China Bills Finance Corporation

Minutes of the 2024 Annual General Meeting

Time: 9:00 am on June 14, 2024 (Friday)

Venue: B1, No. 85, Section 4, Roosevelt Road, Da'an District, Taipei City

(Socrates Hall & Alexander Hall, GIS NTU Convention Center)

Total shares represented by shareholders present in person or by proxy: 1,013,068,249 shares were represented by shareholders present in person and by proxy (including 781,078,390 shares represented by shareholders who exercised their voting rights electronically), accounting for 75.43% of 1,342,960,000 shares, the Company's total outstanding shares.

Directors present: Chairman Cheng-Chuan Chang, Director Cheng-Hsiang Wei (concurrently serving as the Company's President), Independent Director Chung-Ming Kuo (convener of the Audit Committee), Independent Director Horng-Dar, Lin, Director Chih-Yuan, Hsu, Director Si-Tsong Cheng, Director Tzu-Hou Peng and Director Tang-Hsuan, Huang. Eight directors were present, exceeding half of the 11 seats in total.

Observers: Deloitte: CPA Yin-chou Chen

Lexcel Law Offices: Attorney LI,CHIN-SHU

Chairman: Cheng-Chuan Chang, Chairman of the Board
Minutes taker: LIAO,CHING-CHUN

I. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chair called the meeting to order.

II. Chairman's Address: (Omitted)

III. Report items:

(I) The Company's 2023 Business Report

(Noted)

There are no shareholder questions in this case.

(II) The Audit Committee's review report of the 2023 Financial Statements

(Noted)

There are no shareholder questions in this case.

(III) Employees and Directors' Remuneration Distribution for 2023.

(Noted)

There are no shareholder questions in this case.

(IV) The company directors' and managers' remuneration policy for 2023

(Noted)

There are no shareholder questions in this case.

(V) Amendments to the Rules of Procedure of the Board of Directors Meetings

(Noted)

There are no shareholder questions in this case.

IV. Ratification items:

Item (I) Proposed by the Board of Directors

Proposal: To accept 2023 Business Report and Financial Statements

Explanation:

I. The Company's 2023 review report , including business reports, the directory of main property, and the audit report with unqualified opinions issued by Lee Kuan-Hao, Chen Yin-Chou, Certified Public Accountants of Deloitte & Touche have been reviewed by the Audit Committee, which considers the motion proper and the review report is represented in accordance with Article 14-1 of the Securities Exchange Act and Article 219 of the Company Act.

II. The motion was approved at the 32nd meeting of the 15th Board of Directors.

Voting results: The voting results for this proposal were as follows (including votes cast electronically):

Shares represented at the time of voting: 1,013,068,249

Voting results	Percentage of shares represented by shareholders present
994,403,685 votes in favor	98.15%
282,201 votes against	0.02%
0 invalid votes	0.00%

18,382,363 votes abstained	1.81%

This proposal was approved as proposed.

There are no shareholder questions in this case.

Item (II) Proposed by the Board of Directors

Proposal: To approve the proposal for distribution of 2023 earnings

Explanation:

I. The Company's earnings after tax for 2023 was NT$1,288,521,713, and "other comprehensive income directly carried forward to retained earnings" of NT$116,185,578. In accordance with The Act Governing Bills Finance Business, 30% shall be set aside as legal reserve. With the undistributed earnings and retained earnings at the beginning of the period of NT$0, and the total distributable surplus for the year was NT$983,295,104. The proposed cash dividend per share was NT$0.73 and the unappropriated earnings at the end of the period were NT$2,934,304.

II. The earnings will be distributed in cash and the cash dividends are calculated up to NT$ 1. Decimal points are rounded down and the uncounted shares in fractions of NT$ 1 is included in other incomes.

III. The proposal for earning distribution is attached.

IV. The proposal has been approved at the 33rd meeting of the 15th Board of Directors. The Company's Audit Committee has reviewed the proposal and found no discrepancies. The review report has been issued in accordance Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

V. In addition, the proposal has been authorized by the 33rd meeting of the 15th board of directors of the Company to set the ex-dividend date for cash dividends and other related matters after the proposal is approved by the shareholders' meeting.

Voting results: The voting results for this proposal were as follows (including votes cast electronically):

Shares represented at the time of voting: 1,013,068,249

Voting results	Percentage of shares represented by shareholders present
995,313,298 votes in favor	98.24%
285,042 votes against	0.02%
0 invalid votes	0.00%

17,469,909votes abstained	1.72%

This proposal was approved as proposed.

There are no shareholder questions in this case.

V. Discussion items:

Item (I) Proposed by the Board of Directors

Proposal: To amend Articles of Association

Explanation:

I. To make the Company's dividend policy more specific and be in line with the corporate governance policy, the Company proposes to amend Article 32-1 of the Company's Articles of Incorporation to specify the conditions for and the amount of dividends to be paid.

II. For the full text of the comparison table of the Articles before and after the amendment (including amendment descriptions) and the measures.

III. The proposal has been approved at the 32nd meeting of the 15th Board of Directors.

Voting results: The voting results for this proposal were as follows (including votes cast electronically):

Shares represented at the time of voting: 1,013,068,249

Voting results	Percentage of shares represented by shareholders present
995,065,683 votes in favor	98.22%
283,767 votes against	0.02%
0 invalid votes	0.00%
17,718,799votes abstained	1.74%

This proposal was approved as proposed.

There are no shareholder questions in this case.

