



Mega Holdings

Stock Code: 5842

Website:

Market Observation Post System

<https://mops.twse.com.tw/>

Mega Bills Website

<https://www.megabills.com.tw/>



**MEGA BILLS FINANCE
CO., LTD.**

Annual Report

2024

■ Spokesperson and Deputy Spokesperson

Spokesperson: Shih-Yi Chen
Job title: Senior Executive Vice President
Tel. No.: (02)2389-3399
E-mail: shihyi@megabills.com.tw
Deputy spokesperson: Chi-Ming Hsu
Job title: Executive Vice President, Treasury Dept.
Tel. No.: (02)2382-2933
E-mail: chimings@megabills.com.tw

■ Head Office and Branches

Head Office	Address:	2-5F., No. 91, Hengyang Rd., Zhongzheng Dist., Taipei City
	Tel. No.:	(02) 2383-1616 (Representative)
	Fax No.:	(02) 2382-2878 (Administration Dept.)
Kaohsiung Branch	Address:	3F., No. 420, Chenggong 1st Rd., Qianjin Dist., Kaohsiung City
	Tel. No.:	(07) 282-5171(5 Lines)
	Fax No.:	(07) 215-1887
Tainan Branch	Address:	14F.-1, No. 307, Sec. 2, Minsheng Rd., West Central Dist., Tainan City
	Tel. No.:	(06) 228-3131(5 Lines)
	Fax No.:	(06) 229-3654
Taichung Branch	Address:	4F.-1, No. 268, Sec. 1, Taiwan Blvd., Central Dist., Taichung City
	Tel. No.:	(04) 2220-2176(5 Lines)
	Fax No.:	(04) 2222-5424
Hsinchu Branch	Address:	3F., No. 307, Beida Rd., North Dist., Hsinchu City
	Tel. No.:	(03) 526-6022(5 Lines)
	Fax No.:	(03) 524-5544
Taoyuan Branch	Address:	3F., No. 32, Sec. 1, Chenggong Rd., Taoyuan Dist., Taoyuan City
	Tel. No.:	(03) 335-8877(5 Lines)
	Fax No.:	(03) 333-6137
Banqiao Branch	Address:	3F., No. 69, Zhongzheng Rd., Banqiao Dist., New Taipei City
	Tel. No.:	(02) 2965-2836(5 Lines)
	Fax No.:	(02) 2965-2819
Sanchong Branch	Address:	4F., No. 192, Sec. 3, Chongyang Rd., Sanchong Dist., New Taipei City
	Tel. No.:	(02) 2981-1931(5 Lines)
	Fax No.:	(02) 2980-0374
Taipei Branch	Address:	6F., No. 123, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City
	Tel. No.:	(02) 2356-9696(5 Lines)
	Fax No.:	(02) 2391-1717

■ Stock Transfer Agent

Name: Yuanta Securities Co., Ltd.
Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Daan Dist., Taipei City
Website: <https://www.yuanta.com.tw/>
Tel. No.: (02)2586-5859

■ Credit Rating Agency

Name: Taiwan Ratings Co., Ltd.
Address: 2F., No. 167, Dunhua N. Rd., Songshan Dist., Taipei City
Website: <http://www.taiwanratings.com/>
Tel. No.: (02)2175-6800

■ Certified Public Accountants

CPA Name: Po-Ju Kuo, Shang-Tun Wu
Firm Name: PricewaterhouseCoopers, Taiwan
Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
Website: <https://www.pwc.com/>
Tel. No.: (02)2729-6666

■ Website: <https://www.megabills.com.tw/>

Table of Contents

2	Letter to Shareholders
10	Corporate Governance Report
49	Capital Overview
53	Operational Overview
64	Risk Management

Letter to Shareholders

Letter to Shareholders

In 2024, global inflation gradually eased. Major central banks in the U.S. and Europe initiated accommodative monetary policies, stimulating consumer spending and leading to moderate global economic growth. However, uncertainties such as Trump's election victory strengthening U.S. trade protectionism and tax reform plans, the U.S.-China trade friction, and geopolitical risks have added variables to the global economic outlook. According to the World Economic Outlook Report published by the International Monetary Fund (IMF) in January 2025, the estimated global economic growth rate for 2024 was 3.2%, with advanced economies at 1.7% and emerging economies at 4.2%.

