226)	(1)	122
Items that will be reclassified to profit or loss, net of tax:					
Exchange differences on translation	(302,740)	(1)	2,565,408	8	(112)
Revaluation gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	2,991,675	8	(7,112,627)	(21)	142
(Impairment loss) reversal of impairment loss on investments in debt instruments measured at fair value through other comprehensive income	6,841	-	(2,037)	-	436
Income tax related to items that will be reclassified to profit or loss	<u>(40,943)</u>	<u>-</u>	<u>(33,098)</u>	<u>-</u>	24
Other comprehensive income (loss), net of tax	<u>11,814,097</u>	<u>30</u>	<u>(8,151,103)</u>	<u>(24)</u>	245
TOTAL COMPREHENSIVE INCOME	<u>\$ 24,796,239</u>	<u>64</u>	<u>\$ 2,820,048</u>	<u>8</u>	779

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 12,982,142</u>	<u>34</u>	<u>\$ 10,971,151</u>	<u>32</u>	18
Non-controlling interests	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	-
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 24,796,239</u>	<u>64</u>	<u>\$ 2,820,048</u>	<u>8</u>	779
Non-controlling interests	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	-
EARNINGS PER SHARE					
Basic	<u>\$1.20</u>		<u>\$1.01</u>		
Diluted	<u>\$1.19</u>		<u>\$1.01</u>		

(Concluded)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Bank					Other Equity		Total Equity
	Capital Stock		Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	
	Common Stock (In Thousands)	Amount	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2022	10,488,571	\$ 104,885,708	\$ 40,320,456	\$ 12,201,590	\$ 9,130,892	\$ (3,313,666)	\$ 8,227,475	\$ 171,452,455
Appropriation of 2021 earnings								
Legal reserve appropriated	-	-	2,723,151	-	(2,723,151)	-	-	-
Cash dividends	-	-	-	-	(5,244,285)	-	-	(5,244,285)
Stock dividends	104,886	1,048,858	-	-	(1,048,858)	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	10,971,151	-	-	10,971,151
Other comprehensive income (loss) for the year ended December 31, 2022, net of tax	-	-	-	-	1,096,877	2,397,452	(11,645,432)	(8,151,103)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,068,028	2,397,452	(11,645,432)	2,820,048
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	36,246	-	(36,246)	-
BALANCE, DECEMBER 31, 2022	10,593,457	105,934,566	43,043,607	12,201,590	12,218,872	(916,214)	(3,454,203)	169,028,218
Appropriation of 2022 earnings								
Legal reserve appropriated	-	-	3,631,282	-	(3,631,282)	-	-	-
Cash dividends	-	-	-	-	(5,826,401)	-	-	(5,826,401)
Stock dividends	264,836	2,648,364	-	-	(2,648,364)	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	12,982,142	-	-	12,982,142
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	(237,842)	(295,000)	12,346,939	11,814,097
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	12,744,300	(295,000)	12,346,939	24,796,239
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	625,625	-	(625,625)	-
BALANCE, DECEMBER 31, 2023	10,858,293	\$ 108,582,930	\$ 46,674,889	\$ 12,201,590	\$ 13,482,750	\$ (1,211,214)	\$ 8,267,111	\$ 187,998,056