Item (II) Proposed by the Board of Directors

Proposal: To amend Rules of Procedures for Shareholders' Meetings

Explanation:

I. Pursuant to Letter No. Tai-Cheng-Zhi-Li-11200041671 issued by the Taiwan Stock Exchange on March 17, 2023.

II. This amendment is to protect the rights and interests of shareholders in the video conference. For the purpose of this amendment, some clauses are added and specified as follows:
   (I) In order to protect the rights and interests of shareholders, the second paragraph is added to Article 3, specifying that the Company's convening of a shareholders' meeting shall be subject to a resolution of the Board of Directors with the attendance of more than two-thirds of the board of directors and a resolution of more than half of the attending directors.
   (II) Considering the convening of a video shareholders' meeting, where shareholders can only participate via video conferencing, additions have been made to Article 6-1, Paragraph 3 and the latter part of Article 22. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, appropriate alternative measures shall be provided for shareholders who have difficulties participating in the shareholders' meeting via video conferencing, including providing video conferencing equipment and necessary assistance.

III. The Comparison Table of these Rules of Procedure before and after the amendment (including the explanation of amendment) and the Regulations.

IV. The implementation of the proposal was passed by the 29th meeting of the 15th term of Board of Directors of the Company.

Voting results: The voting results for this proposal were as follows(including votes cast electronically):

Shares represented at the time of voting: 1,013,068,249

Voting results	Percentage of shares represented by shareholders present
995,151,118votes in favor	98.23%
314,628 votes against	0.03%
0 invalid vote	0.00%
17,602,503 votes abstained	1.73%

This proposal was approved as proposed.

There are no shareholder questions in this case.

VI. Election items:

Item (I) Proposed by the Board of Directors

Proposal: To elect the 9seats of directors of the 16th Board of Directors (including 3 seats of independent directors)

Explanation:

(a) The terms of the directors of the Company (including independent directors) expired on July 25, 2024, and the board of directors of the Company resolved to elect 9 directors (including 3 independent directors) at the annual shareholders' meeting. The term of office of the elected directors is three years, from June 14, 2024 to June 13, 2027.

(b) The duties of the original director are executed until the new director takes office.

(c) The election of directors (independent directors) of the Company adopts the nomination system for candidates. The directors should be selected by the shareholders from the list of candidates for the director (independent director) as follows. Their qualifications, experience and other relevant information are listed as follows:

Non-independent directors (6 seats)

Serial Number of Directors	Name	Shareholder No.	Number of shares held	Major academic (work) experience
1	O-Bank Co., Ltd. Representative - Cheng-Chuan Chang	262144	380,981,600	Present position: Chairman of China Bills Finance Co., Ltd. Previous positions: Deputy President and Chief Operating Officer of O-Bank Co., Ltd. and Deputy President and Chief Administration Officer of Industrial Bank of Taiwan, Senior Vice President and Senior Management Director of Industrial Bank of Taiwan, Manager of Financial Department of Chailease Finance Co., Ltd., etc. Education: EMBA of National Chengchi University

Serial Number of Directors	Name	Shareholder No.	Number of shares held	Major academic (work) experience
2	O-Bank Co., Ltd. Representative – Chih-Yu Hiew	262144	380,981,600	Present position: Executive Vice President Head of Business Strategy Division, O-Bank Previous posts: President's Special Assistant of IBT Management Corp, Oil Market Analyst of Energy Security Analysis Inc., and Project Manager of International Business Dept. of Taiwan Foundation of Democracy, etc. Education: Master in International Relations, Johns Hopkins University
3	O-Bank Co., Ltd. Representative – Chih-Yuan, Hsu	262144	380,981,600	Current position: Assistant Vice President, Market Management Section, Risk Management Department, O-Bank Previous positions: Manager, Risk Management Department, Yuanta Commercial Bank; Manager, Risk Management Department, Yuanta Financial Holding; Manager, Risk Management Department, Polaris Securities, etc. Education: M.S., Department of Business Mathematics, Soochow University
4	Ho-Chu Investment Co., Ltd. Representative – Si-Tsong Cheng	361530	77,084,000	Present position: Chairman of Board of Delpha Construction Co., Ltd., Director of Board of Hongyi Investment Limited, Chairman of Board of Boomland Investment Limited, Chairman of Board of Rui Cheng Hao Investment Limited, and Chairman of Board of Hua Jian Development Co., Ltd. Previous position: Representative of Juristic Person, COTA Commercial Bank etc. Education: Bachelor of International Trade, Fu Jen Catholic University

5	Ho-Chu Investment Co., Ltd. Representative – Fan-Shuo Tseng	361530	77,084,000	Present position: Responsible Person, Have Dream Construction Corp. Previous position: Director, Rich Circle Construction Co., Ltd. and Director, INA Energy Corp. Education: Department of Information Management, Jinwen University of Science and Technology
6	Ming Shan Investment Co., Ltd. Representative - Yi-Ru Lo	276317	1,509,600	Current position: Director of Mingshan Investment Co., Ltd., Supervisor of Yichang Investment Co., Ltd., Director of Taishuan Investment Co., Ltd., Supervisor of Taiya Investment Co., Ltd. Previous position: Director of Financial One, Supervisor of Yihe Finance Co., Ltd., Deputy Manager of the Investment Department of Taiwan Industrial Bank, Supervisor of Yichang Investment Co., Ltd., Director of Yichang Investment Co., Ltd., Bank SinoPac, Supervisors of China Bills Finance Corporation, etc. Education: Master of Education Psychology, University of California, Los Angeles (UCLA)

