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Lexcel Partners Translation Draft
May 10, 2021

Ticker Symbol: 2889

(Translation)



Handbook for the 2021 Annual Shareholders Meeting

Time: 9 am on Friday, June 18, 2021.

Venue: [National Training Institute For Farmers' Organizations Tian-Mu Convention Center at 2F., No.113, Sec.7, Jhongshan N. Rd., Shihlin Dist., Taipei City, Taiwan, R.O.C.]

IBF Financial Holdings Co., Ltd. ("Company")

Year 2021

Agenda of Annual Shareholders Meeting

1. Order the meeting to begin (Report the number of shares present)
2. Chairperson remarks
3. Matters to report
 - (1) Business report for 2020;
 - (2) Audit Committee's review report on the financial statements for the fiscal year of 2020;
and
 - (3) Report on distribution of employees' compensation and directors' remuneration of 2020.
4. Matters to be recognized
 - (1) Adoption of the business report and financial statements for the fiscal year of 2020; and
 - (2) Adoption of the proposal for profits distribution of 2020.
5. Matters subject to discussion
 - (1) Proposal for amendments to the "Rules of Procedure for Shareholders Meeting" of the Company;
 - (2) Proposal for amendments to the "Articles of Incorporation" of the Company;
 - (3) Proposal for new share issuance through capitalization of earnings by the Company;
 - (4) Proposal for amendments to the "Guidelines for Election of Directors" of the Company.
6. Extemporaneous motions.
7. Adjournment

Matters to report

Report No.1

Business report for 2020
(Please refer to pages 24 to 26 of this handbook)

Report No.2

Audit Committee's review report on the financial statements for the fiscal year of 2020
(Please refer to page 27 of this handbook)

Report No.3

Report on distribution of employees' compensation and directors' remuneration of 2020.

Explanation:

- (1) This report is made in accordance with Article 235-1 of the Company Act and Article 32 of the Articles of Incorporation of the Company.
- (2) Paragraph 2, Article 32 of the Articles of Incorporation of the Company provides that "The Company shall set aside employees' compensation for 0.1% or more but no more than 2%, and directors' remuneration for no more than 2% from the balance of the Company's profits before tax and deduction of employees' compensation and directors remuneration for the then current fiscal year, less the reserved amount to make up the accumulated losses."
- (3) The Company's profits before tax and deduction of employees' compensation and directors remuneration for 2020 refer to NTD3,229,762,485, among which the Company planned to allocate NTD45,088,205 as employees' compensation and NTD53,437,873 as directors' remuneration respectively, all payable in cash.
- (4) This matter has been approved at the 4th meeting of the Remuneration Committee of 4th term on March 11, 2021, and also approved by the 9th meeting of the board of directors of 7th term on March 23, 2021.

Matters to be recognized

Proposal No.1 (Proposed by the board)

Adoption of the business report and financial statements for the fiscal year of 2020.

Explanation: The business report, balance sheet, consolidated income statement, statement of changes in equity and statement of cash flows of the Company for 2020 (including the consolidated financial statements) have been reviewed by the Audit Committee, as well as approved by the 9th meeting of the board of directors of 7th term. The Audit Committee's review report was issued as attached hereto (please refer to pages 24 to 44 of this handbook).

Resolution:

Proposal No.2 (Proposed by the board)

Adoption of the proposal for profits distribution of 2020.

Explanation:

1. This proposal has been resolved by the 9th meeting of the board of directors of 7th term.
2. The distributable earnings refer to NTD2,909,420,342, resulting from the undistributed retained earnings of the Company in the amount of NTD1,555,925 at the beginning of 2020, plus NTD4,272,147 as profits from disposal of equity instruments measured at fair value through other comprehensive income, minus NTD21,396,570 as remeasurement of defined benefit plans, and NTD15,568,498 as the loss to be made up after adjustment, plus NTD3,248,084,886 as the net profits after tax for 2020, less 323,096,046 as a legal reserve.
3. The dividends are proposed to be declared according to the Articles of Incorporation of the Company as follows: The proposed dividends to shareholders will be NTD1.00 per share, among which NTD0.65 will be payable in cash, amounting to NTD1,876,213,102 in total, and NTD0.35 will be payable in the form of stocks, amounting to NTD1,010,268,600 in total. After the distribution, the undistributed earnings at the end of the fiscal year will be NTD22,938,640.
4. The proposed dividends to shareholders of NTD1.00 per share is calculated based on the total issued and outstanding shares of 2,886,481,695. A proposal will be made to have the shareholders meeting authorize the board of directors to make relevant adjustments if the total number of the issued and outstanding shares changes due to subsequent repurchase of the Company's shares, transfer, conversion and cancellation of treasury stocks or any other factors, and thus results in the dividend rate change. Cash dividends shall be calculated and rounded down to dollar. The total amount of odd fraction will be counted as other incomes of the Company. It is also proposed that the board of directors be authorized, after approval of the annual meeting, to set the record date to distribute dividends.
5. The Profits Distribution Table for the Year 2020 is attached hereto. (Please refer to

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page 45 of this handbook)

Resolution:

Matters subject to discussion

Proposal No.1 (Proposed by the board)

Proposal: Amendment to the "Rules of Procedure for Shareholders Meeting" of the Company

Explanation:

1. This proposal has been resolved by the 9th meeting of the board of directors of 7th term.
2. The amendment is proposed according to the amendment to the "Template for XXX Co., Ltd.'s Rules of Procedure for Shareholders Meetings" announced by Taiwan Stock Exchange Corporation per its letter Ref. No. Tai-Cheng-Chih-Li-Tzu No. 1100001446 dated 28 January 2021 Articles 3, 9 and 14 of the Rules of Procedure for Shareholders Meeting of the Company are proposed to be partially amended to ensure comprehension.
3. The comparison table of the proposed amendment to the "Rules of Procedure for Shareholders Meeting" of the Company (see Appendix) is attached. Please refer to pages 53 to 59 of the handbook for the full text of the "Rules of Procedure for Shareholders Meeting" of the Company before the amendment.

Resolution:

Appendix

IBF Financial Holdings Co., Ltd.

Comparison Table of Amendment to Rules of Procedure for Shareholders Meeting

Amended Article	Current Article	Explanation
Article 3 Subparagraphs 1, 2 and 3 are omitted. Election or discharge of directors, amendments to the Articles of Incorporation, application for cease of being a public reporting company, release of non-competition restriction, capitalization by earnings, capitalization by reserves, dissolution, merger, or demerger of the Company, or any circumstance falling under any of the subparagraphs under Paragraph 1, Article 185 of the Company Act, Articles 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the main content of the agenda of the notice for convening the shareholders meeting, and cannot be proposed by an extemporary motion. Following is omitted.	Article 3 Subparagraphs 1, 2 and 3 are omitted. Election or discharge of directors, amendments to the Articles of Incorporation, application for cease of being a public reporting company, release of non-competition restriction, capitalization by earnings, capitalization by reserves, dissolution, merger, or demerger of the Company, or any circumstance falling under any of the subparagraphs under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the main content of the agenda of the notice for convening the shareholders meeting, and cannot be proposed by an extemporary motion. <u>The main content may be posted on the website designated by the securities competent authority or the Company, with such website address being specified in the notice for the meeting.</u> Following is omitted.	1. It is handled in accordance with the letter Ref. No. Tai-Cheng-Chih-Li-Tzu No. 1100001446 dated 28 January 2021 announced by Taiwan Stock Exchange Corporation. 2. The announcement method is adjusted to be in line with the regulations.
Article 9	Article 9	1. It is handled in accordance with the letter Ref. No. Tai-Cheng-

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Amended Article	Current Article	Explanation
Paragraphs 1 is omitted. The chairperson shall order the meeting to begin at the scheduled meeting time <u>and announce relevant information such as the number of non-voting rights and the number of shares present at the same time.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that the postponement shall be no more than two (2) times and the postponed time in aggregate shall be no more than one hour. If the quorum for the attending shareholders after the two (2) postponements still represents less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. Following is omitted.	Paragraphs 1 is omitted. The chairperson shall order the meeting to begin at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that the postponement shall be no more than two (2) times and the postponed time in aggregate shall be no more than one hour. If the quorum for the attending shareholders after the two (2) postponements still represents less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. Following is omitted.	Chih-Li-Tzu No. 1100001446 dated 28 January 202 announced by Taiwan Stock Exchange Corporation. 2. In order to improve corporate governance and safeguard the rights and interests of shareholders, Paragraph 2 is partially amended.
Article 14 The election of directors at the shareholders meeting shall be held in accordance with the applicable election and appointment rules set forth by the Company, and the voting results shall be announced on-site immediately, including the names of those elected <u>and not elected</u> as directors and the numbers of votes with which they were elected. Paragraph 2 is omitted.	Article 14 The election of directors at the shareholders meeting shall be held in accordance with the applicable election and appointment rules set forth by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. Paragraph 2 is omitted.	1. It is handled in accordance with the letter Ref. No. Tai-Cheng-Chih-Li-Tzu No. 1100001446 dated 28 January 202 announced by Taiwan Stock Exchange Corporation. 2. In order to improve corporate governance and safeguard the rights and interests of shareholders, Paragraph 1 is partially amended.

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Amended Article	Current Article	Explanation
Past amendments: These Rules were enacted in the annual shareholders meeting on June 6, 2003. The first amendment was made in the annual shareholders meeting on June 11, 2004. The second amendment was made in the annual shareholders meeting on June 22, 2012. The third amendment was made in the annual shareholders meeting on June 20, 2014. The fourth amendment was made in the annual shareholders meeting on June 26, 2015. The fifth amendment was made in the annual shareholders meeting on June 14, 2019. The sixth amendment was made in the annual shareholders meeting on June 12, 2020. The seventh amendment was made in the annual shareholders meeting on [REDACTED], 2021.	Past amendments: These Rules were enacted in the annual shareholders meeting on June 6, 2003. The first amendment was made in the annual shareholders meeting on June 11, 2004. The second amendment was made in the annual shareholders meeting on June 22, 2012. The third amendment was made in the annual shareholders meeting on June 20, 2014. The fourth amendment was made in the annual shareholders meeting on June 26, 2015. The fifth amendment was made in the annual shareholders meeting on June 14, 2019. The sixth amendment was made in the annual shareholders meeting on June 12, 2020.	New amendment is added.

Proposal No.2 (Proposed by the board)

Proposal: Proposal for amendments to the "Articles of Incorporation" of the Company.

Explanation:

1. This proposal has been resolved by the 9th meeting of the board of directors of 7th term.
2. In response to the Company's capital needs for future operational growth (including but not limited to the needs of enriching working capital, improving capital adequacy ratio, repaying borrowings, or long-term strategic development, etc.), and considering the diversification of fund-raising methods will help strengthen the capital structure. It is proposed to amend the Articles of Incorporation of the Company.
3. The main content of this proposed amendment is as follows:
 - (1) Including that special shares may be issued within the amount of the total capital shares of the Company. (Article 4)
 - (2) Including the relevant conditions for the issuance of special shares in accordance with Article 130 and Article 157 of the Company Act. (Article 5)
 - (3) Including the rules for convening special shares shareholders meetings. (Article 10)
4. The comparison table of the proposed amendment to the "Articles of Incorporation" of the Company (see Appendix) is attached. Please refer to pages 46 to 52 of the handbook for the full text of the "Articles of Incorporation" of the Company before the amendment.