The global economy in 2024 remained resilient. The U.S. economy continued to grow steadily, the Eurozone's economic momentum slowed, Japan's economy entered a moderate recovery, while China faced both external and internal economic downside risks. In 2025, the global economy is expected to maintain a stable outlook, with continuous growth momentum in advanced economies and stable development in emerging economies. The IMF forecasts the global economic growth rate for 2025 to be 3.3%, with advanced economies at 1.9% and emerging economies at 4.2%.

Domestically, benefiting from stable global economic conditions, and growing demand for emerging technologies such as artificial intelligence (AI) and high-performance computing (HPC), Taiwan's exports and private investment achieved steady growth in 2024. In 2025, global trade is expected to continue growing, and AI demand is projected to remain strong. Taiwan's export and private investment momentum are expected to persist, with the Directorate-General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan forecasting an economic growth rate of 3.14% for 2025.

The National Development Council announced the "2050 Net Zero Emissions Pathway" while the Financial Supervisory Commission released the second edition of the "Sustainable Economic Activity Recognition Guideline" and launched the "Green and Transition Finance Action Plan" aiming to support enterprises in achieving net-zero transformation through financial backing. The Company will continue to focus on sustainable development, incorporate ESG indicators into its investment and financing decision-making processes, actively implement sustainable finance practices, and lead clients to place greater emphasis on sustainable value.

In 2024, the Company faced a business environment characterized by the high difficulty of bills and bonds operations and fierce competition among banks. The Company recorded a net profit after tax of NT\$ 2,205,965 thousand for 2024, achieving 80.10% of the budget target. Although the target assigned by the parent financial holding company was not fully met, the Company's profitability still significantly outperformed the industry peers. The operating results for the previous year (2024) are summarized as follows:

One. 2024 Business Report

I. Global and Domestic Financial Environment in 2024

The global inflation has gradually eased in 2024. The major central banks in the U.S. and Europe have initiated the expansionary policy to stimulate consumption spending and moderate global economic growth. In September 2024, the U.S. Federal Reserve (FED) initiated rate-cutting cycle, lowering interest rates three times by a total of 100 basis points, bringing the federal fund rate down to a range of 4.25%–4.50%. However, inflationary pressures remained due to tariffs, deregulation, and tax reform policies implemented by the Trump administration. In Europe, the European Central Bank (ECB) started rate-cutting cycle in June 2024, reducing the deposit facility rate from 4% to 2.75%, influenced by a slowdown in inflation and a recession in the Eurozone. In Japan, due to a weakening yen and rising inflation, the Bank of Japan (BOJ) implemented rate hikes in 2024, raising the deposit rate from -0.1% to 0.25%. In China, facing sluggish economic recovery and low inflation, the People's Bank of China (PBOC) cut rates three times and lowered the reserve requirement ratio twice during 2024 to stimulate economic growth. Divergences in monetary policy among major central banks caused frequent international capital movements and increased financial market volatility.

Domestically, the AI-driven wave of new applications significantly boosted exports of electronic components and ICT products. Along with stable real wage growth and increased household disposable income, private consumption momentum was strengthened. The Directorate-General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan estimated Taiwan's economic growth rate for 2024 at 4.59%, far exceeding the 1.12% recorded in 2023.

According to the DGBAS, Taiwan's Consumer Price Index (CPI) annual growth rate for 2024 was 2.18%, and the core CPI annual growth rate was 1.88%, marking two consecutive years of slower price increases. Throughout the year, food prices, including vegetables and fruits, rose due to weather conditions. However, declining international oil prices and a slow return in domestic service sector price hikes helped stabilize overall domestic prices.