(b) Independent Directors (3 seats)

Serial Number of Directors	Name	Shareholder No.	Number of shares held	Major academic (work) experience
1	Chung-Ming Kuo	--	0	Current position: Supervisor of CommonWealth Magazine Co., Ltd, Supervisor of CommonWealth Publishing Co., Ltd., Supervisor of Screenworks Asia Ltd., Supervisor of Tung Hua Book Co., Ltd., Supervisor of New Moon Education Co., Ltd., Independent Director of XAVi Technologies Corporation, Independent Director of BRIM Biotechnology, Inc., Supervisor of Chin Tzu Co., Ltd., Previous positions: Vice President of PwC Taiwan, CPA in charge of high-asset family-owned business succession consulting service of PwC Taiwan, COO of taxation and legal service of PwC Taiwan, CPA in charge of cultural and the ROC, Taiwan, Adjunct Professor of EMBA, Tung Hai University, etc. Education: Master, Executive Master Program,

Serial Number of Directors	Name	Shareholder No.	Number of shares held	Major academic (work) experience
				Graduate Institution of Accounting of National Taiwan University
2	Horng-Dar, Lin	--	0	Current position: Chairman of Tianmu International Co., Ltd., Chairman of Lian Chiau Co., Ltd, Independent Director of Crowell Development Corp., Chairman of Lumi Health Innovation Co., Ltd, and Chairman of U-Tend Cloud Information Co., Ltd. Previous positions: Winston & Strawn, Partner of Sovereign Law Office, Vice President of Hon Hai Precision Industry Co., Ltd., Senior Counsel of Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, and Judge of Taiwan Taipei District Court, Independent Director of Board of Tanvex BioPharma, Chairman of Board of AP BIOSCIENCES INC, etc. Education: Master, Graduate Institute of Law of Columbia University
3	Shu-Fen, Liu	--	0	Current position: N/A Previous positions: Chief Compliance Officer, Legal & Compliance Division, O-Bank; Legal Affairs and Compliance Officer, Industrial Bank of Taiwan Education: Department of Law, National Chengchi University

Results of the election:

Election results announced by the Chair:
The elected directors were as follows:

Name of director	Number of votes won by elected director	Remark
Representative of O-Bank Co., Ltd.: Cheng-Chuan Chang	1,011,595,841votes	Elected
Representative of Ho Chu Investment Co., Ltd.: Si-Tsong Cheng	987,016,578 votes	Elected
Representative of Ho Chu Investment Co., Ltd.: Fan-Shuo Tseng	950,110,715 votes	Elected
Representative of Ming Shan Investment Co., Ltd.: Yi-Ru Lo	831,627,032votes	Elected

Name of director	Number of votes won by elected director	Remark
Representative of O-Bank Co., Ltd.: Chih-Yu Hiew	829,149,797 votes	Elected
Representative of O-Bank Co., Ltd.: Chih-Yuan, Hsu	827,997,721 votes	Elected
Chung-Ming Kuo (Independent Director)	1,228,985,810 votes	Elected
Horng-Dar, Lin (Independent Director)	1,213,926,091 votes	Elected
Shu-Fen, Liu (Independent Director)	1,023,303,129 votes	Elected

VII. Other items:

Item (I) Proposed by the Board of Directors

Proposal: To request the removal of the restrictions on newly-elected company directors' non-competition rule

Explanation:

A. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

B. As the directors of the Company may have invested in or operated other companies with the same or similar business scope as the Company and served as directors, please allow the removal of the restrictions on directors' participation in competing businesses.

C. The proposal was passed by the 33rd meeting of the 15th Board of Directors of the Company.

Allow the removal of the restrictions on directors' participation in competing businesses as follow:

Name of director	Current position
O-Bank Co., Ltd.	Operate a financial business
Ming Shan Investment Co.,Ltd.	Nominated a representative to serve as a director of Royal Road Commercial Bank
Representative of O-Bank Co., Ltd.: Chih-Yu Hiew	Executive Vice President Head of

Name of director	Current position
	Business Strategy Division, O-Bank
Representative of O-Bank Co., Ltd.: Chih-Yuan, Hsu	Assistant Vice President, Market Management Section, Risk Management Department, O-Bank
Representative of Ming Shan Investment Co., Ltd.: Yi-Ru Lo	Director of Mingshan Investment Co., Ltd., Supervisor of Yichang Investment Co., Ltd., Director of Taishuan Investment Co., Ltd., Supervisor of Taiya Investment Co., Ltd.
Representative of Ho Chu Investment Co., Ltd.: Si-Tsong Cheng	Director of Board of Hongyi Investment Limited, Chairman of Board of Boomland Investment Limited, Chairman of Board of Rui Cheng Hao Investment Limited

Voting results: The voting results for this proposal were as follows(including votes cast electronically):

Shares represented at the time of voting: 1,013,068,249

Voting results	Percentage of shares represented by shareholders present
926,111,248 votes in favor	91.41%
68,978,100 votes against	6.80%
0 invalid vote	0.00%
17,978,901 votes abstained	1.77%

This proposal was approved as proposed.

There are no shareholder questions in this case.

VIII Extempore motion: None

VIII. Adjournment (9:53 a.m.)

Note: The minutes of this annual general meeting only specified the essence of the meeting. The audiovisual recording the content and proceedings of the meeting shall prevail.