Appendix

IBF Financial Holdings Co., Ltd.
Comparison Table of Amendment to Articles of Incorporation

Amended Article	Current Article	Explanation
Article 4 The capital of the Company is set as NTD80 billion divided into eight (8) billion shares with par value of NTD10 each share, to be issued in installments by authorization to the board of directors. <u>Special shares may be issued within the amount of the total capital shares set out in the preceding paragraph.</u>	Article 4 The capital of the Company is set as NTD80 billion divided into eight (8) billion shares with par value of NTD10 each share, to be issued in installments by authorization to the board of directors.	In order to strengthen the capital structure and considering the diversification of fund-raising methods, special shares may be issued within the amount of the total capital shares.
Article 5-1 <u>The rights and obligations of the special shares of the Company and other important issuance conditions are as follows:</u> <u>If the Company has earning after the close of the fiscal year, in addition to paying all taxes in accordance with the law, such earnings shall be first used to make up for previous years' losses, set aside the legal reserve and special reserve or reverse of the special reserve in accordance with Article 33 of this Articles of Incorporation; thereafter, the balance may be given priority to distribute the dividends of the special shares in the current year.</u> <u>The Company has discretionary powers on the distribution of dividends on special shares. Dividends</u>		This article is newly added. According to Article 130 and Article 157 of the "Company Act", the relevant conditions for the issuance of special shares are included. However, the board of director is authorized to decide the name, issuance date and specific issuance conditions of the special shares based on the conditions of the capital market and the willingness of investors to subscribe upon issuance in accordance with the Company's Articles of Incorporation and relevant laws and regulations.

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Amended Article	Current Article	Explanation
are calculated at the issuance price per share, with an annual rate of 5% as the upper limit. 3. <u>In addition to receiving the dividends in the Subparagraph 2 of this paragraph, shareholders of special shares shall not participate in the distribution for cash and capitalization of earnings and capital reserves for common shares.</u> 4. <u>Shareholders of special shares has priority over shareholders of common shares shareholders in the distribution of the remaining assets of the Company, and the order of compensation is the same as that of the shareholders of various special shares issued by the Company, which is inferior to general creditors, provided that the compensation shall not exceed the issuance amount.</u> 5. <u>Shareholders of special shares do not have the right to vote, but have the right to vote at the special shareholders meeting or in matters involving the rights and obligations of shareholders of special shares.</u> 6. <u>The convertible special shares issued by the Company shall not be converted within one year from the date of issuance. The board of directors is authorized to set the period of conversion in the actual issuance conditions.</u> <u>Shareholders of the convertible special shares</u>		

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Amended Article	Current Article	Explanation
<u>may apply to convert part or all of the special shares they hold at the ratio of one special share to one common share (the conversion ratio is 1:1) according to the issuance conditions. After the convertible special shares are converted into common shares, their rights and obligations are the same as common shares. The dividend distribution of the special shares conversion year shall be calculated based on the ratio of the actual issuance days of the year to the number of days in the whole year. However, those who are converted into common shares before the ex-right (dividend) date for the distribution of dividends in each year are not allowed to participate in the distribution of special shares in the current year and the distribution of dividends in subsequent years, but may participate in the distribution of earnings common shares and capital reserve.</u> 7. <u>If the special shares issued by the Company have no expiry date, the shareholders of the special shares do not have the right to request the Company to redeem the special shares held by them. The Company may also set a redemption date, and the redemption date shall not be earlier than the day following seven years of the</u>		

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Amended Article	Current Article	Explanation
issuance period. When all or part of the issued special shares are redeemed, they shall be redeemed at the actual issuance price. The unredeemed special shares shall retain the rights and obligations of the aforesaid issuance conditions. If the Company decides to pay dividends in the current year, the dividends that should be paid as of the date of redemption are calculated based on the number of actual issuance days of the current year. 8. <u>If the special shares issued by the Company have an issuance period, such issuance period shall not be less than seven years, and the shareholders of the special shares do not have the right to request the Company to redeem the special shares held by them. After expiration or the day after seven years from the date of issuance, the Company may, in accordance with the issuance price and related issuance methods, redeem special shares in cash, through mandatory conversion of new shares issued (ratio 1:1) or other methods permitted by laws and regulations. If the Company is unable to redeem all or part of the special shares due to objective factors or force majeure upon the expiration of issuance period, the unredeemed special shares shall retain the rights in accordance with the</u>		

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Amended Article	Current Article	Explanation
<u>issuance conditions of each section of the issuance regulations until the Company has fully redeemed the same</u> <u>The board of directors is authorized to decide the name, issuance date and specific issuance conditions of the special shares upon actual issuance, based on the capital market conditions and investors' willingness to subscribe, in accordance with the Company's Articles of Incorporation and relevant laws and regulations.</u>		
Article 10 The shareholders meeting of the Company shall be categorized into two (2) kinds in accordance with the Company Act, which are annual meeting and extraordinary meeting. The annual meeting shall be held within six (6) months following the end of the fiscal year and the extraordinary meeting shall be called in accordance with the law when necessary. <u>The special shareholders meeting may be convened in accordance with relevant laws and regulations when necessary.</u>	Article 10 The shareholders meeting of the Company shall be categorized into two (2) kinds in accordance with the Company Act, which are annual meeting and extraordinary meeting. The annual meeting shall be held within six (6) months following the end of the fiscal year and the extraordinary meeting shall be called in accordance with the law when necessary.	The convening of the special shareholders meeting is added.
Article 36 The Articles of Incorporation were enacted on January 31, 2002. The first amendment was made on June 6, 2003. The second amendment was made on June 11, 2004. The third amendment was made June 9, 2006. The fourth amendment was made on June 19, 2009. The fifth amendment was made on June 25, 2010. The sixth	Article 36 The Articles of Incorporation were enacted on January 31, 2002. The first amendment was made on June 6, 2003. The second amendment was made on June 11, 2004. The third amendment was made June 9, 2006. The fourth amendment was made on June 19, 2009. The fifth amendment was made on June 25, 2010. The sixth	New amendment is added.

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Amended Article	Current Article	Explanation
amendment was made on June 22, 2012. The seventh amendment was made on June 21, 2013. The eighth amendment was made on June 20, 2014. The ninth amendment was made on June 26, 2015. The tenth amendment was made on June 17, 2016. The eleventh amendment was made on June 14, 2019. The twelfth amendment was made on [redacted].	amendment was made on June 22, 2012. The seventh amendment was made on June 21, 2013. The eighth amendment was made on June 20, 2014. The ninth amendment was made on June 26, 2015. The tenth amendment was made on June 17, 2016. The eleventh amendment was made on June 14, 2019.	

Proposal No.3 (Proposed by the board)

Proposal: Proposal for new share issuance through capitalization of earnings by the Company

Explanation:

1. In order to fund the Company's working capital and strengthen operational capacity, it is proposed to increase capital by NTD1,010,268,600 by issuance of 101,026,860 new shares, with the par value of NTD10 per share.
2. With respect to the new shares to be issued, it is proposed to appropriate NTD1,010,268,600 out of the 2020 distributable earnings, for issuance of 101,026,860 new shares in accordance with Article 240 of the Company Act, with the par value of NTD10 each. The distribution of the new shares should be made to the shareholders with no consideration at the ratio of 35 new shares for every 1,000 shares held by shareholders, based on the total issued and outstanding shares of 2,886,481,695. A proposal will be made to have the shareholders meeting authorize the board of directors to make relevant adjustments if the total number of the issued and outstanding shares changes due to subsequent repurchase of the Company's shares, transfer, conversion and cancellation of treasury stocks or any other factors, thus results in the dividend rate change. Odd lots less than one share will be placed at its par value with specific parties as determined by the board of directors in accordance with Article 240 of the Company Act.
3. The rights and obligations on the new shares to be issued under this capital increase are the same as those of the existing common shares.
4. Record date for entitlement of shares: After this proposal is approved by the annual shareholders meeting and approved by the competent authority after report, the board of directors is authorized to determine the ex-right date for the distribution of shares. If relevant laws or regulations or the approval of the competent authority instruct change(s), the board of directors is authorized with full right to handle relevant matters of this case not resolved at the meeting.

Resolution:

Proposal No.4 (Proposed by the board)

Proposal: Proposal for amendments to the "Guidelines for Election of Directors" of the Company

Explanation:

1. This proposal has been resolved by the 9th meeting of the board of directors of 7th term.
2. The "Guidelines for Election of Directors" of the Company was approved by the regular shareholders meeting of the Company on June 11, 2004, which has subject to four amendments to meet the requirements of amendments to the laws and rulings and practical operations; to be in compliance with the requirements under corporate governance and practical operations, it is now proposed to partially amend Article 3 and Article 10 to Article 14 of the "Guidelines for Election of Directors" to ensure comprehension.
3. The comparison table of the proposed amendment to the "Guidelines for Election of Directors" of the Company (see Appendix) is attached. Please refer to pages 60 to 62 of the handbook for the full text of the "Guidelines for Election of Directors" of the Company before the amendment.

Resolution:

Appendix

IBF Financial Holdings Co., Ltd.

Comparison Table of Amendment to Guidelines for Election of Directors

Amended Article	Current Article	Explanation
Article 3 (Deleted)	Article 3 The overall composition of the board of directors shall be taken into consideration in the election of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the overall abilities that must be equipped by the board members are as follows: 1. The ability to make operations judgment; 2. Accounting and financial analysis ability; 3. Operation and management ability (including the operation and management of the subsidiaries); 4. Crisis management ability; 5. Industry knowledge; 6. International market perspective view; 7. Leadership; and 8. Decision-making ability.	The Guidelines provide election of directors through voting by shareholders at the shareholders meeting. As the Company's director election adopts a candidate nomination regime, shareholders can only elect directors from the list of candidates. It is also found that First Financial Holding Co., Ltd., SinoPac Financial Holdings Company Limited, Mega Financial Holding Company Ltd., Hua Nan Financial Holdings Co., Ltd., Shin Kong Financial Holding Co., Ltd. and other financial holding companies have no similar provisions on the election of directors. This article is therefore deleted.
Article 10 <u>The election of directors of the Company adopts a candidate nomination regime. A voter shall specify the candidate's number or name listed in the meeting handbook in the candidate column of the ballot.</u>	Article 10 <u>If the candidate to be elected is a shareholder, a voter shall specify the candidate's account name and shareholder account number in the candidate column of the ballot; for a non-shareholder, the voter shall specify the candidate's full name and identity document number. However, if the candidate refers to government or juristic person as a shareholder, the name of the</u>	As the election of directors of the Company adopts a candidate nomination regime, the list of candidates must be included in the meeting handbook to facilitate shareholders to fill in ballots. The article is therefore amended.

Amended Article	Current Article	Explanation
	<u>governmental or juristic person shall be specified in the candidate's account name column of the ballot, or both the name of the government or juristic person and the name of its representative may be specified. If there are multiple representatives, the names of each representative shall be specified respectively.</u>	
Article 11 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors; 2. A blank ballot is placed in the ballot box; 3. The writing is unclear and indecipherable or altered; 4. <u>If the ballot is not completed in accordance with preceding article or the candidate's number or name is not compliant after check;</u> 5. Other words or marks are specified in addition to the candidate's <u>number or name</u> and the number of voting rights allotted; 6. The name of the candidate entered in the ballot is <u>not on the list of candidates.</u> ; or 7. Two or more candidates are specified in the same ballot.	Article 11 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors; 2. A blank ballot is placed in the ballot box; 3. The writing is unclear and indecipherable or altered; 4. If the candidate specified in the ballot is a shareholder, the candidate's account name and shareholder account number do not conform with those in the shareholder register; if the candidate specified in the ballot is not a shareholder, the candidate's name and identity document number is not compliant after check; 5. Other words or marks are specified in addition to the candidate's account name or shareholder account number (or identity document number) and the number of voting rights allotted; 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity document number is provided in the ballot for identification; or 7. Two or more candidates are	In accordance with Article 10 of the Guidelines, the text is partially amended.