Although the U.S. and European central banks initiated rate-cutting cycles, the Central Bank of the Republic of China (Taiwan), considering rising private investment, continued consumer growth, and the need to stabilize prices, decided to adjust monetary policy accordingly. In the first quarter of 2024, the Central Bank raised the policy rate by 0.125%. In the second and third quarters, it raised the New Taiwan Dollar required reserve ratio by 0.25% each quarter. As a result, the discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations were adjusted to 2%, 2.375%, and 4.25%, respectively.

II. Organizational Changes: None.

III. Implementation of Business Plan and Operation Strategies

Unit: NT\$ millions

Item	Final accounting figure, 2024	Final accounting figure, 2023	Change (%)
Underwriting and purchasing of bills	4,975,221	4,093,282	21.55
Underwriting of commercial papers	4,768,264	3,968,022	20.17
Trading volume of bills	12,021,611	9,706,070	23.86
Trading volume of bonds	3,711,329	3,458,158	7.32
Average outstanding balance of guaranteed commercial papers	180,081	168,081	7.14
Non-performing credit	913	-	-
Non-performing credit ratio (%)	0.49	-	-

IV. Budget Implementation Status

Unit: NT\$ millions

Item	Final accounting figure, 2024	Budget figure, 2024	Achievement rate (%)
Underwriting and purchasing of bills	4,975,221	3,812,065	130.51
Underwriting of commercial papers	4,768,264	3,664,957	130.10
Trading volume of bills	12,021,611	8,933,863	134.56
Trading volume of bonds	3,711,329	3,184,094	116.56
Outstanding balance of bills and bonds under repurchase agreements	253,437	233,809	108.39
Average outstanding balance of guaranteed commercial papers	180,081	178,500	100.89
Non-performing credit	913	-	-
Non-performing credit ratio (%)	0.49	-	-
Profit after tax	2,206	2,754	80.10

V. Revenues, Expenditures, and Profitability Analysis

Unit: NT\$ millions

Item	Final accounting figure, 2024	Item	Final accounting figure, 2024
Net revenue	3,699	EPS (NT\$)	1.46
Profit before tax	2,745	ROA (%)	0.72
Profit after tax	2,206	ROE (%)	5.37

VI. Research & Development Status

- (I) The unit performance appraisal system was revised in line with business development strategies.
- (II) Establish the E-loan credit application and approval management system to enhance the efficiency of credit review operations.
- (III) Plan and establish a human resource management platform to reduce administrative operating costs.
- (IV) In response to international trends in sustainable finance and in compliance with the green finance policies of regulatory authorities, the Company continues to optimize the ESG risk assessment system.
- (V) Continue to improve the current operational risk self-assessment system to strengthen various business risk management mechanisms.

Two. 2025 Business Plan Overview

I. Operational Policies

- (I) Enhance organizational operational performance and maintain leadership position.
- (II) Strengthen risk management operations and safeguard asset quality.
- (III) Implement a corporate culture of compliance and balance business development.
- (IV) Strengthen the internal control system and practice corporate governance.
- (V) Focus on sustainable development issues and fulfill social responsibility.

II. Projection of Business Goals

Unit: NT\$ millions

Item	Budget for 2025
Underwriting and purchasing of bills	4,714,686
Underwriting of commercial papers	4,553,503
Trading volume of bills	11,433,379
Trading volume of bonds	3,547,811
Outstanding balance of bills and bonds under repurchase agreements	253,312
Average outstanding balance of guaranteed commercial papers	190,000

Projection Grounds: Projection is based upon current market competition and market environment, as well as in accordance with the goals set up by the parent holding company.