China Bills Finance Corporation

2023 Business Report

I. Domestic and Foreign Economic Environment

I. International Economic Environment

In 2023, global economic conditions were influenced by various factors, including elevated interest rates, heightened inflation levels, and a weaker-than-expected performance in China's post-pandemic economic recovery. This led to sluggish demand for consumer goods worldwide and a slowdown in manufacturing activities. Additionally, geopolitical tensions, such as the expansion of the US-China chip war and conflicts in regions like Russia-Ukraine and the Middle East, further dampened global economic prospects. The OECD forecasted a decrease in global economic growth from 3.5% in 2022 to 2.9% in 2023.

Looking ahead to 2024, a potential decrease in inflation is expected to drive an increase in real income. Despite the tightening of monetary policies, growing expectations of monetary easing, supported by positive economic indicators, suggest a relatively optimistic outlook for the global economy. The OECD revised its forecast for global economic growth in 2024 from 2.7% in November 2023 to 2.9%.

II. Domestic Economic Environment

On the domestic front, Taiwan's service industries, including retail, tourism, and transportation, showed signs of expansion post-pandemic, contributing to improved economic conditions compared to 2022. However, the slowing global trade expansion negatively impacted Taiwan's exports and corporate investment. Taiwan's Directorate-General of Budget, Accounting, and Statistics (DGBAS) projected a decline in the country's economic growth rate from 2.59% in 2022 to 1.31% in 2023.

Looking ahead to 2024, despite short-term challenges in the global economy, the ongoing expansion of emerging technology applications and the conclusion of inventory destocking are expected to boost export momentum. Sustained private consumption and gradual investment recovery are anticipated to contribute to economic growth in 2024. Based on forecasts from major domestic and international institutions, Taiwan's economic growth rate for 2024 is expected to range from 2.7% to 3.43%.

II. Business Plan Implementation Results

In terms of commercial paper guarantee services, despite the continued increase in funding costs due to global central bank rate hikes in 2023, the proactive implementation of credit portfolio optimization policies resulted in spreads exceeding the budget for 2023. Additionally, with the increase in daily average commercial paper guarantee amounts, the budget was still able to be met.

Regarding non-commercial paper guarantees, the continued growth in corporate financing demand led to a significant increase in CP2 issuance balances in 2023. Consequently, the Company's market underwriting volume for non-guarantee securities continued to rise, and the non-guarantee securities budget was well on track to be met.

In terms of Taiwan bonds, the rate hike by Taiwan's Central Bank in March 2023 led to a gradual increase in funding costs throughout the year. However, adjustments in position yields contributed to a gradual improvement in overall yielding securities spreads, ensuring that Taiwan bond operations remained in line with budget expectations.

As for US bonds, the unexpectedly strong performance of the US economy, coupled with a slow decline in inflation and robust conditions in the labor market in 2023, prompted the Federal Reserve to raise interest rates significantly. Since 2021, the Fed has cumulatively increased rates by 525bps, leading to an increase in funding costs. Consequently, the widening negative spreads in yielding bond operations resulted in the foreign bond segment falling short of meeting budget targets.

Regarding equity products, in terms of stock trading operations, the performance of OC exceeded the budget target. However, in terms of trading, the Company failed to timely increase positions in mainstream stocks, and the effect of holding adjustments after the August index correction fell short of expectations, resulting in the failure to achieve the budget for trading positions. On the other hand, our efforts in asset exchange positions were geared towards addressing the gap in maturity profiles of New Taiwan Dollar-denominated funds. We continually reduced these positions with the aim of performance improvement. Although there was some narrowing of valuation losses compared to the beginning of the year, ultimately, our overall asset exchange operations met the budget target.

The Company's primary business overview of 2023 is below:

Unit: NTD million, USD million

Item	2023	2022	Increase/Decrease ratio (%)
Underwriting and initial purchase of various bills	3,411,265	2,993,528	13.95%
Trading of various bills	6,455,302	5,728,791	12.68%
Balance of guaranteed commercial papers	103,467	94,873	9.06%
Trading of various bonds in New Taiwan dollar	1,871,039	2,260,496	(17.23%)
Trading of various bonds in foreign currencies (USD)	14,156	10,070	40.58%

III. Change of the Organizational Structure

None.

IV. Budget Implementation, Financial Income and Expenditures, and

Profitability Analysis

The Company’s net income in 2023 was NT$2,019,127,000, the net interest income was NT$244,948,000, the net fee income was NT$1,311,328,000, the net loss of financial assets and liabilities measured at fair value through profits or losses was NT$478,569,000, the net realized loss of financial assets measured at fair value through other combined profits or losses was NT$1,673,000, and other net non-interest income was NT$17,391,000.

In 2023, despite the impact of Fed rate hikes, except for foreign currency bond business not meeting the budget, the Company achieved its budget targets for other major business scopes. Through the collective efforts of all employees in actively developing customer relationships and increasing spreads, commercial bill underwriting and guarantee balances continued to grow. Due to a significant improvement in management of Taiwanese yielding bond and excellent performance in stock trading, the Company achieved its annual net profit target after taxes.

In FY2023, reversals amounted to NT$17,941,000, while operating expenses totaled NT$514,544,000. The pre-tax net profit for the year reached NT$1,522,524,000, resulting in a post-tax net profit of NT$1,288,522,000, with an EPS of NT$0.96 after taxes.

V. Business Analysis

The risk management policies of the Company aim to strive for the maximum interest for shareholders within the risk tolerance authorized by the Board of Directors. In order to maintain the safety, liquidity and profitability of the financial assets and liabilities, the "Business Review Committee," "Investment Review Committee" and "Financial Assets and Liabilities Management Committee" are set up to measure and supervise the risks related to credit, market, liquidity and operations.