Amended Article	Current Article specified in the same ballot.	Explanation
Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected <u>and not elected</u> as directors and the numbers of votes that they were elected, shall be announced on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year, provided however that, if a litigation is initiated by a shareholder pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes that they were elected, shall be announced <u>by the chairperson</u> on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year, provided however that, if a litigation is initiated by a shareholder pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	In order to improve corporate governance and safeguard the rights and interests of shareholders, this article is partially amended.
Article 13 (Deleted)	Article 13 The persons elected as directors shall be provided with the elected notifications by the board of directors.	To in line with actual operations, this article is deleted.
Past amendments: These Guidelines were enacted in the annual shareholders meeting on June 11, 2004. The first amendment was made in the annual shareholders meeting on June 27, 2008. The second amendment was made in the annual shareholders meeting on June 25, 2010. The third amendment was made in the annual shareholders meeting on June 20, 2014. The fourth amendment was made in the annual shareholders meeting on June 26, 2015. <u>The fifth amendment was made in the annual</u>	Past amendments: These Guidelines were enacted in the annual shareholders meeting on June 11, 2004. The first amendment was made in the annual shareholders meeting on June 27, 2008. The second amendment was made in the annual shareholders meeting on June 25, 2010. The third amendment was made in the annual shareholders meeting on June 20, 2014. The fourth amendment was made in the annual shareholders meeting on June 26, 2015.	New amendment is added.

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Amended Article	Current Article	Explanation
<u>shareholders meeting on []</u> <u>2021.</u>		

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Appendix

1. Business report for the fiscal year of 2020

IBF Financial Holdings Co., Ltd.

Year 2020

Business Report

The Company is a financial holding company. As of the end of 2020, the Company has directly invested in three (3) subsidiaries, including International Bills Finance Corporation with the investment amount of NTD16,390,000,000 for 100% shareholdings, IBF Securities Co., Ltd. with the investment amount of NTD4,647,040,000 for 58.09% shareholdings, and IBF Venture Capital Co., Ltd. with the investment amount of NTD1,540,000,000 for 100% shareholdings. In 2020, the Company's net profits amount to NTD3,570,580,000, with net profits after tax of NTD3,248,090,000, and the after-tax earnings per shares (i.e. **EPS**) of NT\$1.12. The consolidated net profits of the Company and its subsidiaries are NTD8,570,150,000, with consolidated net profits after tax of NTD3,734,920,000 calculated at the consolidated basis. Please see below the business overview and achievement of each subsidiary:

1. International Bills Finance Corporation

- (1) Short-term bills trading business: Trading of all categories of short-term bills amounts to NTD6,807,629,340,000 in 2020, by an increase of NT\$409,391,270,000 at 6.40% against the amount of NTD6,398,238,070,000 for the last fiscal year.
- (2) Bonds trading business: Trading of all categories of bonds amounts to NTD 2,727,812,870,000 in 2020, by a decrease of NT\$599,932,250,000 at 18.03% against the amount of NTD3,327,745,120,000 for the last fiscal year.
- (3) Financial commercial papers underwriting and authentication business: Underwriting and authentication of financial commercial papers amount to NTD1,947,233,300,000 in 2020, by an increase of NTD148,516,200,000 at 12.11% against the amount of NTD1,798,717,100,000 for the last fiscal year.
- (4) Commercial papers guarantee business: Guarantee of commercial papers amounts to NTD879,707,600,000 in 2020, by a decrease of NTD38,067,500,000 at 4.15% against the amount of NTD917,775,100,000 for the last fiscal year.
- (5) Derivatives business: The nominal balance of the principal amounts to NTD1,311,740,000 in 2020, by a decrease of NTD2,350,300,000 at 64.18% against the amount of NTD3,662,040,000 for the last fiscal year.

- (6) Equity business: As of the end of December 2020, the balance of the Company's shareholdings of public companies and the investment in funds amounts to NTD1,225,000,000, by a decrease of NTD131,000,000 at 9.66% against the last fiscal year, which equals to 4.75% of the Company's net worth.
- (7) Business achievement: In 2020, the net profits amounts to NTD4,317,180,000 with net profits before tax of NTD3,440,320,000 and net profits after tax of NTD2,781,180,000, by an increase of NTD559,580,000 against the net profits after tax of NTD2,221,600,000 for the last fiscal year.

2. IBF Securities Co., Ltd.

- (1) Brokerage for trades in securities: Commission income for brokerage of securities trading amounts to NTD1,817,690,000 in 2020, by an increase of NTD695,640,000 at 62.00% against NTD1,122,050,000 for the last fiscal year.
- (2) Futures introducing broker business: Commission income of futures introducing broker business amounts to NTD60,990,000 in 2020, by an increase of NTD13,760,000 at 29.13% against NTD47,230,000 for the last fiscal year.
- (3) Securities margin trading and financing business: Interest income from securities margin and financing business amounts to NTD467,290,000 in 2020, by an increase of NTD25,570,000 at 5.79% against NTD441,720,000 for the last fiscal year; interest expense from securities financing business amounts to NTD4,520,000 in 2020, by a decrease of NTD460,000 at 9.24% against NTD4,980,000 for the last fiscal year.
- (4) Underwriting business: Income from underwriting business amounts to NTD83,850,000 in 2020, by an increase of NTD50,820,000 at 153.86% against NTD33,030,000 for the last fiscal year.
- (5) Securities (proprietary) trading business: Net profits from sales of securities for business amounts to NTD840,460,000 in 2020, by an increase of NTD262,490,000 at 45.42% against the net profits of NTD577,970,000 for the last fiscal year.
- (6) Bonds repurchase/reverse repurchase agreement business: Interest income

from bonds reverse repurchase agreement business amounts to NTD130,000 in 2020, by a decrease of NTD140,000 at 51.85% against NTD270,000 for the last fiscal year; interest expenses from bonds repurchase agreement business amounts to NTD73,660,000 in 2020, by a decrease of NTD28,260,000 at 27.73% against NTD101,920,000 for the last fiscal year.

(7) Stock agent business: Income from serving as stock agent amounts to NTD20,350,000 in 2020, by an increase of NTD2,060,000 at 11.26% against NTD18,290,000 for the last fiscal year.

(8) Business achievement: In 2020, the gross income amounts to NTD4,033,550,000 with net profits before tax to NTD1,485,260,000 and net profits after tax of NTD1,170,690,000, by an increase of net profits after tax of NTD260,760,000 against NTD909,930,000 for the last fiscal year.

3. IBF Venture Capital Co., Ltd.

As of the end of 2020, the net investment in securities amounts to NTD2,354,760,000 (including long-term equity investment of NTD1,192,700,000 by adopting equity method). In 2020, the gross income amounts to NTD292,480,000 with net profits before tax of NTD178,140,000 and net profits after tax of NTD176,610,000, by an increase of the net profits after tax of NTD48,290,000 against NTD128,320,000 for the last fiscal year.

Chairperson: Chi-Lin Wea President: Yu-Chia Ting Chief Accountant: Hsin-Hung Lin

2. Audit Committee's review report for the year of 2020

IBF Financial Holdings Co., Ltd.
Audit Committee's Review Report

To

2021 Annual Shareholders Meeting

The board of directors of the Company has prepared the business report, consolidated financial statements and profits distribution proposal for the year of 2020, among which the consolidated financial statements have been audited and certified by the certified public accountants, Shu-Mei Chi and Wei-Chi Lin of PricewaterhouseCoopers, Taiwan. The above business reports, consolidated financial statements and the profits distribution proposal have been reviewed and audited by this Audit Committee and considered no incompliance, and are thus agreed to by all members of this Audit Committee. The report is thus hereby prepared and presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

IBF Financial Holdings Co., Ltd
Audit Committee Convenor

March 23, 2021

Communications between the independent directors and internal auditing officers

Date	Method	Issues of communication	Outcome
March 25, 2020	Audit Committee	1. Audit report for the second half of 2019. 2. Amendment to the audit plan for the year of 2020 in accordance with the letter from the FSC. 3. Partial amendment to the audit business handbook.	Noted Passed as proposed Passed as proposed
May 27, 2020	Audit conference	1. Statistics of sanctions rendered by the competent authority in the recent years. 2. The key points of financial examination conducted by Financial Examination Bureau in the recent 2 years. 3. Audit matters enhanced by the audit office in the recent 2 years. 4. Communications of the internal audit related issues.	Noted
August 20, 2020	Audit Committee	Audit report for the first half of 2020.	Noted
November 14, 2020	Audit Committee	Audit plan for the year of 2021.	Passed as proposed

3. Certified public accountants' audited report and various financial statements for the year of 2020

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR20000464

To the Board of Directors and Shareholders of IBF Financial Holdings Co., Ltd

Opinion

We have audited the accompanying consolidated balance sheets of IBF Financial Holdings Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects,

the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits of the consolidated financial statements as of and for the year ended December 31, 2020 and 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Jin-Guan-Yin-Fa-Zi No. 10802731571 and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s 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 Accountants in 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 of the current period. These matters were addressed in the

context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as

follows:

Provision for guarantee obligation of financial guarantee contracts

Description

For the accounting policy for provision for guarantee obligation of financial guarantee contracts, please refer to Note 4(14) of the financial statements; for critical accounting judgements, estimates and key sources of assumption uncertainty, please refer to Note 5(2); as of December 31, 2020, provision for guarantee obligation was NT \$1,424,118 thousand; for disclosure of the financial statement line items, please refer to Note 6(18) of the financial statements.

The subsidiary, International Bills Finance Corporation's provision for guarantee obligation of financial guarantee contracts is based on the measurement of expected credit losses ("ECLs") under International Financial Reporting Standards 9 ("IFRS 9"), 'Financial instruments'. The Company also sets out related policy and adopts modelling to ensure that the provision is recognised in a proper manner. Modelling and parameter assumptions are adopted with reference to actual loss rate in the past years and yearly macro-economic projections in terms of business cycle released by government agencies. If the credit risk of debtors has not been significantly increased since initial recognition, 12-month ECLs is recognised. If the credit risk of debtors has been significantly increased since initial recognition, lifetime ECLs is recognised after taking into consideration factors such as any adverse changes resulting from debtors' repayment history, industry information related to overdue payment and the collateral's value.

In addition, in accordance with "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" and related regulations, after off-balance-sheet credit assets are classified according to the status of their loan collaterals and length of time in arrears, provision for guarantee obligation is determined based on amount of each

classification and their respective fixed rates, to provide guarantee obligation at a sufficient and appropriate amount.

Since the measurement of guarantee obligation of financial guarantee contracts involves subjective judgment and numerous assumptions and estimates, we have included provision for guarantee obligation of financial guarantee contracts as one of the key audit matters in our audit.