III. Major Management Policies

- (I) Cooperate with government economic and financial policies, assist enterprises in obtaining operating funds, and promote the sound development of the money market.
- (II) Increase company profits, achieve budget targets, and consolidate the leading market position in bills and bonds businesses.
- (III) Ensure operational risks are controlled within tolerable limits, rationally allocate capital, and improve capital utilization efficiency to maintain a sound capital adequacy ratio.
- (IV) Establish a complete internal control system and ensure effective implementation, implement corporate compliance, and enhance corporate governance standards.
- (V) Strengthen information security management to ensure the security of data, systems, equipment, and networks.
- (VI) Establish a corporate culture of financial consumer protection and enhance financial consumer confidence.
- (VII) Conduct all business activities with a commitment to sustainable development, adhering to the philosophy of ethical management, steady growth, and sustainable development.

IV. Future Development Strategies

- (I) Expand asset size and enhance business revenue.
- (II) Consolidate corporate finance advantages and deepen group cross-selling.
- (III) Enhance corporate governance standards and pursue sustainable development.
- (IV) Improve operational efficiency and optimize business performance to increase returns.
- (V) Strengthen risk control and implement internal and external corporate compliance.
- (VI) Protect intellectual property and increase investment in digital information technology.
- (VII) Motivate and enhance employee value, and cultivate digital talents.
- (VIII) Establish digital culture and encourage research, development, and innovation.

V. The Impact of the External Competition Environment, Regulatory Environment, and Overall Business Environment

- (I) Fundraising channels in the financial markets are becoming increasingly diversified. Banks, leveraging their dual license as bills finance companies, are competing underwriting non-guarantee CP in primary market, which impacts the business expansion of specialized bills finance corporations.
- (II) The Central Bank continues to implement selective credit control, further restricts capital inflow to the real estate industry, and the new law of the Equalization of Land Rights Act and the seventh wave of credit control may lead to a downward risk for the real estate industry, affecting business development.
- (III) The major central banks in Europe and the US have initiated rate-cutting cycles. However, the uncertainties in the global economy and inflation caused by the increase in international political risks affect FED future rate-cutting scale and pace.

Three. Credit Rating and Rating Date

Credit rating agency	Long-term	Short-term	Outlook	Date of issuance
Taiwan Ratings	twAA+	twA-1+	Stable	2024.09.19

Four. Appreciation and Prospect

Over the past year, global trade protectionism and geopolitical conflicts have led to significant volatility in the financial markets. In addition, the U.S. Federal Reserve (FED) cut interest rates lower than expected, and bond yields remained high and volatile, causing profits to fall short of the annual budget target. Nevertheless, with the concerted efforts of all colleagues, and the guidance and assistance of the directors, supervisors, and the parent financial holding company, the Company's overall business performance has continued to lead the bills finance industry.

Looking ahead to the coming year, uncertainties surrounding the global economy and inflation are expected to increase, and external environmental challenges will intensify. Influenced by new policies of the U.S. government, the timeline for the FED's interest rate cuts will be delayed. The Central Bank will also maintain a tight monetary policy, which will put pressure on major business revenues. In the face of an unfavorable business environment, all employees of the Company will continue to stay attuned to changes in the financial environment, uphold the business philosophy of "integrity and stability, innovative growth, service efficiency, and sustainable development", focus on strengthening internal control and corporate governance, implement corporate social responsibility, and strive to achieve outstanding performance and contribute to the shareholders of the financial holding company.

Wishing you good health and every success.