As of December 31, 2023, the overdue loan ratio of the Company's overall credit assets was 0, the financial assets quality was excellent and the business fitness was good; the capital adequacy ratio was 13.74%.

On November 23, 2023t ratings are as follows: domestic long-term rating "A+ (twn)", domestic short-term rating "F1 (twn)", and all rating prospects are "stable."

VI. Research and Development

The Company updated the Central Bank Settlement System to enhance system availability and functionality, as well as to improve various backup mechanisms. Additionally, it optimized the fund payment and receipt control system to prevent duplicate remittances. Continuous improvements were made to the online self-audit system, strengthening the tracking and review mechanisms.

As for the employee training and education, in addition to inviting scholars and experts to give lectures to employees periodically, the Company also invites industry professionals to give courses related to their expertise, and establishes digital learning platforms, to change the internal training to online learning.

Besides this, in order to improve their professionalism and work efficiency, the Company also encourages employees to obtain financial licenses and attend various external courses held by institutions such as the Taiwan Academy of Banking and Finance. At the end of 2023, the number of employees trained was 156 and the total number of employee training sessions was 2,919 (5,612 hours), with an average of about 19 sessions (36 hours) per person.

In-Charge of the Company: Cheng-Chuan Chang

Manager: Cheng-Hsiang Wei

Accounting Supervisor: Po-Chun Chen

Audit Committee’s Audit Report

The 2023 annual financial statement, resolved by the Board of Directors and reviewed by the Audit Committee, has been audited and certified by Chen Yin-Chou and Lee Kuan-Hao, Certified Public Accountants from Deloitte & Touche, An unqualified opinion verification report has been co-signed by both CPAs and issued. The Board of Directors also compiled the Company's 2023 annual business report and directory of main property. All were reviewed, approved, and considered by the Audit Committee that there were no discrepancies. I hereby report pursuant to Article 14-4 of the Securities and Exchange Act mutatis mutandis to Article 219 of the Company Act.

To

2024 Annual Shareholder’s Meeting of China Bills Finance Corporation

Audit Committee, China Bills Finance Corporation

Convener: Chung-Ming Kuo (signature)

February 29, 2024

Audit Committee’s Audit Report

The Board of Directors also compiled the Company's the proposal for distribution of 2023 earnings, All were reviewed, approved, and considered by the Audit Committee that there were no discrepancies. I hereby report pursuant to Article 14-4 of the Securities and Exchange Act mutatis mutandis to Article 219 of the Company Act.

To

2024 Annual Shareholder’s Meeting of China Bills Finance Corporation

Audit Committee, China Bills Finance Corporation

Convener: Chung-Ming Kuo (signature)

March 20, 2024

China Bills Finance Corporation

Directory of Main Property

December 31, 2023　Unit: New Taiwan Dollar

Type	Cost	Recognized depreciable amount	Book Value
Land	83, 337	0	83, 337
Housing and Construction	94, 259	56, 841	37, 418
Machinery and computer equipment	49, 805	34, 447	15, 358
Traffic and transportation equipment	10, 567	7, 729	2, 838
Miscellaneous Equipment	18, 025	15, 162	2, 863
Improvement of lease equity	7, 485	5, 787	1, 698
Unfinished construction and equipments pending acceptance	0	0	0
Total	263, 478	119, 966	143, 512

In-Charge of the Company: Cheng-Chuan Chang

Manager: Cheng-Hsiang Wei

Accounting Supervisor: Po-Chun Chen

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
China Bills Finance Corporation

Opinion

We have audited the accompanying financial statements of China Bills Finance Corporation (the "Company"), 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 Company 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 Publicly Held Bills Finance Companies, 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 Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

Estimated Impairment of Financial Guarantee Contracts

As of December 31, 2023, the Company's estimated reserve for losses on guarantee for the Company's financial guarantee contracts entered into with credit clients was $1,371,077 thousand. In accordance with the requirements of IFRS 9, "Financial Instruments", the Company recognized the reserve for guarantee liabilities based on the assessed and estimated occurrence of expected losses on financial guarantee contracts. In addition, the reserve for guarantee liabilities was calculated and classified in accordance with the "Regulations Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Non-Performing Credit, Non-Accrual Loans, and Bad Debt" (Regulations Governing the Procedures for Bad Debt) and related regulations.

Please refer to Notes 4, 5, 21 and 38 (f) for relevant information and accounting policy for financial guarantee contracts.

The Company should assess the classification of credit assets and recognize the reserve for guarantee liabilities in accordance with the "Regulations Governing the Procedures for Bad Debt". The assessment and reservation involve subjective judgment and estimates, which will directly affect the related accrued amounts. Thus, the estimated impairment of financial guarantee contracts is deemed to be a key audit matter.

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

1. We understood the relevant internal controls about the estimated impairment of reserve for guarantee liabilities of financial guarantee contracts and we tested the effectiveness of the operation of the controls.

2. We reviewed the management's loss reserves evaluation report of credit assets, checked the completeness of credit assets on the loss reserves evaluation report and evaluated the appropriateness of classification. We also recalculated the amount of reserves for guarantee liabilities shown on the provision for loss reserves evaluation report to confirm the mathematical accuracy of provision for loss reserves.

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 Publicly Held Bills Finance Companies, 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., 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

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 Kuan-Hao Lee and Yin-Chou Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

<u>*Notice to Readers*</u>

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.