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2023	2022
Net cash flows (use in) generated from operating activities		
Net income before income tax	\$ 16,236,588	\$ 13,050,728
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized on trade receivables	3,241,455	3,319,215
Depreciation expense	1,226,105	1,214,075
Amortization expense	424,303	356,687
Interest income	(64,843,059)	(41,611,955)
Dividend income	(1,553,895)	(1,367,402)
Interest expense	42,610,485	16,966,652
Net gain on financial assets or liabilities at fair value through profit or loss	(2,942,378)	(4,437,335)
Loss on disposal of investments	861,773	1,290,412
Unrealized foreign exchange (gain) loss	(6,667,981)	1,125,400
Other adjustments	74,596	491,723
Changes in operating assets and liabilities		
Increase in due from the Central Bank	(11,321,948)	(731,356)
(Increase) decrease financial assets at fair value through profit or loss	(48,344,857)	31,550,272
Decrease in receivables	3,537,104	3,243,582
Increase in discounts and loans	(120,478,684)	(133,764,597)
Increase in financial assets at fair value through other comprehensive income	(35,352,343)	(53,490,019)
Decrease (increase) in investments in debt instruments at amortized cost	31,868,403	(79,754,815)
Decrease in other financial assets	525,624	2,082,292
(Increase) decrease in other assets	(1,959,450)	402,771
Decrease in deposits from the Central Bank and banks	(77,243)	(109,878)
Increase in deposits and remittances	125,906,335	182,441,388
Increase (decrease) in payables	1,629,095	(6,594,343)
Increase in financial liabilities at fair value through profit or loss	14,685,329	318,497
Decrease in reserve for liabilities	(216,024)	(297,401)
Increase (decrease) in other financial liabilities	375,375	(143,019)
(Decrease) increase in other liabilities	<u>(3,516,959)</u>	<u>2,831,851</u>
Cash flows used in operations	(54,072,251)	(61,616,575)
Interest received	63,612,547	39,123,285
Dividends received	1,547,395	1,370,152
Interest paid	(39,769,261)	(15,243,031)
Income taxes paid	<u>(1,864,148)</u>	<u>(1,131,396)</u>
Net cash flows used in operating activities	<u>(30,545,718)</u>	<u>(37,497,565)</u>

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ (778,112)	\$ (741,531)
Acquisition of intangible assets	(252,892)	(765,280)
Acquisition of investment properties	(1,820)	-
Proceeds from disposal of properties	<u>792</u>	<u>19</u>
Net cash flows used in investing activities	<u>(1,032,032)</u>	<u>(1,506,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in due to the Central Bank and banks	60,418,436	(46,902,435)
Proceeds from issuing bank notes	1,000,000	-
Repayments of bank notes	(3,000,000)	-
Increase (decrease) in securities sold under repurchase agreement	10,197,313	(431,847)
Repayment of the principal portion of lease liabilities	(697,556)	(669,060)
Cash dividends paid	<u>(5,826,401)</u>	<u>(5,244,285)</u>
Net cash flows generated from (used in) financing activities	<u>62,091,792</u>	<u>(53,247,627)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(302,740)</u>	<u>2,565,408</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,211,302	(89,686,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>104,820,099</u>	<u>194,506,675</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 135,031,401</u>	<u>\$ 104,820,099</u>
	December 31	
	2023	2022
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in the consolidated balance sheets	\$ 59,446,777	\$ 51,758,581
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	<u>75,584,624</u>	<u>53,061,518</u>
Cash and cash equivalents at end of year	<u>\$ 135,031,401</u>	<u>\$ 104,820,099</u>

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Chang Hwa Commercial Bank, Ltd.

Opinion

We have audited the accompanying financial statements of Chang Hwa Commercial Bank, Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2023 and 2022, 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 material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2023 and 2022, 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 and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, 2023. 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 is the description for the key audit matter in the audit of the financial statements of the Bank for the year ended December 31, 2023.

Impairment Assessment of Loans

Loans are the most important assets of the Bank. As of December 31, 2023, the balance of the Bank's loans totaled \$1,787,107,192 thousand, accounting for 62% of the Bank's total assets. The Bank assessed the impairment on loans in accordance with IFRS 9 and with relevant regulations on recognizing allowance for loans. As the assessment of the impairment on the aforementioned assets involves the management's critical judgments, estimations and assumptions, we considered the impairment assessment on loans as a key audit matter. Refer to Notes 4, 5 and 12 to the Bank's financial statements for related information.

Our main audit procedures performed in response to the key audit matter described above were as follows:

When assessing the appropriateness of the impairment on loans, we understood and tested the internal controls relevant to the lending process and assessment of loan impairment. We tested whether the expected credit loss was calculated by loans grouped by borrowers and credit risk characteristics. We further verified the parameters utilized in the impairment loss model (including the probability of default adjusted for forward-looking factors, loss given default, and exposure at default) to reflect the actual situation, and we recalculated the impairment loss on loans, examined the classification of loan credit assets, and assessed the loan provisions in compliance with relevant regulations.

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 Regulations Governing the Preparation of Financial Reports by Securities Firms, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

The engagement partners on the audits resulting in this independent auditors' report are Mei Hui Wu and Tza Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

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.