How our audit addressed the matter

Procedures we conducted in response to specific aspects of the above-mentioned key audit matter are summarized as follows:

1. Understood and assessed the reasonableness of the policies, internal control, and modelling and processing procedures related to the provisioning of guarantee obligation.
2. Assessed whether the indicators scaling the significant increase of credit risk are reasonable; selected samples and reviewed to confirm that the classification and calculation are both accurate.
3. Assessed whether the modelling and parameter assumptions are justifiable, for instance, to evaluate the historical loss figures and forward-looking economic factors are properly adopted, and updated on a regular basis.
4. Tested a selection of appraisal reports on debtors' collateral to assess whether the point in time of estimated future cash flows and assumptions are reasonable and whether the calculation is accurate.
5. Sampled and tested information on debtors' time in arrears and status of collaterals for financial guarantee contracts, and confirmed the completeness of the reports and the appropriateness of the logic for classifications; sampled and tested the appropriateness of provisions that were calculated according to classifications and respective fixed rates as stipulated under "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".

Fair value measurement of unlisted stocks without active market

Description

For the accounting policy for unlisted stocks without active market (shown as 'financial assets at fair value through profit or loss' and 'financial assets at fair value through other comprehensive income'), please refer to Notes 4(6) and (8) of the financial statements; for critical accounting judgements, estimates and assumption uncertainty, please refer to Note 5(2) of December 31, 2020, the unlisted stocks without active market held by the Group amounted to NT \$2,795,964 thousand and were shown as 'financial assets at fair value through profit or loss' and 'financial assets at fair value through other comprehensive income' (Level 3 fair value); for disclosure of the financial statement line items, please refer to Notes 6(3) and (5) of the financial statements.

Due to the lack of an active market, the fair value of the unlisted stocks held by the group was determined using valuation method. Management measured the fair value by using comparable listed companies in market approach or net assets value approach. The main assumption of market approach is the latest published price to book ratio of comparable listed companies in similar industries, which the calculation is based upon, and discounts on market liquidity or risk particularity. Main assumption of net assets value approach is to assess the total value of individual assets and liabilities to reflect the value as a whole.

Abovementioned estimation of fair value involves various assumptions and material unobservable inputs which has high uncertainty and relies on the subjective judgment of management. Any changes in judgements and estimates may affect the ultimate result of accounting estimates and have an impact on the financial statements of the Group. Thus, we have included the fair value measurement of unlisted stocks without active market as one of the key audit matters in our audit.

How our audit addressed the matter

Procedures we conducted in response to specific aspects of the above-mentioned key audit matter are summarized as follows:

1. Sampled to understand and assess the reasonableness of the policies, internal control, and models for fair value measurement and approval procedures related to the fair value measurement of unlisted stock.
2. Sampled to assess whether the management adopts valuation techniques widely adopted in the industry.
3. Sampled to assess whether the management adopts reasonable parameters from comparable companies.
4. Sampled to examine the inputs and formula in valuation models and to agree supporting documentation with reference information.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 appropriate audit evidence regarding the financial information of the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Chi, Shu-Mei

Lin, Wei Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 23, 2021

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2020	December 31, 2019
	Assets			
11000	Cash and cash equivalents	6(1) and 7	\$ 2,622,153	\$ 1,964,922
11500	Due from Central Bank and call loans to other banks	6(2)	62,707	61
12000	Financial assets at fair value through profit or loss	6(3), 7 and 8	129,093,828	111,163,954
12150	Financial assets at fair value through other comprehensive income	6(5), 7 and 8	128,782,536	128,604,415
12500	Investments in bills and bonds under resale agreements	6(4) and 7	107,055	1,535,555
13000	Receivables – net	6(6)(18) and 7	30,865,519	22,931,554
13200	Current income tax assets		22	-
15000	Equity investments accounted for under the equity method – net	6(9)	6,686,775	1,797,550
15500	Other financial assets – net	6(10)(18), 7 and 8	8,119,298	13,194,164
18000	Investment property	6(13)	7,120	-
18500	Property and equipment – net	6(11) and 8	7,469,422	3,019,229
18600	Right-of-use assets	6(12)	146,563	188,163
19000	Intangible assets – net	6(14)	232,370	215,190
19300	Deferred income tax assets		97,953	125,307
19500	Other assets – net	6(15), 7 and 8	2,464,165	1,736,732
19999	Total Assets		<u>\$ 316,757,486</u>	<u>\$ 286,476,796</u>

(Continued)

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2020	December 31, 2019
Liabilities			
21500 Due to Central Bank and other banks	6(2) and 7	\$ 19,903,291	\$ 19,890,139
22000 Financial liabilities at fair value	6(3)		
through profit or loss		2,093,780	1,045,401
22500 Bills and bonds payable under	6(4) and 7		
repurchase agreements		205,440,521	192,391,060
22600 Commercial paper payable – net	6(16) and 7	19,708,341	13,224,046
23000 Payables	6(17) and 7	18,306,953	10,575,558
23200 Current income tax liabilities		633,549	276,706
Provisions			
24620 Employee benefits provision	6(20)	321,906	286,257
24630 Provision for guarantee obligation	6(18)	1,424,118	1,373,676
24690 Other provision	6(21)	6,298	6,561
25500 Other financial liabilities	6(19)	3,173,196	6,116,318
26000 Lease liabilities		147,141	185,710
29300 Deferred income tax liabilities		550,297	396,824
29697 Other Liabilities		2,310,284	879,779
29999 Total Liabilities		<u>274,019,675</u>	<u>246,648,035</u>
Equity attributable to owners of parent			
31100 Share capital	6(23)		
31101 Common stock		28,964,817	28,480,646
31500 Capital surplus	6(24)		
31500 Share premium		156,037	153,610
Retained earnings	6(25)		
32001 Legal reserve		2,074,646	1,814,982
32003 Special reserve		234,587	234,587
32011 Undistributed earnings		3,232,516	2,596,632
Other equity			
32500 Other equity interest		3,682,457	2,407,655
32600 Treasury shares	6(26)	(106,346)	-
39500 Non-controlling interests		4,499,097	4,140,649
39999 Total Equity		<u>42,737,811</u>	<u>39,828,761</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 316,757,486</u>	<u>\$ 286,476,796</u>

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

(Note: This English translation is provided for reference only and might not exactly reflect the true meaning or full text of the original language.)

Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earning per share)

		Year ended December 31	
Items	Notes	2020	2019
41000 Interest income	6(27) and 7	\$ 3,498,912	\$ 3,591,503
51000 Less: Interest expense	6(27) and 7	(1,221,655)	(1,795,579)
Net interest income		2,277,257	1,795,924
Net non-interest income			
49800 Service fee and commission income-net	6(28) and 7	3,466,705	2,728,571
49820 Gain on financial assets and financial liabilities at fair value through profit or loss	6(3)(29) and 7	1,370,186	1,412,869
49835 Realised gains (loss) on financial assets at fair value through other comprehensive income	6(5)(30)	1,170,140	822,700
49870 Foreign exchange gain (loss)		49,366	(66,128)
49880 Asset impairment (profit) losses	6(31)	3,890	(14,752)
49890 Share of profit or loss of associates and joint ventures accounted for using equity method	6(9)	18,083	87,775
49900 Other non-interest income	6(33)	135,442	131,594
49951 Rental income	7	79,082	76,476
Net profit		8,570,151	6,975,029
58100 Bad debt expenses commitment and guarantee provision	6(18)(32)	(93,004)	(249,144)
Operating Expense			
58501 Employee benefit expense	6(34)	(2,682,234)	(2,218,116)
58503 Depreciation and amortization	6(35)	(206,224)	(205,127)
58599 Other business and administrative expenses	6(36)	(845,948)	(731,350)
61000 Consolidated income from continuing operations before income tax		4,742,741	3,571,292
61003 Income tax expense	6(22)	(1,007,822)	(563,042)
69000 Consolidated net income		3,734,919	3,008,250
Other comprehensive income			
Components of other comprehensive income that will not be reclassified to profit or loss			
69561 Remeasurements of defined benefit plan	6(20)	(40,669)	(121,221)
69567 Gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)	(39,369)	272,889
69563 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(9)	(2,462)	687
69569 Income tax related to items that will not be reclassified to profit or loss	6(22)	8,134	24,245
Components of other comprehensive income that will be reclassified to profit or loss			
69571 Exchange differences on translation of foreign financial statements		(947)	(59,026)
69585 Gains(losses) from investments in debt instruments measured at fair value through other comprehensive income	6(5)	1,465,158	2,009,769
69575 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(9)	40,955	487
69579 Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(22)	(168,820)	(362,605)
69500 Other comprehensive income (net of tax)		1,261,980	1,765,225
69700 Total comprehensive income		\$ 4,996,899	\$ 4,773,475
Net income attributed to:			
69901 Stockholder of the Company		\$ 3,248,085	\$ 2,629,834
69903 Non-controlling interests		486,834	378,416
		\$ 3,734,919	\$ 3,008,250
Comprehensive income attributed to:			
69951 Stockholder of the Company		\$ 4,505,763	\$ 4,331,585
69953 Non-controlling interests		491,136	441,890
		\$ 4,996,899	\$ 4,773,475
Earnings Per Share			
Basic and diluted earnings per share	6(37)	\$ 1.12	\$ 0.91

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

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Lexcel Partners Translation Draft
May 10, 2021

	Equity attributable to owners of the parent										
	Retained earnings					Other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Translation gain and loss on the financial statements of foreign operating entities	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
For the year ended December 31, 2019											
Balance at January 1, 2019	\$ 28,198,659	\$ 122,240	\$ 1,640,034	\$ 234,587	\$ 1,749,485	(\$ 80,286)	\$ 729,377	(\$ 158,123)	\$ 32,435,973	\$ 3,684,793	\$ 36,120,766
Net income for 2019	-	-	-	-	2,629,834	-	-	-	2,629,834	378,416	3,008,250
Other comprehensive income(loss) for 2019	-	-	-	-	(60,122)	(48,315)	1,810,188	-	1,701,751	63,474	1,765,225
Total comprehensive income	-	-	-	-	2,569,712	(48,315)	1,810,188	-	4,331,585	441,890	4,773,475
Appropriation of 2018 earnings											
Legal reserve	-	-	174,948	-	(174,948)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,268,939)	-	-	-	(1,268,939)	-	(1,268,939)
Stock dividends	281,987	-	-	-	(281,987)	-	-	-	-	-	-
Share-based payments	-	31,370	-	-	-	-	-	158,123	189,493	10,455	199,948
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	3,511	3,511
Disposal of investments in equity instruments measured at fair value through other comprehensive income by equity investments accounted for using equity method	-	-	-	-	3,309	-	(3,309)	-	-	-	-
Balance at December 31, 2019	\$ 28,480,646	\$ 153,610	\$ 1,814,982	\$ 234,587	\$ 2,596,632	(\$ 128,601)	\$ 2,536,256	\$ -	\$ 35,688,112	\$ 4,140,649	\$ 39,828,761
For the year ended December 31, 2020											
Balance at January 1, 2020	\$ 28,480,646	\$ 153,610	\$ 1,814,982	\$ 234,587	\$ 2,596,632	(\$ 128,601)	\$ 2,536,256	\$ -	\$ 35,688,112	\$ 4,140,649	\$ 39,828,761
Net income for 2020	-	-	-	-	3,248,085	-	-	-	3,248,085	486,834	3,734,919
Other comprehensive income(loss) for 2020	-	-	-	-	(21,397)	6,852	1,272,223	-	1,257,678	4,302	1,261,980
Total comprehensive income	-	-	-	-	3,226,688	6,852	1,272,223	-	4,505,763	491,136	4,996,899
Earnings distribution for 2019											
Legal reserve	-	-	259,664	-	(259,664)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,851,242)	-	-	-	(1,851,242)	-	(1,851,242)
Stock dividends	484,171	-	-	-	(484,171)	-	-	-	-	-	-
Changes in equity of investment accounted for using equity method	-	200	-	-	-	-	-	-	200	-	200
Changes in other capital surplus	-	2,227	-	-	-	-	-	-	2,227	-	2,227
Stock repurchase	-	-	-	-	-	-	-	(106,346)	(106,346)	-	(106,346)
Changes in non-controlling equity	-	-	-	-	-	-	-	-	-	(132,688)	(132,688)
Disposal of investment in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	-	7,898	-	(7,898)	-	-	-	-
Disposal of investments in equity instruments measured at fair value through other comprehensive income by equity investments accounted for using equity method	-	-	-	-	(3,625)	-	3,625	-	-	-	-
Balance at December 31, 2020	\$ 28,964,817	\$ 156,037	\$ 2,074,646	\$ 234,587	\$ 3,232,516	(\$ 121,749)	\$ 3,804,206	(\$ 106,346)	\$ 38,238,714	\$ 4,499,097	\$ 42,737,811