CHINA BILLS FINANCE CORPORATION

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	$ 267,744	-	$ 557,558	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 7 and 34)	118,132,745	53	111,485,370	54
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 8, 10 and 34)	95,914,946	43	87,997,187	43
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 9, 10 and 34)	2,186,554	1	1,483,482	1
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 35)	2,865,025	2	3,951,998	2
RECEIVABLES, NET (Notes 4 and 12)	1,624,319	1	632,057	-
CURRENT TAX ASSETS (Notes 4 and 31)	345,204	-	230,666	-
OTHER FINANCIAL ASSETS, NET (Notes 4 and 13)	59,378	-	94,408	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 14)	143,512	-	147,025	-
RIGHT-OF-USE ASSETS, NET (Notes 4, 15 and 33)	17,114	-	32,405	-
DEFERRED TAX ASSETS (Notes 4 and 31)	220,167	-	478,240	-
OTHER ASSETS, NET (Notes 16 and 34)	579,151	-	570,079	-
TOTAL	$ 222,355,859	100	$ 207,660,475	100
LIABILITIES AND EQUITY				
CALL LOANS FROM BANKS AND OVERDRAFTS ON BANKS (Note 17)	$ 17,903,510	8	$ 9,507,214	4
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 7)	34,231	-	222,580	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 18, 33 and 35)	177,268,017	80	171,870,770	83
ACCOUNTS PAYABLE (Note 19)	569,737	-	405,841	-
OTHER FINANCIAL LIABILITIES (Notes 4 and 20)	-	-	2,012,096	1
PROVISIONS (Notes 4, 5 and 21)	1,376,922	1	1,395,017	1
LEASE LIABILITIES (Notes 4, 15 and 33)	17,343	-	32,620	-
DEFERRED TAX LIABILITIES (Notes 4 and 31)	36,147	-	-	-
OTHER LIABILITIES	216,728	-	236,337	-
Total liabilities	197,422,635	89	185,682,475	89
EQUITY (Notes 4 and 23)				
Ordinary share	13,429,600	6	13,429,600	7
Capital surplus	13,509	-	11,727	-
Retained earnings				
Legal reserve	8,810,708	4	9,153,638	4
Special reserve	1,731,829	1	769,120	-
Unappropriated earnings	1,404,707	-	1,291,259	1
Total retained earnings	11,947,244	5	11,214,017	5
Other equity	(457,129)	-	(2,677,344)	(1)
Total equity	24,933,224	11	21,978,000	11
TOTAL	$ 222,355,859	100	$ 207,660,475	100

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

CHINA BILLS FINANCE CORPORATION

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 INTEREST					
Interest revenue (Notes 4 and 24)	$ 3,134,682	155	$ 2,046,720	124	53
Deduct: Interest expense (Notes 4, 24 and 33)	(2,889,734)	(143)	(1,207,489)	(73)	139
Net interest	244,948	12	839,231	51	(71)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net (Notes 4 and 25)	1,311,328	65	1,168,009	71	12
Gains (losses) on financial assets and liabilities at fair value through profit or loss (Notes 4, 7, 26 and 33)	478,569	24	(406,687)	(25)	218
Realized gains (losses) on financial assets at fair value through other comprehensive income (Notes 4 and 27)	1,673	-	(113,817)	(7)	101
Foreign exchange (losses) gains, net (Notes 4 and 28)	(18,807)	(1)	131,564	8	(114)
Reversal of impairment loss on financial assets (Notes 4 and 10)	3,779	-	8,067	1	(53)
Other non-interest gains, net	(2,363)	-	18,656	1	(113)
TOTAL NET REVENUES	2,019,127	100	1,645,023	100	23
REVERSAL (Notes 4 and 21)	17,941	1	22,783	1	(21)
OPERATING EXPENSES (Notes 4, 29, 30 and 33)					
Employee benefit expenses	(351,967)	(18)	(313,057)	(19)	12
Depreciation and amortization	(25,152)	(1)	(24,862)	(1)	1
Others	(137,425)	(7)	(128,593)	(8)	7
Total operating expenses	(514,544)	(26)	(466,512)	(28)	10
PROFIT BEFORE INCOME TAX	1,522,524	75	1,201,294	73	27
INCOME TAX EXPENSE (Notes 4 and 31)	(234,002)	(11)	(161,012)	(10)	45

(Continued)

CHINA BILLS FINANCE CORPORATION

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 FOR THE YEAR	1,288,522	64	1,040,282	63	24
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
(Losses) gains on remeasurement of defined benefit plans (Notes 4 and 22)	(2,471)	-	29,986	2	(108)
Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income (Notes 4 and 23)	305,708	15	(104,453)	(6)	393
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 31)	494	-	(5,998)	(1)	108
Items that will not be reclassified subsequently to profit or loss for the year, net of income tax	303,731	15	(80,465)	(5)	477
Items that may be reclassified to profit or loss:					
Unrealized gains or losses on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 23)	2,205,756	109	(3,699,889)	(225)	160
Income tax related to items that may be reclassified subsequently to profit or loss	(173,087)	(8)	368,055	23	(147)
Items that may be reclassified subsequently to profit or loss for the year, net of income tax	2,032,669	101	(3,331,834)	(202)	161
Other comprehensive income (loss) for the year, net of income tax	2,336,400	116	(3,412,299)	(207)	168
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 3,624,922	180	$ (2,372,017)	(144)	253