Sincerely,

Chairperson of the Board

Liao, Mei-Chu

President

Tsai, Yao-Kuang

Corporate Governance Report

One. Directors, Supervisors, President, Senior Executive Vice President, Executive Vice President, Senior Vice President of each Department and Branch and Consultants

I. Directors and Supervisors

(I) Information on Directors and Supervisors (1)

February 28, 2025

Title	Nationality or place of registration	Name	Gender, age	Date of election (inauguration)	Term of office	Date of initial appointment	Shareholdin g at the time of election		Number of shares held currently		Shares held by spouse and minor children		Shares held through nominees		Major experience/educational background		Positions held concurrently in the Company and with other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							shares	%	shares	%	shares	%	shares	%	Education	Experience		Title	Name	Relations	
Chairperson	Republic of China	Liao, Mei-Chu	Female 61-70	2021.06.23	2024.06.22	2018.03.01	(Note 1) (Note 4)							National Chengchi University Department of Banking	Deputy General Manager of First Financial Holding Co., Ltd.; Secretary of the Board of Directors of First Financial Holding Co., Ltd. and First Commercial Bank; Chairperson of First Securities Corporation; Director of FCB Leasing Co., Ltd.; Director of First Commercial Bank USA; Supervisor of First Life Insurance Co., Ltd.; Supervisor of Financial Information Service Co., Ltd.; Director of First Financial Management Consulting Co., Ltd. and First Capital Investment Banking Co., Ltd.; Director of First Securities Investment Trust Company Limited; Chairperson of the R.O.C. Bills Finance Association; Director of Taiwan Depository & Clearing Corporation; Director of Taiwan Academy of Banking and Finance; Director of Taiwan Financial Services Roundtable.	Chairperson of Mega Bills Finance Co., Ltd.; Executive Director of the R.O.C. Bills Finance Association; Supervisor of The Bankers Association of the Republic of China; Director of Mega Charity Foundation; Supervisor of The Bankers Association of Taipei.	None				
Director and President	Republic of China	Tsai, Yao-Kuang	Male 61-70	2021.06.23	2024.06.22	2020.07.02								Tamkang University Department of Banking	Chief Auditor, Executive Vice President of the Risk Management Department, Executive Vice President of the Kaohsiung Branch, and Assistant Vice President of the Credit Department of Mega Bills Finance Co., Ltd.	Director and President of Mega Bills Finance Co., Ltd.; Director of the R.O.C. Bills Finance Association					

Independent Director	Republic of China	Hwang, Yih-Ray	Male 51-60	2021.06.23	2024.06.22	2016.10.26		University of Massachusetts, USA MBA	Practicing CPA at Solomon & Co., CPAs; Chairperson of the Kaohsiung CPA Association; Executive Director of the National Federation of CPA Associations of ROC; Director of Neoflex Technology Co., Ltd.; Supervisor of Huaku Development Co., Ltd.; Supervisor of Ai Ke Duo Co., Ltd.; Supervisor of PChome Online Inc.; Chairperson of the National Federation of CPA Associations of ROC; Director of E-Family Corp.	Managing Partner of Solomon & Co., CPAs; Director of Huaku Development Co., Ltd.; Director of Ma Kuang Healthcare Holding Limited; Chairperson of Weidu Investment Co., Ltd.; Supervisor of Ma Kuang International Development Co., Ltd.; Director of Chi Fang Co., Ltd.; Independent Director of Mega Securities Co., Ltd.; Director of Wei Cheng Industrial Co., Ltd.; Independent Director of China Airlines Ltd.		
Independent Director	Republic of China	Chen, Jean-Yue	Male 51-60	2021.06.23	2024.06.22	2018.03.01		National Taiwan University Master of National Development	Lecturer, Department of Law, Soochow University; Partner of Lien's Law Offices; Cooperating Attorney of Lexcel Partners Attorneys at Law; Director of 02+Life Co., Ltd.	Principal of Chen Chien-Yu Law Firm; Supervisor of Happy Space Digital Convergence Co., Ltd.; Independent Director of Bryton Inc.; Supervisor of 02+Life Co., Ltd.		
Director	Republic of China	Chang, Ya-Ting	Female 31-40	2021.06.23	2024.06.22	2018.03.01		University of Illinois Urbana-Champaign Master of Science in Accountancy	Deputy Manager of Audit Department, Deloitte Taiwan; Lecturer at Taiwan Academy of Banking and Finance; Vice President and Treasurer of JCI Da-Songshan Chapter; Member of The Phi Tau Phi Scholastic Honor Society of the Republic of China; Director of Surplus Assets Management Co., Ltd.	Partner CPA of Elite & Co., CPAs; Director (Principal) of Yili Management Consulting Co., Ltd.; Chairperson of Surplus Assets Management Co., Ltd.		
Director	Republic of China	Hsiao, Yu-Mei	Female 51-60	2021.06.23	2024.06.22	2018.03.28		University of Illinois Urbana-Champaign Master of Science in Finance	Executive Vice President and Chief Secretary of the Board of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd.; Manager of Brisbane Branch and Gongguan Branch of First Commercial Bank Co., Ltd.; Director of Hotung International Co., Ltd.; Director of Hotung Investment Holdings Limited; Director of Taiwan Financial Asset Service Corporation; Chairperson of Mega International Commercial Bank Public Co., Ltd.; Director of China Real Estate Management Co., Ltd.	Director and President of Mega Financial Holding Co., Ltd.; Executive Director of Mega International Commercial Bank Co., Ltd.; Vice Chairperson of Mega Charity Foundation; Director of Mega Bank C&E Foundation; Director of Mega Asset Management Co., Ltd.		
Director	Republic of China	Yeh, Nian-Tzy (Note 2)	Male 61-70	2021.08.25	2024.06.22	2021.08.25		University of Texas, Dallas Master of Business Administration	Manager of Silicon Valley Branch, Mega International Commercial Bank Co., Ltd.; Head of Anti-Money Laundering and Financial Crime Prevention Department; Acting Deputy General Manager of General Management Department; Director of Excel Chemical Corporation; Deputy General Manager of Mega International Commercial Bank Co., Ltd.; Chairperson of Mega International Commercial Bank Dazhong Co., Ltd.; Director of Taiwan Urban Regeneration & Financial Services Co., Ltd.	Chief Compliance Officer of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd.		