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

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Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 4,742,741	\$ 3,571,292
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation and amortization	206,224	205,127
Bad debt expenses, commitment and guarantee provision	93,004	249,144
Interest expense	1,221,655	1,795,579
Interest income	(3,498,912)	(3,591,503)
Dividend income	(216,007)	(230,849)
Share-based payments	-	42,222
Share of profit or loss of associates and joint ventures accounted for using equity method	(18,083)	(87,775)
Loss on disposal of property and equipment	-	(42,125)
Gain from disposal of second-tier subsidiaries	-	(52,382)
Asset impairment (profit) loss	(3,890)	4,299
Impairment loss from equity investment accounted for using equity method	-	10,453
Unclaimed dividend	2,227	-
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets at fair value through profit or loss	(17,929,874)	16,201,259
Financial assets at fair value through other comprehensive income	1,248,338	(15,740,543)
Investments in bill and bonds under resell agreements	1,428,500	(505,975)
Receivables	(8,210,829)	(1,539,053)
Other financial assets	145,089	(422,824)
Other assets	(1,311,102)	(552,495)
Changes in operating liabilities		
Financial liabilities at fair value through profit or loss	1,048,379	(40,528)
Bills and bonds payable under repurchase agreements	13,049,461	9,195,679
Payables	7,744,152	(592,551)
Employee benefits provision	(5,587)	(6,901)
Other provisions	(108)	835
Other financial liabilities	(2,943,122)	2,693,842
Other liabilities	1,430,505	253,563
Cash (outflow) inflow generated from operations	(1,777,239)	10,817,790
Interest received	3,735,603	3,553,382
Dividend income	213,221	231,136
Cash dividends received from investments accounted for using equity method	67,551	65,344
Interest paid	(1,273,649)	(1,720,032)
Income tax paid (refunded)	(567,023)	(545,057)
Net cash flows from operating activities	398,464	12,402,563
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Loss on disposal of financial assets at fair value through other comprehensive income	3,625	-
Increase in prepayments for investments	-	(4,900,000)
Cash effect due to reduction in consolidated entities	-	(343,840)
Proceeds from disposal of second-tier subsidiaries	-	370,542
Acquisition of property and equipment	(4,525,492)	(1,388,139)
Proceeds from disposal of property and equipment	-	165,551
Decrease in operating guarantee deposits	400,000	80,000
Decrease(increase) in clearing and settlement fund	11,134	(5,925)
Decrease(increase) in refundable deposits	146,420	(249,269)
Acquisition of intangible assets	(31,519)	(13,354)
Increase in deferred debits	(2,437)	(2,650)
Increase(decrease) in certificates of deposit pledged	29,777	(163,678)
Net cash flows used in investing activities	(3,968,492)	(6,450,762)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase(decrease) in due to the Central Bank and banks	13,152	(8,828,271)
Increase in commercial paper payable	6,459,952	1,272,765
Repayment of principal portion of lease liabilities	(90,628)	(115,222)
Repurchase of treasury stocks	(106,346)	-
Cash dividends paid	(1,851,242)	(1,268,939)
Purchase of treasury stocks by employees	-	157,726

(Continued)

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Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2020	2019
Changes in non-controlling equity	(\$ 132,688)	\$ 3,511
Net cash flows from (used in) financing activities	4,292,200	(8,778,430)
Foreign exchange adjustments	(2,295)	(57,764)
Net increase (decrease) in cash and cash equivalents	719,877	(2,884,393)
Cash and cash equivalents at beginning of year	1,964,983	4,849,376
Cash and cash equivalents at end of year	\$ 2,684,860	\$ 1,964,983
The components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	\$ 2,622,153	\$ 1,964,922
Due from Central Bank and call loans to other banks qualified as cash and cash equivalents as defined by IAS 7	62,707	61
Cash and cash equivalents at end of reporting period	\$ 2,684,860	\$ 1,964,983

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

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Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD.
INDIVIDUAL CONDENSED BALANCE SHEETS
YEARS ENDED DECEMBER 31, 2020 AND 2019

			Expressed in Thousands of New Taiwan Dollars		
Assets	December 31, 2020	December 31, 2019	Liabilities and Equity	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 690	\$ 15,704	Commercial paper payable	\$ 5,989,939	\$ 5,236,032
Financial assets at fair value through other comprehensive income	78,431	80,927	Payables	155,682	101,942
Investments in bills and bonds under resell agreements	77,061	-	Current income tax liabilities	410,077	217,280
Receivable - net	319,761	169,412	Provisions for employee benefits	5,483	5,758
Current income tax assets	22	-	Lease liabilities	125,556	2,215
Investments accounted for using equity method - net	44,261,884	35,649,758	Deferred income tax liabilities	99	11
Other financial assets - net	-	4,900,000	Total Liabilities	6,686,836	5,563,238
Property and equipment - net	47,049	3,816	Common Stock	28,964,817	28,480,646
Right-of-use assets - net	123,124	2,812	Capital surplus	156,037	153,610
Intangible assets - net	2,793	237	Retained earnings	5,541,749	4,646,201
Deferred income tax assets - net	970	970	Other equity	3,682,457	2,407,655
Other assets - net	13,765	427,714	Treasury shares	(106,346)	-
			Total equity	38,238,714	35,688,112
Total assets	<u>\$ 44,925,550</u>	<u>\$ 41,251,350</u>	Total liabilities and equity	<u>\$ 44,925,550</u>	<u>\$ 41,251,350</u>

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

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Lexcel Partners Translation Draft
May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD.
INDIVIDUAL CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

Items	Expressed in Thousands of New Taiwan Dollars	
	Year ended December 31, 2020	Year ended December 31, 2019
Income		
Share of profit (loss) of associates and joint ventures accounted for under equity method	\$ 3,545,430	\$ 2,868,998
Realised gains on financial assets at fair value through other comprehensive income	4,410	4,302
Other income	20,740	13,228
	<u>3,570,580</u>	<u>2,886,528</u>
Expenses and losses		
Operating expenses	(309,199)	(253,876)
Other expenses and losses	(31,618)	(34,330)
	<u>(340,817)</u>	<u>(288,206)</u>
Net income from continuing operations before income tax	3,229,763	2,598,322
Income tax benefit	18,322	31,512
Profit for the year	<u>3,248,085</u>	<u>2,629,834</u>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of defined benefit	440	(3,286)
Gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	(2,496)	2,748
Share of other comprehensive income of associates and joint ventures accounted for under equity method	(46,654)	138,143
Income tax related to components	(88)	657
Components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for under equity method	1,306,476	1,563,489
Other comprehensive income	<u>1,257,678</u>	<u>1,701,751</u>
Total comprehensive income	<u>\$ 4,505,763</u>	<u>\$ 4,331,585</u>
Earnings per share		
Basic earnings per share (in dollars)	<u>\$ 1.12</u>	<u>\$ 0.91</u>

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Lexcel Partners Translation Draft

May 10, 2021

IBF FINANCIAL HOLDINGS CO., LTD.
INDIVIDUAL CONDENSED STATEMENT OF CHANGE IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019

	Retained earnings					Other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Translation gain and loss on the financial statements of foreign operating entities	Unrealised gains or losses on financial assets at fair value through other comprehensive income	Treasury shares	Total
<u>Year ended December 31, 2019</u>									
Balance at January 1, 2019	\$ 28,198,659	\$ 122,240	\$ 1,640,034	\$ 234,587	\$ 1,749,485	(\$ 80,286)	\$ 729,377	(\$ 158,123)	\$ 32,435,973
Appropriation of 2018 earnings									
Legal reserve	-	-	174,948	-	(174,948)	-	-	-	-
Cash dividends	-	-	-	-	(1,268,939)	-	-	-	(1,268,939)
Stock dividends	281,987	-	-	-	(281,987)	-	-	-	-
Net income for 2019	-	-	-	-	2,629,834	-	-	-	2,629,834
Other comprehensive income for 2019	-	-	-	-	(60,122)	(48,315)	1,810,188	-	1,701,751
Total comprehensive income	-	-	-	-	2,569,712	(48,315)	1,810,188	-	4,331,585
Share-based payments	-	31,370	-	-	-	-	-	158,123	189,493
Disposal of investments in equity instruments measured at fair value through other comprehensive income by equity investments accounted for using equity method	-	-	-	-	3,309	-	(3,309)	-	-
Balance at December 31, 2019	<u>\$ 28,480,646</u>	<u>\$ 153,610</u>	<u>\$ 1,814,982</u>	<u>\$ 234,587</u>	<u>\$ 2,596,632</u>	<u>(\$ 128,601)</u>	<u>\$ 2,536,256</u>	<u>\$ -</u>	<u>\$ 35,688,112</u>
<u>Year ended December 31, 2020</u>									
Balance at January 1, 2020	\$ 28,480,646	\$ 153,610	\$ 1,814,982	\$ 234,587	\$ 2,596,632	(\$ 128,601)	\$ 2,536,256	\$ -	\$ 35,688,112
Appropriation of 2019 earnings									
Legal reserve	-	-	259,664	-	(259,664)	-	-	-	-
Cash dividends	-	-	-	-	(1,851,242)	-	-	-	(1,851,242)
Stock dividends	484,171	-	-	-	(484,171)	-	-	-	-
Net income for 2020	-	-	-	-	3,248,085	-	-	-	3,248,085
Other comprehensive income for 2020	-	-	-	-	(21,397)	6,852	1,272,223	-	1,257,678
Total comprehensive income	-	-	-	-	3,226,688	6,852	1,272,223	-	4,505,763
Changes in equity of investment accounted for using equity method	-	200	-	-	-	-	-	-	200
Changes in other capital surplus	-	2,227	-	-	-	-	-	-	2,227
Repurchase of treasury shares	-	-	-	-	-	-	-	(106,346)	(106,346)
Disposal of investments in equity instruments measured at fair value through other comprehensive income by equity investments accounted for using equity method	-	-	-	-	4,273	-	(4,273)	-	-
Balance at December 31, 2020	<u>\$ 28,964,817</u>	<u>\$ 156,037</u>	<u>\$ 2,074,646</u>	<u>\$ 234,587</u>	<u>\$ 3,232,516</u>	<u>(\$ 121,749)</u>	<u>\$ 3,804,206</u>	<u>(\$ 106,346)</u>	<u>\$ 38,238,714</u>

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

IBF FINANCIAL HOLDINGS CO., LTD.
INDIVIDUAL CONDENSED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Expressed in Thousands of New Taiwan Dollars