(Continued)

CHINA BILLS FINANCE CORPORATION

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	%	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 32)					
Basic	$0.96		$0.77		
Diluted	$0.96		$0.77		

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

(Concluded)

CHINA BILLS FINANCE CORPORATION

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

			Retained Earnings (Notes 4 and 23)			Other Equity (Notes 4 and 23)	
	Ordinary Share Capital (Notes 4 and 23)	Capital Surplus (Notes 4 and 23)	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$ 13,429,600	$ 10,231	$ 8,551,784	$ 769,120	$ 2,006,611	$ 789,839	$ 25,557,185
Legal reserve	-	-	601,854	-	(601,854)	-	-
Cash dividends distributed	-	-	-	-	(1,208,664)	-	(1,208,664)
Unclaimed dividends	-	1,496	-	-	-	-	1,496
Net income for the year ended December 31, 2022	-	-	-	-	1,040,282	-	1,040,282
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	23,988	(3,436,287)	(3,412,299)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,064,270	(3,436,287)	(2,372,017)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	30,896	(30,896)	-
BALANCE AT DECEMBER 31, 2022	13,429,600	11,727	9,153,638	769,120	1,291,259	(2,677,344)	21,978,000
Legal reserve	-	-	328,550	-	(328,550)	-	-
Special reserve	-	-	-	962,709	(962,709)	-	-
Cash dividends distributed	-	-	(671,480)	-	-	-	(671,480)
Unclaimed dividends	-	1,782	-	-	-	-	1,782
Net income for the year ended December 31, 2023	-	-	-	-	1,288,522	-	1,288,522
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(1,977)	2,338,377	2,336,400
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	1,286,545	2,338,377	3,624,922
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	118,162	(118,162)	-
BALANCE AT DECEMBER 31, 2023	$ 13,429,600	$ 13,509	$ 8,810,708	$ 1,731,829	$ 1,404,707	$ (457,129)	$ 24,933,224

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

CHINA BILLS FINANCE CORPORATION

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		
Income before income tax	$ 1,522,524	$ 1,201,294
Adjustments for:		
Depreciation expenses	21,895	21,354
Amortization expenses	3,257	3,508
Reversal of expected credit impairment loss	(14,779)	(8,067)
Net (gain) loss on valuation of financial assets and liabilities at fair value through profit or loss	(570,924)	344,648
Interest expense	2,889,734	1,207,489
Interest revenue	(3,134,682)	(2,046,720)
Dividend revenues	(118,756)	(140,864)
Loss on disposal of property and equipment	2,524	16
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(6,264,800)	2,853,694
Financial assets at fair value through other comprehensive income	(5,457,953)	14,833,568
Investments in debt instruments at amortized cost	(699,651)	(1,483,073)
Securities purchased under resell agreements	1,086,973	1,412,110
Receivables and non-accrual loans	(769,766)	47,508
Other financial assets	35,030	(74,781)
Other assets	(4,576)	4,752
Securities sold under repurchase agreements	5,397,247	(15,185,880)
Payables	90,391	(113,223)
Other financial liabilities	(12,929)	12,929
Provisions for employee benefits	(9,566)	(8,921)
Other liabilities	(19,609)	(151,714)
Interest received	2,913,765	2,048,015
Dividend received	169,193	140,864
Interest paid	(2,813,231)	(1,121,623)
Income tax paid	(226,913)	(474,190)
Net cash (used in) generated from operating activities	(5,985,602)	3,322,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(5,832)	(1,709)
Proceeds from disposal of property and equipment	18	-
Increase in refundable deposits	(4,193)	(97)
Increase in other assets	(2,483)	(4,872)
Net cash used in investing activities	(12,490)	(6,678)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in call loans from banks and overdrafts on banks	8,396,296	411,089
Decrease in commercial papers issued	(2,000,000)	(2,500,000)
Repayment of the principal portion of lease liabilities	(16,538)	(15,480)
Cash dividend paid	(671,480)	(1,208,664)

(Continued)

CHINA BILLS FINANCE CORPORATION

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

	2023	2022
Net cash generated from (used in) financing activities	5,708,278	(3,313,055)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(289,814)	2,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	557,558	554,598
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 267,744	$ 557,558

The accompanying notes are an integral part of the financial statements. (Concluded)

China Bills Finance Corporation

2023 Earning Distribution Table

	Amount (NT$)	Description
Unappropriated retained earnings at beginning of year	0	The decrease in liabilities was mainly due to the increase in provisions for pension funds and the gain on disposal of stocks measured at fair value from other comprehensive income.
Plus:2023 after-tax net profits	1,288,521,713	
Plus: Other comprehensive income (losses) directly carried forward to retained earnings	116,185,578	
Unappropriated retained earnings after adjustment	1,404,707,291	
Less: Appropriation of 30% legal reserve	421,412,187	According to Article 34 of the Financial Management Law of the Securities and Exchange Fund, 30% will be allocated.
Distributable earnings	983,295,104	
Less: Shareholders' dividends (NT$ 0.73 per share)	980,360,800	
unappropriated retained earnings at end of year	2,934,304	

Note:

A. Shareholders' dividend was NT$ 0.73 per share, which is calculated based on 1,342,960 thousand shares outstanding in circulation.

B. The earnings will be distributed in cash and the cash dividends are calculated up to NT$ 1. Decimal points are rounded down and the uncounted shares in fractions of NT$ 1 is included in other incomes.