CHANG HWA COMMERCIAL BANK, LTD.

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

ASSETS	2023		2022	
	Amount	%	Amount	%
Cash and cash equivalents	\$ 52,870,191	2	\$ 46,490,790	2
Due from the Central Bank and call loans to banks	172,507,850	6	147,435,730	6
Financial assets at fair value through profit or loss	72,831,553	3	30,893,372	1
Financial assets at fair value through other comprehensive income	257,735,718	9	208,955,699	8
Investments in debt instruments at amortized cost	453,100,064	16	485,011,259	18
Receivables, net	21,096,161	1	22,348,157	1
Current tax assets	135,733	-	44,675	-
Discounts and loans, net	1,787,107,192	62	1,665,842,407	62
Investments measured by equity method, net	14,717,022	-	14,761,811	1
Other financial assets, net	7,727,692	-	7,061,923	-
Property and equipment, net	20,347,752	1	20,281,431	1
Right-of-use assets, net	1,924,106	-	1,950,552	-
Investment property, net	13,872,697	-	13,845,593	-
Intangible assets, net	905,986	-	1,062,279	-
Deferred tax assets	3,277,208	-	3,272,664	-
Other assets, net	<u>3,021,720</u>	-	<u>1,062,118</u>	-
TOTAL	<u>\$ 2,883,178,645</u>	<u>100</u>	<u>\$ 2,670,320,460</u>	<u>100</u>
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks	\$ 112,859,055	4	\$ 51,518,491	2
Financial liabilities at fair value through profit or loss	6,594,822	-	6,920,062	-
Securities sold under repurchase agreements	11,138,326	1	941,013	-
Payables	36,111,923	1	31,716,456	1
Current tax liabilities	1,767,700	-	873,126	-
Deposits and remittances	2,458,964,957	85	2,337,077,054	88
Bank notes payable	49,163,511	2	51,219,465	2
Other financial liabilities	1,234,258	-	858,883	-
Reserve for liabilities	3,301,713	-	3,019,679	-
Lease liabilities	1,770,550	-	1,791,821	-
Deferred tax liabilities	9,868,792	-	9,418,151	1
Other liabilities	<u>2,404,982</u>	-	<u>5,938,041</u>	-
Total liabilities	<u>2,695,180,589</u>	<u>93</u>	<u>2,501,292,242</u>	<u>94</u>
EQUITY				
Capital stock				
Common stock	108,582,930	4	105,934,566	4
Retained earnings				
Legal reserve	46,674,889	2	43,043,607	2
Special reserve	12,201,590	-	12,201,590	-
Unappropriated earnings	13,482,750	1	12,218,872	-
Other equity	<u>7,055,897</u>	-	<u>(4,370,417)</u>	-
Total equity	<u>187,998,056</u>	<u>7</u>	<u>169,028,218</u>	<u>6</u>
TOTAL	<u>\$ 2,883,178,645</u>	<u>100</u>	<u>\$ 2,670,320,460</u>	<u>100</u>

CHANG HWA COMMERCIAL BANK, LTD.

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME	\$ 63,789,232	168	\$ 40,723,269	121	57
INTEREST EXPENSE	<u>(42,183,746)</u>	<u>(111)</u>	<u>(16,747,760)</u>	<u>(50)</u>	152
NET INCOME OF INTEREST	<u>21,605,486</u>	<u>57</u>	<u>23,975,509</u>	<u>71</u>	(10)
NET NON-INTEREST INCOME					
Net service fee income	5,136,063	14	4,247,242	13	21
Gain on financial assets or liabilities measured at fair value through profit or loss	9,442,106	25	3,194,517	9	196
Realized gain on financial assets at fair value through other comprehensive income	811,217	2	17,554	-	4,521
Loss arising from derecognition of financial assets at amortized cost	(233,854)	(1)	(1,637)	-	14,186
Foreign exchange gain	724,134	2	1,597,718	5	(55)
Share of profit of associates and joint ventures accounted for using equity method	303,151	1	290,807	1	4
Net other non-interest income	<u>175,672</u>	<u>-</u>	<u>214,553</u>	<u>1</u>	(18)
Net non-interest income	<u>16,358,489</u>	<u>43</u>	<u>9,560,754</u>	<u>29</u>	71
NET REVENUE AND GAINS	<u>37,963,975</u>	<u>100</u>	<u>33,536,263</u>	<u>100</u>	13
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(3,289,434)</u>	<u>(9)</u>	<u>(3,300,068)</u>	<u>(10)</u>	-