Items	Year ended December 31, 2020	Year ended December 31, 2019
Operating cash flows		
Profit before tax for the year	\$ 3,229,763	\$ 2,598,322
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation and amortisation expenses	16,818	10,337
Interest expense	24,671	27,674
Interest income	(272)	(7,183)
Dividend income	(4,410)	(4,302)
Share-based payments	-	4,033
Share of profit or loss of associates and joint ventures accounted for under equity method	(3,545,430)	(2,868,998)
Payables on amortised fees of discounted bills of commercial papers	6,802	6,647
Unclaimed dividend	2,227	-
Changes in operating assets and liabilities		
Changes in operating assets		
Investments in Bills and bonds under resell agreements	(77,062)	2,695,265
Receivables	321,278	213,162
Other assets	417,032	(417,498)
Changes in operating liabilities		
Payables	56,925	23,544
Provisions for employee benefits	165	21
Cash inflows generated from operations	<u>448,507</u>	<u>2,281,024</u>
Interest received	228	8,771
Dividends received	4,410	4,302
Dividends received from investment accounted for under equity method	1,093,327	1,288,913
Interest paid	(328)	-
Income taxes paid	(263,671)	(176,443)
Net cash flows from operating activities	<u>1,282,473</u>	<u>3,406,567</u>
Cash flows from investing activities:		
Increase in prepayments for investments	-	(4,900,000)
Proceeds from capital reduction of investees accounted for using equity method	-	2,400,000
Acquisition of property and equipment	(44,275)	(2,563)
Guarantee deposits paid	(3,122)	(60)
Acquisition of intangible assets	(2,922)	(161)
Net cash flows used in investing activities	<u>(50,319)</u>	<u>(2,502,784)</u>
Cash flows from financing activities:		
Increase in commercial paper payable	722,762	205,537
Repayment of principal portion of lease liabilities	(12,342)	(10,017)
Cash dividends paid	(1,851,242)	(1,268,939)
Repurchase of treasury shares	(106,346)	-
Purchase of treasury shares by employees	-	157,726
Net cash flows used in financing activities	<u>(1,247,168)</u>	<u>(915,693)</u>
Net decrease in cash and cash equivalents	(15,014)	(11,910)
Cash and cash equivalents at beginning of the year	<u>15,704</u>	<u>27,614</u>
Cash and cash equivalents at end of the year	<u>\$ 690</u>	<u>\$ 15,704</u>

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

4. Profits Distribution Table for the Year 2020

IBF Financial Holdings Co., Ltd.
Year 2020
Profits Distribution Table

Unit: New Taiwan Dollars

Item	Amount	Explanation
Undistributed retained earnings at the beginning of the period	1,555,925	
Add: Profits from disposal of equity instruments measured at fair value through other comprehensive income	4,272,147	
Less: Remeasurement of defined benefit plans	(21,396,570)	
Add: Net profits after tax of this period	3,248,084,886	3,230,960,463
Less: Legal reserve set aside	(323,096,046)	Appropriate 10% of net income as a legal reserve in accordance with Article 237 of the Company Act.
Distributable earnings	2,909,420,342	
Less: Dividends to shareholders (Cash)	(1,876,213,102)	Dividends to shareholders are distributed in accordance with Article 33 of the Articles of Incorporation.
Dividends to shareholders (Shares)	(1,010,268,600)	
Undistributed earnings for end-of-period	22,938,640	

Note 1: Dividends to shareholders are calculated at the expected number of 2,848,064,596 shares issued and outstanding upon the distribution. The distributable cash dividend is NTD0.65 per share and stock dividend NTD0.17 per share. A proposal will be made to have the shareholders meeting authorize the board of directors to make relevant adjustments if the total number of the issued and outstanding shares changes due to subsequent repurchase of the Company's shares, transfer, conversion and cancellation of treasury stocks or any other factors and thus results in the dividend rate change. Cash dividends shall be calculated and rounded down to dollar. The total amount of odd fraction will be counted as other incomes of the Company.

Note 2: According to the ruling of the Ministry of Finance with Ref. No. Tai Tsai Shui 871941343 dated April 30, 1998, the Company shall distinguish the earning separately upon earning distribution. The Company will first distribute the distributable earnings of the then current period in principal. If there is any shortage, the Company will then distribute the distributable earnings accumulated in the previous year.

Chairperson: Chi-Lin Wea

President: Yu-Chia Ting

Chief Accountant: Hsin-Hung Lin

5. Articles of Incorporation

IBF Financial Holdings Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1 In order to explore the comprehensive business benefits and enhance the competition capability of the financial market of the Company, the Company is organized in accordance with the Company Act and Financial Holding Company Act and named as "國票金融控股股份有限公司" ("Company") and "IBF Financial Holdings Co., Ltd." as the Company's foreign name.
- Article 2 The Company is established in Taipei City, the Republic of China, and may establish branch(es) in any other appropriate locations depending on its business need.
- Article 3 The public announcement by the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 4 The capital of the Company is set as NTD80 billion divided into eight (8) billion shares with par value of NTD10 each share, to be issued in installments by authorization to the board of directors.
- Article 5 The share certificates of the Company shall be signed or sealed by the director(s) representing the Company, together with the seal of the Company and shall not be issued until authenticated in accordance with the law.
- The Company is exempt from printing the share certificates for the shares issued, provided that it shall coordinate with the securities central depository and custodian enterprise for the registration and entry.
- Article 6 The administration of the stock services of the Company shall be made in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Company" issued by the competent authority.

Chapter 3 Business

- Article 7 The business item of the Company is H801011 financial holding company.
- Article 8 The business scope of the Company is as follows:
1. The businesses for which the Company may apply for the approval of the investment with the competent authority are below:
 - (1) Financial holding company;
 - (2) Banking business;
 - (3) Bills finance business;

- (4) Credit card business;
 - (5) Trust business;
 - (6) Insurance business;
 - (7) Securities business;
 - (8) Futures business;
 - (9) Venture capital business;
 - (10) Investment in the foreign financial institutions approved by the competent authority;
and
 - (11) Other businesses related to the financial business recognized by the competent authority.
2. The administration of the business invested under the preceding Subparagraphs.
 3. The Company may apply for approval of investment with the competent authority in other businesses other than those stated in Subparagraph (1) above.
 4. Other relevant businesses approved by the competent authority.

Article 9 The Company is a professional investment company and as such its investment amount is not subject to the limitation up to 40% of its paid-in capital provided in Article 13 of the Company Act.

Chapter 4 Shareholders Meeting

Article 10 The shareholders meeting of the Company shall be categorized into two (2) kinds in accordance with the Company Act, which are annual meeting and extraordinary meeting. The annual meeting shall be held within six (6) months following the end of the fiscal year and the extraordinary meeting shall be called in accordance with the law when necessary.

Article 11 A notice specifying the date, venue and reasons shall be given to each shareholder no later than thirty (30) days prior to the annual shareholders meeting and no later than fifteen (15) days prior to the extraordinary meeting.

Article 12 Unless otherwise provided for in the Company Act, the shareholders meeting shall be attended by the shareholders who represent more than one-half of the total number of the issued shares, and the resolution shall be made by a majority vote of the total number of voting shares of the attending shareholders.

Article 13 The shareholder of the Company is entitled to one vote per share. If the shareholder cannot attend the shareholders meeting, the shareholder may issue a power of attorney produced by the Company specifying the authorization scope to engage a proxy to attend the meeting.

Except for the trust enterprises or the shareholder stock service agent approved by the competent authority in charge of securities, when a person acts as the proxies concurrently for two (2) or more shareholders, the number of voting power represented by the proxies shall not exceed 3% of the voting rights represented by the total number of the issued shares; otherwise,

the portion of excessive voting power shall not be counted.

A shareholder may only issue one power of attorney and appoint one proxy only, and shall serve such power of attorney to the Company no later than five (5) days prior to the date of the shareholders meeting. If duplicate proxies are served, the one served earliest shall prevail, unless a declaration is made to cancel the earlier one.

After the power of attorney for a proxy is served to the Company, if the shareholder intends to attend the shareholders meeting in person or to exercise his/her/its voting right by the electronic means, a written notice to revoke the proxy shall be given to the Company no later than two (2) days prior to the date of the shareholders meeting. The voting right exercised by the authorized proxy at the meeting shall prevail in case of any revocation made after the deadline.

Article 14 [Deleted]

Article 15 Unless otherwise provided for under law, the chairperson of the board of directors shall act as the chairperson of the shareholders meeting. If the chairperson of the board of directors for any reason is unable to attend the shareholders meeting, the vice chairperson shall act on his/her behalf. If there is no vice chairperson or the vice chairperson for any reason is unable to attend the shareholders meeting, a director appointed by the chairperson of the board of directors shall act on his/her behalf. If there is no deputy appointed by the chairperson of the board of directors, a deputy shall be appointed among the directors.

Article 16 The matters which shall be resolved by the shareholders meeting are as follows:

1. Approval and amendment of Articles of Incorporation of the Company;
2. Election or discharge of the directors;
3. Approval of reports prepared by the board of directors and resolution of earnings distribution and loss make-up;
4. Resolution of capital increase and reduction; and
5. Resolution of any other important matters and matters provided in the Company Act and Financial Holding Company Act.

Article 17 The meeting minutes shall be made for the matters resolved in the shareholders meeting, which shall be signed or stamped by the chairperson and delivered to each shareholder within twenty (20) days after the meeting.

The meeting minutes provided in the preceding paragraph may be delivered by way of the public announcement.

Chapter 5 Board of directors

Article 18 The Company shall have thirteen (13) directors to constitute the board of directors, with the term of three (3) years, eligible to be re-elected. The Company adopts the candidate nomination regime for election of the directors, who shall be elected by the shareholders meeting from the list of the candidates nominated for the directors.

The election of the directors of the Company shall be made in accordance with the principles of

fairness, justice and transparency and the guidelines of the director election shall be set forth by the shareholders meeting.

The Company may purchase the liability insurance for the directors after the resolution by the board of the directors.

Article 18-1 The Company shall have four (4) independent directors out of the number of the directors stated in the preceding Article.

The election of the independent directors and non-independent directors shall be made concurrently, under which the elected quota shall be calculated separately. The professional qualification, shareholdings and limitation on positions concurrently held, determination of the independence, methods of nomination and election, performance of duties and other compliance matters of the independent directors shall be handled in accordance with the Securities and Exchange Act and relevant laws and regulations.

Article 19 The total number of shares held by all directors of the Company shall be in compliance with the requirements under the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Company" promulgated by the competent authority.

Article 19-1 The Company shall establish the Audit Committee as of the fifth (5th) term of the board of directors constituted by all independent directors, whose number shall not be less than three (3), among whom one shall be the convener and at least one shall specialize in accounting and finance. The performance of duties and other compliance matters of the Audit Committee shall be made in accordance with the Securities and Exchange Act and relevant laws and regulations or relevant rules of the Company.

Article 19-2 The Company shall establish the Remuneration Committee in accordance with law, whose organization rules shall be resolved by the board of directors.

Article 20 The chairperson of the board of directors shall be elected among the directors by a majority vote of the directors present at a meeting attended by no less than two third (2/3) of the directors.

The Company may set the vice chairperson of the board of directors when necessary, to assist the chairperson of the board of directors. The election of the vice chairperson of the board of directors shall be made in accordance with the Company Act.