C. Priority allocation of 2023 annual surpluses

In-Charge of the Company: Cheng-Chuan Chang

Manager: Cheng-Hsiang Wei

Accounting Supervisor: Po-Chun Chen

Comparison chart and partial revised text of the Procedures for of the " Articles of Association " of the China Bills Finance Corporation.

Provisions after amendment	Current provisions	Description
Article 32-1 After the company's annual final accounting surplus meets all the tax revenues and makes up for the accumulated losses, if there is any surplus, it shall provide a statutory surplus reserve of 30%. However, if the statutory surplus reserve has reached the amount of paid-in capital of the company, this limit shall not apply. After appropriation of special reserve according to law, if there is a special surplus reserve set aside for the net amount of other equity deductions accumulated in the previous period, the special surplus reserve of the same amount shall be set aside from the undistributed surplus in the previous period. When there is a shortage, the amount of items other than the current after-tax net profit is added to the current undistributed surplus, and adding reversed special reserve and accumulative retained earnings, the Company may appropriate additional special reserve for specific purposes. If there is any surplus, dividends may be distributed to the shareholders. The distribution of the preceding surplus shall be submitted by the Board of Directors to the shareholders' meeting. The distribution of the dividends of shareholders referred to in the first paragraph of this Article shall be distributed after being resolved by the shareholders' meeting in accordance with the following principles: I. The Company shall not distribute dividends to shareholders when the Company has no surpluses, in addition to all or part of the public reserve. II. As the Company is in the fiercely competitive financial industry, it has reached a period of slow growth of the industry. Therefore, the distribution of dividends of shareholders is prioritized **at no less than 20% of the remaining balance of the surplus as calculated in the first paragraph, and to be paid** in the form of cash or in the form of stock, but the number of cash dividends shall not be less than 40% of the total dividends of the current year III. The Company may adjust the aforementioned principle of dividend distribution of shareholders after the resolution of the shareholders' meeting of the year as necessary, depending on factors such as economic conditions, industrial development, and funding requirements.	Article 32-1 After the company's annual final accounting surplus meets all the tax revenues and makes up for the accumulated losses, if there is any surplus, it shall provide a statutory surplus reserve of 30%. However, if the statutory surplus reserve has reached the amount of paid-in capital of the company, this limit shall not apply. After appropriation of special reserve according to law, if there is a special surplus reserve set aside for the net amount of other equity deductions accumulated in the previous period, the special surplus reserve of the same amount shall be set aside from the undistributed surplus in the previous period. When there is a shortage, the amount of items other than the current after-tax net profit is added to the current undistributed surplus, and adding reversed special reserve and accumulative retained earnings, the Company may appropriate additional special reserve for specific purposes. If there is any surplus, dividends may be distributed to the shareholders. The distribution of the preceding surplus shall be submitted by the Board of Directors to the shareholders' meeting. The distribution of the dividends of shareholders referred to in the first paragraph of this Article shall be distributed after being resolved by the shareholders' meeting in accordance with the following principles: I. The Company shall not distribute dividends to shareholders when the Company has no surpluses, in addition to all or part of the public reserve. II. As the Company is in the fiercely competitive financial industry, it has reached a period of slow growth of the industry. Therefore, the distribution of dividends of shareholders is prioritized by issuance of cash, or by stock dividends, but the number of cash dividends shall not be less than 40% of the total dividends of the current year III. The Company may adjust the aforementioned principle of dividend distribution of shareholders after the resolution of the shareholders' meeting of the year as necessary, depending on factors such as economic conditions, industrial development, and funding requirements.	Specify the conditions and amount of dividends to be paid in order to be in line with the corporate governance policy.
Article 36 …… The thirty-third amendment was made on June 17, 2022. **The thirty-fourth amendment was made on○○○○, 2024.**	Article 36 …… The thirty-third amendment was made on June 17, 2022.	Add the date of the 34th amendment.

Comparison chart and partial revised text of the Procedures for of the " Rules of Procedures for Shareholders' Meetings " of the China Bills Finance Corporation.

Provisions after amendment	Current provisions	Description
Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. **<u>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company 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.</u>** …Omitted	Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. …Omitted	Since shareholders cannot participate in a physical meeting when a company convenes a virtual-only shareholders' meeting, they can only participate in the shareholders' meeting through visual transmission, thereby imposing restrictions on the rights and interests of the shareholders. In order to protect shareholders' rights, the Company has amended these Rules to add Paragraph 2, which stipulates that unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company 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. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution (i.e., a special 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.
Article 6-1 To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: …Paragraphs 1 and 2 omitted 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>Except in the circumstances set</u>**	Article 6-1 To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: …Paragraphs 1 and 2 omitted 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.	When the Company convenes a virtual-only shareholders' meeting in which shareholders can only participate by means of visual transmission, in order to provide appropriate alternative measures for shareholders who have difficulty taking part in a virtual shareholders' meeting, the Company has added an additional provision to the paragraph 1, which stipulates that, except

Provisions after amendment	Current provisions	Description
<u>out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.</u>		in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.
<u>Article 22</u> When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. **<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, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.</u>**		The reason for amendment is the same as Article 6-1.
<u>Article 23</u> ... (Omitted) The fifth amendment was made at the annual shareholder's meeting on June 17, 2022. **<u>The sixth amendment was made at the annual shareholder's meeting on OOOO, 2024.</u>**	**<u>21.</u>** ... (Omitted) The fifth amendment was made at the annual shareholder's meeting on June 17, 2022.	The Article number is change, also add the Latest amendment date.