(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefit expenses	\$ (11,939,508)	(32)	\$ (11,405,888)	(34)	5
Depreciation and amortization expenses	(1,570,873)	(4)	(1,497,382)	(4)	5
Other general and administrative expenses	<u>(5,049,215)</u>	<u>(13)</u>	<u>(4,358,826)</u>	<u>(13)</u>	16
Total operating expenses	<u>(18,559,596)</u>	<u>(49)</u>	<u>(17,262,096)</u>	<u>(51)</u>	8
INCOME BEFORE INCOME TAX	16,114,945	42	12,974,099	39	24
INCOME TAX EXPENSE	<u>(3,132,803)</u>	<u>(8)</u>	<u>(2,002,948)</u>	<u>(6)</u>	56
NET INCOME	<u>12,982,142</u>	<u>34</u>	<u>10,971,151</u>	<u>33</u>	18
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX					
Items that will not be reclassified to profit or loss, net of tax:					
Remeasurement of defined benefit plans	(297,306)	(1)	1,371,103	4	(122)
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	9,395,017	25	(4,670,343)	(14)	301
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	2,089	-	4,717	-	(56)
Income tax related to items that will not be reclassified to profit or loss	59,464	-	(274,226)	(1)	122

(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that will be reclassified to profit or loss, net of tax:					
Exchange differences on translation	\$ (302,740)	(1)	\$ 2,565,408	7	(112)
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	(20,038)	-	(13,867)	-	45
Revaluation gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	3,017,064	8	(7,095,323)	(21)	143
(Reversal of) impairment loss on investments in debt instruments measured at fair value through other comprehensive income	7,837	-	(1,148)	-	783
Income tax related to items that will be reclassified to profit or loss	<u>(47,290)</u>	<u>-</u>	<u>(37,424)</u>	<u>-</u>	26
Other comprehensive income (loss), net of tax	<u>11,814,097</u>	<u>31</u>	<u>(8,151,103)</u>	<u>(25)</u>	245
TOTAL COMPREHENSIVE INCOME	<u>\$ 24,796,239</u>	<u>65</u>	<u>\$ 2,820,048</u>	<u>8</u>	779
EARNINGS PER SHARE					
Basic	<u>\$ 1.20</u>		<u>\$ 1.01</u>		
Diluted	<u>\$ 1.19</u>		<u>\$ 1.01</u>		

(Concluded)

CHANG HWA COMMERCIAL BANK, LTD.

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

	Equity Attributable to Owners of the Bank					Other Equity		Total Equity
	Capital Stock		Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	
	Common Stock (In Thousands)	Amount	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2022	10,488,571	\$ 104,885,708	\$ 40,320,456	\$ 12,201,590	\$ 9,130,892	\$ (3,313,666)	\$ 8,227,475	\$ 171,452,455
Appropriation of 2021 earnings								
Legal reserve appropriated	-	-	2,723,151	-	(2,723,151)	-	-	-
Cash dividends	-	-	-	-	(5,244,285)	-	-	(5,244,285)
Stock dividends	104,886	1,048,858	-	-	(1,048,858)	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	10,971,151	-	-	10,971,151
Other comprehensive income (loss) for the year ended December 31, 2022, net of tax	-	-	-	-	1,096,877	2,397,452	(11,645,432)	(8,151,103)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,068,028	2,397,452	(11,645,432)	2,820,048
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	36,246	-	(36,246)	-
BALANCE, DECEMBER 31, 2022	10,593,457	105,934,566	43,043,607	12,201,590	12,218,872	(916,214)	(3,454,203)	169,028,218
Appropriation of 2022 earnings								
Legal reserve appropriated	-	-	3,631,282	-	(3,631,282)	-	-	-
Cash dividends	-	-	-	-	(5,826,401)	-	-	(5,826,401)
Stock dividends	264,836	2,648,364	-	-	(2,648,364)	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	12,982,142	-	-	12,982,142
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	(237,842)	(295,000)	12,346,939	11,814,097
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	12,744,300	(295,000)	12,346,939	24,796,239
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	625,625	-	(625,625)	-
BALANCE, DECEMBER 31, 2023	10,858,293	\$ 108,582,930	\$ 46,674,889	\$ 12,201,590	\$ 13,482,750	\$ (1,211,214)	\$ 8,267,111	\$ 187,998,056