Article 21 The board meeting shall be presided by the chairperson of the board of directors. If the chairperson of the board of directors for any reason is unable to attend the meeting, the vice chairperson of the board of directors shall act on his/her behalf. If there is no vice chairperson of the board of directors or the vice chairperson for any reason is unable to attend the meeting, one director appointed by the chairperson of the board of directors shall act on his/her behalf. If no deputy is appointed by the chairperson of the board of directors, one director shall be appointed by the directors to act accordingly.

Article 22 The board meeting shall be held every other month, and can be called by the chairperson of the board of directors at any time when there is any emergency.

The notice to call the board meeting may be made to each director in writing, E-mail or facsimile .

Article 23 If any director cannot attend the board meeting, the director may issue a power of attorney to

appoint another director as proxy to attend the meeting, provided that one director can only as the proxy for one director.

Article 24 Unless otherwise provided in the Company Act, the board meeting shall be attended by a majority of the directors and the resolution shall be made by a majority vote of the directors present in the meeting.

If the board meeting is held by the video conference, the director who attends the meeting by the video conference shall be deemed as presence in person.

Article 25 The authorities and power of the board of directors are as follows:

1. Proposal of the Articles of Incorporation of the Company;
2. Review of the organization rules of the Company;
3. Review of the business plan;
4. Proposal of capital increase and reduction;
5. Proposal of earnings distribution and loss make-up;
6. Review of budget and final account;
7. Resolution of the issuance of corporate bond;
8. Review of material contracts;
9. Resolution of acquisition or disposition of significant assets;
10. Appointment and discharge of the important staffs;
11. Appointment of the director and supervisor of the subsidiary;
12. Resolutions of other material matters pertaining to the business; and
13. Other authorities and power given by the laws and regulations and the shareholders meeting.

Article 26 In addition to the distribution of remuneration stated in Article 32, the Company authorizes the board of directors to decide the director remuneration by reference to the circumstances of the industry of financial holding companies.

Chapter 6 Managerial officers

Article 27 The Company shall establish the Management and Development Committee for the need of the invested enterprises and the operation management, whose organization rules shall be set forth separately.

Article 28 The Company shall appoint one General Manager to overall manage the business of the Company based on business principles and policies decided by the board of directors, and several Vice General Managers to assist the General Manager in handling the business of the Company. The

Company shall have one general auditor to supervise the audit works based on the resolution of the board of directors.

The appointment and discharge of the General Manager, Vice General Manager and the general auditor shall be proposed by the chairperson to the board of the directors for approval.

Article 29 The Company may establish the departments (units) for the business need and appoint one chief officer or head for each department respectively, who shall be recommended by the General Manager to the board of directors for the appointment and discharge.

Chapter 7 Accounting

Article 30 The fiscal year of the accounting of the Company is from January 1 to December 31 of each year.

Article 31 The Company shall, at the end of each fiscal year, submit the following statements and documents prepared and produced by the board of the directors to the annual shareholders meeting for the acceptance in accordance with the legal procedure:

1. Business report;
2. Financial statements; and
3. Proposal on earnings distribution or loss make-up.

Article 32 If the Company has profits upon the settlement of the fiscal year, it shall set aside the employees' compensation and directors' remuneration, provided that if the Company still has any accumulated losses, the amount shall be set aside to make up the losses first.

The Company's profits before tax (which has not deducted employees' compensation and directors' remuneration) in a particular year shall deduct the reservation to make up the accumulated losses first, and an amount of no less than 0.1% but less than 2% of the balance thereof shall be set aside as employees' compensation and an amount of less than 2% as directors' remuneration. The employees' compensation may be distributed in the form of stocks or cash and the employees eligible therefor includes the employee of the subordinated companies of the Company meeting certain qualifications.

The distribution ratio of the employees' compensation and directors' remuneration and the form of stocks or cash for the employees' compensation shall be approved by the Remuneration Committee and proposed to the board meeting for approval by a majority vote of the directors at a meeting presented by two third (2/3) of the directors before the enactment, and shall be further reported to the shareholders meeting.

The employees' compensation shall be distributed in accordance with the "Rules for Distribution of Employees' Compensation" of the Company.

Article 33 The Company adopts the policy of remaining dividends to continuously enlarge the scale and enhance the profitability and to take into consideration of the relevant laws and regulations.

If the Company has earning after the close of the fiscal year, such earnings shall be used to make up the accumulated loss, pay the tax according to law, set aside the legal reserve and special reserve or reverse of the special reserve first; thereafter, 50% or more of the balance together with the initial undistributed earnings at the beginning of the fiscal period shall be allocated for

the distribution as the dividends of the shareholders by the board of directors.

The proposal for earnings distribution stated in the preceding paragraph shall be made by the board of directors and submit to the shareholders meeting for resolution. As to the ratio of the shareholder dividends, the cash dividends shall not be lower than 10% of the distributed amount of the applicable year, and the remaining amount shall be distributed as stock dividends.

Chapter 8 Supplementary

Article 34 The rules of the organization of the Company shall be set forth separately.

Article 35 Any matter not provided in the Articles of Incorporation shall be handled in accordance with the Financial Holding Company Act, Company Act and other laws and regulations.

Article 36 The Articles of Incorporation were enacted on January 31, 2002. The first amendment was made on June 6, 2003. The second amendment was made on June 11, 2004. The third amendment was made June 9, 2006. The fourth amendment was made on June 19, 2009. The fifth amendment was made on June 25, 2010. The sixth amendment was made on June 22, 2012. The seventh amendment was made on June 21, 2013. The eighth amendment was made on June 20, 2014. The ninth amendment was made on June 26, 2015. The tenth amendment was made on June 17, 2016. The eleventh amendment was made on June 14, 2019.

6. Rules of Procedure for Shareholders Meeting

IBF Financial Holdings Co., Ltd. ("Company") Rules of Procedure for Shareholders Meeting

- Article 1 To facilitate the process of the Company's shareholders meeting smoothly, these Rules are adopted in accordance with Paragraph 2, Article 182-1 of the Company Act.
- Article 2 The rules of procedures for the Company's shareholders meetings, unless otherwise provided under law or regulation, or the Articles of Incorporation, shall be handled in accordance with these Rules.
- Article 3 Unless otherwise provided by laws or regulations, the Company's shareholders meetings shall be convened by the board of directors.

The notice for the annual shareholders meeting shall be made to each shareholder no later than thirty (30) days prior to the meeting date, provided that for shareholders holding less than one thousand shares, notice may be made by the public announcement on the Market Observation Post System ("MOPS") no later than before thirty (30) days prior to the meeting date. The notice for the extraordinary shareholders meeting shall be made to each shareholder no later than fifteen (15) days prior to the meeting date, provided that for shareholder holding less than one thousand shares, notice may be made by the public announcement on the MOPS no later than fifteen (15) days prior to the meeting date.

The reasons of the agenda for convening a shareholders meeting shall be specified in the meeting notice and public announcement.

Election or discharge of directors, amendments to the Articles of Incorporation, application for cease of being a public reporting company, release of non-competition restriction, capitalization by earnings, capitalization by reserves, dissolution, merger, or demerger of the Company, or any circumstance falling under any of the subparagraphs under Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the main content of the agenda of the notice for convening the shareholders meeting, and cannot be proposed by an extemporary motion. The main content may be posted on the website designated by the securities competent authority or the Company, with such website address being specified in the notice for the meeting.

Where the reasons of the agenda for convening a shareholders meeting has specified the overall re-election of directors and supervisor, with specific date to assume the office, the same meeting, after the completion of the re-election, cannot further resolve change of the office assumption date by extemporary motion(s) or any other means.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at the annual shareholders meeting, provided that such proposal is limited to only one proposal, and proposal(s) other than the one proposal will not be included in the meeting agenda; provided further that the proposal submitted by the shareholder for the purpose of suggesting and urging the Company to promote public interests or fulfill social responsibility, may still be included in the agenda by the board of directors. In addition, the proposal made by a shareholder falling under any subparagraph of Paragraph 4, Article 172-1 of the Company Act shall not be included in the agenda by the board of directors, provided that

the proposal submitted by the shareholders for the purpose of suggesting and urging the Company to promote public interests or fulfill social responsibility, may still be included in the agenda by the board of directors.

The Company shall publicly announce the acceptance of submission of shareholder proposals, written or electronic submission alternative, and the location and time period for submission prior to the closure date for entry the stock transfer before the holding of the annual shareholders meeting. The period for submission of shareholder proposals may not be less than ten (10) days.

Each shareholder-submitted proposal is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders meeting and participate in the discussion of the proposal.

The Company shall inform the shareholders submitting proposals of the handling results, before the issuance of the meeting notice, and shall list the proposals conforming to the provisions of this Article in the meeting notice. The board of directors shall explain the reasons for exclusion of any shareholder proposal in the agenda at the shareholders meeting..

Article 4 For each shareholders meeting, the shareholder may appoint a proxy to attend the meeting by providing the power of attorney printed by the Company specifying the scope of authorization.

A shareholder may only issue one power of attorney and appoint one proxy only, and shall serve such power of attorney to the Company no later than five (5) days prior to the date of the shareholders meeting. If duplicate proxies are served, the one served earliest shall prevail unless a declaration is made to cancel the earlier one.

After the power of attorney of a proxy is served to the Company, if the shareholder intends to attend the shareholders meeting in person or to exercise his/her/its voting right by the electronic means, a written notice to revoke the proxy shall be given to the Company no later than two (2) days prior to the date of the shareholders meeting. The voting right exercised by the authorized proxy at the meeting shall prevail in case of any revocation made after the deadline.

Article 5 The venue for the shareholders meeting shall be at the premises of the Company, or a venue convenient for the shareholders to attend and suitable for a shareholders meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6 The shareholders meeting shall provide the attending shareholders or the proxies appointed by shareholders (collectively, "**shareholders**") with the attendance book for signature, or attending shareholders may hand over a sign-in card in lieu of signature.

The Company shall provide the attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is any election of directors, pre-printed ballots shall also be provided.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxies shall also bring identification documents for verification.

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

Article 7 If the shareholders meeting is convened by the board of directors, the meeting shall be presided by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act on his/her behalf; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act on his/her behalf; or, if there are no managing directors, one of the directors shall be appointed to act on his/her behalf. If there is no deputy appointed by the chairperson, a deputy shall be appointed among the managing directors or directors.

If the shareholders meeting is convened by a party (other than the board of directors) with power to convene, the convener shall preside the meeting. When there are two (2) or more conveners, they shall mutually appoint a chairperson among themselves.

The Company may appoint its attorneys, certified public accountants, or relevant persons retained by the Company to attend the shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time when 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.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, the shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recorded materials shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book for signature or sign-in cards handed over, plus the number of shares whose voting rights are exercised electronically.

The chairperson shall order the meeting to begin at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that the postponement shall be no more than two (2) times and the postponed time in aggregate shall be no more than one hour. If the quorum for the attending shareholders after the two (2) postponements still represents less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If the quorum is not met after the two (2) 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 Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

The chairperson may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act before the meeting is adjourned, provided that the attending shareholders represent a majority of the total number of issued shares.

Article 10 If the shareholders meeting is convened by the board of directors, the meeting agenda shall be set forth by the board of directors. Relevant proposals on the agenda (including extemporary motion(s) and amendment(s) to the contents of the original proposal(s)) shall be voted by poll on a proposal-by-proposal basis. The meeting shall proceed in the order set forth by the agenda, which may not be changed without the resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to the shareholders meeting convened by a party (other than the board of directors) with the power to convene.