CHANG HWA COMMERCIAL BANK, LTD.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 16,114,945	\$ 12,974,099
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized on trade receivables	3,289,434	3,300,068
Depreciation expense	1,175,486	1,166,084
Amortization expense	395,387	331,298
Share of profit (loss) of subsidiaries for using equity method	(303,151)	(290,807)
Interest income	(63,789,232)	(40,723,269)
Dividend income	(1,540,216)	(1,360,398)
Interest expense	42,183,746	16,747,760
Net gain on financial assets or liabilities at fair value through profit or loss	(2,774,125)	(4,319,917)
Loss on disposal of investments	956,200	1,343,120
Unrealized foreign exchange (gain) loss	(6,667,981)	1,125,400
Other adjustments	60,215	504,590
Changes in operating assets and liabilities		
Increase in due from the Central Bank	(10,988,523)	(188,487)
(Increase) decrease in financial assets at fair value through profit or loss	(48,141,139)	30,887,439
Decrease in receivables	3,558,617	3,183,563
Increase in discounts and loans	(124,597,426)	(131,026,965)
Increase in financial assets at fair value through other comprehensive income	(37,082,447)	(55,838,676)
Decrease (increase) in investments in debt instruments at amortized cost	31,911,318	(79,754,815)
(Increase) decrease in other financial assets	(673,176)	5,471,093
(Increase) decrease in other assets	(1,953,058)	390,473
Decrease in deposits from the Central Bank and banks	(184,157)	(3,383)
Increase in deposits and remittances	121,887,903	179,053,277
Increase (decrease) in payables	1,613,108	(6,601,240)
Increase in financial liabilities at fair value through profit or loss	14,473,662	270,525
Decrease in reserve for liabilities	(207,715)	(301,913)
Increase (decrease) in other financial liabilities	375,375	(143,019)
(Decrease) increase in other liabilities	<u>(3,515,141)</u>	<u>2,788,848</u>
Cash flows used in operations	(64,422,091)	(61,015,252)
Interest received	62,326,435	38,261,094
Dividends received	1,605,421	1,363,148
Interest paid	(39,464,382)	(15,023,191)
Income taxes paid	<u>(1,779,958)</u>	<u>(1,103,341)</u>
Net cash flows used in operating activities	<u>(41,734,575)</u>	<u>(37,517,542)</u>

(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ -	\$ (400,000)
Acquisition of property and equipment	(732,300)	(678,995)
Proceeds from disposal of properties	792	19
Acquisition of intangible assets	(231,331)	(749,939)
Acquisition of investment properties	<u>(1,820)</u>	<u>-</u>
Net cash flows used in investing activities	<u>(964,659)</u>	<u>(1,828,915)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in due to the Central Bank and banks	61,524,721	(48,055,424)
Proceeds from bank notes	1,000,000	-
Repayments of bank notes	(3,000,000)	-
Increase (decrease) in securities sold under repurchase agreement	10,197,313	(431,847)
Repayments of the principal portion of lease liabilities	(688,947)	(659,207)
Cash dividends paid	<u>(5,826,401)</u>	<u>(5,244,285)</u>
Net cash flows generated from (used in) financing activities	<u>63,206,686</u>	<u>(54,390,763)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(44,454)</u>	<u>2,353,401</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,462,998	(91,383,819)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>98,696,269</u>	<u>190,080,088</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 119,159,267</u>	<u>\$ 98,696,269</u>
	December 31	
	2023	2022
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in the balance sheets	\$ 52,870,191	\$ 46,490,790
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	<u>66,289,076</u>	<u>52,205,479</u>
Cash and cash equivalents at end of year	<u>\$ 119,159,267</u>	<u>\$ 98,696,269</u>

(Concluded)