The chairperson may not declare the meeting adjourned prior to completion of the scheduled meeting agenda under the preceding two (2) paragraphs (including extemporaneous motions) without the resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures by a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently so as to put it to a vote, the chairperson may announce the discussion closed, call for a vote and arrange for adequate time for voting.

Article 11 Before speaking, the attending shareholder must specify the subject on a speaker's slip, his/her shareholder account number (or attendance card number), and account name. The order for the shareholder to speak shall be set by the chairperson.

The 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 that specified in the speaker's slip, the spoken content shall prevail.

Unless otherwise agreed upon by the chairperson, the shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five (5) minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may prohibit the shareholder from speech.

The minutes and times of shareholder to speak in the proceeding of the extemporaneous motions other than the proposal shall apply *mutatis mutandis* the requirements in the preceding paragraph.

When the attending shareholder is speaking, unless otherwise agreed upon by the chairperson and the speaking shareholder, other shareholders may not speak or interrupt. The chairperson shall stop any violation.

When a juristic person shareholder appoints two (2) or more representatives to attend the shareholders meeting, only one of the representatives can be appointed to speak on the same proposal.

After the attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12 Voting at the shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by the shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When the shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, the shareholder

may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

Except for the trust enterprise or the shareholder stock services agent approved by the competent authority in charge of securities, when a person who acts as the proxies concurrently for two (2) or more shareholders, the number of voting power represented by the proxies shall not exceed 3% of the voting rights represented by the total number of issued shares; otherwise, the portion of excessive voting power shall not be counted.

Article 13 A shareholder shall be entitled to one vote for each share held, unless the shares are otherwise restricted by laws and regulations or deemed as non-voting shares.

Unless otherwise provided in the Company Act and Articles of Incorporation of the Company, the resolution of a proposal shall be approved by an affirmative vote of a majority of the voting held by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall announce the total number of votes held by the attending shareholders.

When the Company holds a shareholders meeting, it shall adopt electronic means and may adopt written means for exercise of voting rights; when voting right is exercised through electronic means or in writing, and the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by electronic means shall be deemed to have attended the meeting in person, but shall be deemed to have waived his/her rights with respect to the extemporary motions and amendments to proposals made at the meeting.

A shareholder exercising voting rights by electronic means shall serve a declaration of intent to the Company no later than two (2) days prior to the date of the shareholders meeting. Where the declarations of intent are duplicate served, the one serving earliest shall prevail, unless a declaration for revocation of the previous declaration is served.

After the shareholder has exercised voting rights by electronic means as above, if he/she further intends to attend the shareholders meeting in person, he/she shall adopt the same mean for exercise of the voting rights to revoke the expression of the intent already exercised under the preceding paragraph to the Company, no later than two (2) business days prior to the date of the shareholders meeting. For any revocation beyond the deadline, the voting rights already exercised by electronic means shall prevail.

Where the shareholder exercises the voting rights by adopting electronic means and appoints an agent by a proxy to attend the shareholders meeting, the voting rights exercised by the proxy shall prevail.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the sequence thereof to be voted. In case of any proposal approved, the other proposals shall then be deemed rejected, and no further voting is required.

Vote monitoring and counting personnel for the voting on a proposal or election shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. Vote counting shall be conducted in public at the place of the shareholders meeting, and the results of the voting shall be announced on-site at the meeting immediately after vote counting has been

completed, including the statistical tallies of the numbers of votes, and a record of the vote shall be made.

- Article 14 The election of directors at the shareholders meeting shall be held in accordance with the applicable election and appointment rules set forth by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- Article 15 The meeting minutes shall be made for the matter resolved in the shareholders meeting, which shall be signed or stamped by the chairperson and shall be distributed to each shareholder within twenty (20) days after the meeting.

The meeting minutes provided in the preceding paragraph may be distributed by public announcement on the MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and the summary of the deliberations and voting results (including statistical weight). Where there is any election of directors, the number of votes for each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

- Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the venue of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under the requirements of the Taiwan Stock Exchange Corporation, the Company shall upload the content of such resolution to the MOPS within the statutory timeframe.

- Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help to maintain order at the meeting venue, they shall wear an identification card or armband bearing the word "Proctor."

At the venue of a shareholders meeting, if the shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prohibit the shareholder from so doing.

When the shareholder violates the rules of procedure and defies the chairperson's correction to impede the proceedings, and further refuses to follow after the stop, the chairperson may direct the proctors or security personnel to escort the shareholder to leave from the meeting.

- Article 18 When a meeting is in progress, the chairperson may announce a break based on time

considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, another venue to continue the meeting may be resolved by the shareholders meeting.

The deferral or resumption of the meeting within five (5) days may be resolved by the shareholders meeting in accordance with Article 182 of the Company Act.

Article 19 These Rules and any amendment thereto shall be implemented after the resolution by the shareholders meetings.

Past amendments: These Rules were enacted in the annual shareholders meeting on June 6, 2003.

The first amendment was made in the annual shareholders meeting on June 11, 2004.

The second amendment was made in the annual shareholders meeting on June 22, 2012.

The third amendment was made in the annual shareholders meeting on June 20, 2014.

The fourth amendment was made in the annual shareholders meeting on June 26, 2015.

The fifth amendment was made in the annual shareholders meeting on June 14, 2019.

The sixth amendment was made in the annual shareholders meeting on June 12, 2020.

7. Guidelines for Election of Directors

IBF Financial Holdings Co., Ltd. Guidelines for Election of Directors

- Article 1 To ensure a just, fair, and open election of directors, these Guidelines are adopted pursuant to the Articles of Incorporation of the Company and the Corporate Governance Best-Practice Principles for Financial Holding Companies.
- Article 2 Except as otherwise provided by laws and regulations or the Articles of Incorporation of the Company, elections of directors shall be conducted in accordance with these Guidelines.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the election of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the overall abilities that must be equipped by the board members are as follows:
1. The ability to make operations judgment;
 2. Accounting and financial analysis ability;
 3. Operation and management ability (including the operation and management of the subsidiaries);
 4. Crisis management ability;
 5. Industry knowledge;
 6. International market perspective view;
 7. Leadership; and
 8. Decision-making ability.
- Article 4 Elections of the directors of the Company shall be conducted in accordance with the candidate nomination regime and procedures set forth in Article 192-1 of the Company Act.
- In case of any discharge of a director for any reason resulting in shortfall of directors by one third of the total number prescribed in the Articles of Incorporation of the Company, the Company shall call an extraordinary shareholders meeting for election of directors to fill the vacancies within sixty (60) days from the date of occurrence.
- In case of any discharge of independent director(s) for any reason resulting in the number of the independent directors falling below that prescribed in the Articles of Incorporation of the Company, an election to fill the vacancy should be held at the next shareholders meeting. When the independent directors are all discharged, the Company shall call an extraordinary shareholders meeting for election of independent directors to fill the vacancies within sixty (60) days from the date of occurrence.
- Article 5 Elections of the independent directors shall be conducted in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and relevant laws and regulations.
- Article 6 Elections of the directors of the Company adopt the single cumulative voting method. The

number of voting rights of each share equal to the number of directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Elections of the independent directors and directors shall be conducted in accordance with these Guidelines at the same time, but the elected seats shall be counted separately.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected, numbering the ballot in accordance with the attendance cards numbers and specifying the number of voting rights with each ballot. The ballot shall be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors as specified in the Articles of Incorporation of the Company shall be elected for those receiving ballots representing the higher numbers of voting rights sequentially according to their respective numbers of votes received. If two or more persons receive the same number of voting rights and thus exceeding the specified number of positions, they shall draw lots to make the decision, and the chair will draw lots on behalf of the absent person.

Article 9 The chair shall appoint a number of persons with shareholder status as vote monitoring personnel before the beginning of election to perform each relevant duty. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting.

Article 10 If the candidate to be elected is a shareholder, a voter shall specify the candidate's account name and shareholder account number in the candidate column of the ballot; for a non-shareholder, the voter shall specify the candidate's full name and identity document number. However, if the candidate refers to government or juristic person as a shareholder, the name of the governmental or juristic person shall be specified in the candidate's account name column of the ballot, or both the name of the government or juristic person and the name of its representative may be specified. If there are multiple representatives, the names of each representative shall be specified respectively.

Article 11 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors;
2. A blank ballot is placed in the ballot box;
3. The writing is unclear and indecipherable or altered;
4. If the candidate specified in the ballot is a shareholder, the candidate's account name and shareholder account number do not conform with those in the shareholder register; if the candidate specified in the ballot is not a shareholder, the candidate's name and identity document number is not compliant after check;
5. Other words or marks are specified in addition to the candidate's account name or shareholder account number (or identity document number) and the number of voting rights allotted;
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity document number is provided in the ballot for identification; or
7. Two or more candidates are specified in the same ballot.

Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results

of the calculation, including the list of persons elected as directors and the numbers of votes that they were elected, shall be announced by the chairperson on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year, provided however that, if a litigation is initiated by a shareholder pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 The persons elected as directors shall be provided with the elected notifications by the board of directors.

Article 14 For the matters not provided in these Guidelines, it shall be handled in accordance with the Company Act, Securities and Exchange Act and other laws and regulations, the Articles of Incorporation and Rules of Procedure for Shareholders Meeting of the Company.

Article 15 These Guidelines and any amendment thereto shall be implemented after the resolution by shareholders meetings.

Past amendments: These Guidelines were enacted in the annual shareholders meeting on June 11, 2004.
The first amendment was made in the annual shareholders meeting on June 27, 2008.
The second amendment was made in the annual shareholders meeting on June 25, 2010.
The third amendment was made in the annual shareholders meeting on June 20, 2014.
The fourth amendment was made in the annual shareholders meeting on June 26, 2015.

8. Directors' Shareholding

Shareholder book closure date: April 20, 2021

Position	Name	Shareholding		Note
		Number	Shareholding	
Chairperson	Chi-Lin Wea	56,793,464	1.96%	Ren Wang Co., Ltd.
Vice Chairperson	Shao-Chung Tsai	56,793,464	1.96%	Ren Wang Co., Ltd.
Director	Cheng-Lin Chen	56,793,464	1.96%	Ren Wang Co., Ltd.
Director	Cheng-Feng Shih	56,793,464	1.96%	Ren Wang Co., Ltd.
Director	Steven Hung	56,793,464	1.96%	Ren Wang Co., Ltd.
Director	Michael Chen	1,443,450	0.05%	
Director	James Y.L. Wei	208,535	0.007%	Hua Kang International Asset Management Co., Ltd.
Director	Hui-Ching Hung	87,451,125	3.02%	First Commercial Bank, Ltd
Director	Teng-Shan Tai	51,326,021	1.77%	Taiwan Cooperative Bank
Independent Director	Joseph Jao	0	--	
Independent Director	Wei-Lung Chen	0	--	
Independent Director	Ching-Sung Wu	0	--	
Independent Director	Nadia Chen	0	--	
Aggregate directors' shareholding		197,222,595	6.81%	

Explanation:

- As of the shareholder book closure date of the shareholders meeting (i.e. April 20, 2021), the total number of issued shares of the Company is 2,896,481,695 shares, and the aggregate number of shares held by all directors shareholding is 197,222,595 shares, representing 6.81% of the total shares of the Company, complying with the provision of minimum directors' shareholding requirement of 2.4%.
- The Company has set the Audit Committee, and therefore the minimum shareholding requirement for the supervisors does not apply to the Company.