Director	Republic of China	Lee, Jian-Pyng (Note 3)	Male 51-60	2024.01.01	2024.06.22	2024.01.01		National Sun Yat-sen University Master of Financial Management	Manager of Dunnan Branch, Manager of Neihu Branch, Manager of East Neihu Branch, Head of Corporate Banking Department, Head of Credit Marketing Department, Secretary of the Board of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd.	Assistant General Manager and Head of Credit Review Department of Mega International Commercial Bank Co., Ltd.		
Supervisor	Republic of China	Huang, Yung-Chen	Female 51-60	2021.06.23	2024.06.22	2018.12.19		New York University, USA Master of Economics	Chief Auditor of Mega International Commercial Bank Co., Ltd.; Deputy Head of the Overseas Department; Manager of Yilan Branch, Manager of Da'an Branch, Manager of Sanchong Branch, Deputy Manager of Headquarters Branch; Deputy General Manager of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd.; Director of China Real Estate Management Co., Ltd.	Director of Mega Bank C&E Foundation; Director of Mega Asset Management Co., Ltd.; Executive Director and President of Mega International Commercial Bank Co., Ltd.; Director of Mega Charity Foundation; Director of Taipei Financial Center Corporation; Director of Financial Information Service Co., LTD.; Director of National Credit Card Center of R.O.C.		
Supervisor	Republic of China	Ko, Yi-Ming (Note 3)	Female 61-70	2024.01.01	2024.06.22	2024.01.01		Southern Methodist University, Texas USA Master of Laws	Deputy Head and Director of the Anti-Money Laundering and Financial Crime Prevention Department of Mega International Commercial Bank Co., Ltd.; Deputy Manager of Los Angeles Branch; Manager of Chicago Branch; Deputy General Manager of the Credit Department of Kuang Hwa Bank (Canada); Chief Compliance Officer of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd.	Deputy General Manager, Mega International Commercial Bank; Chairperson, Mega International Commercial Bank		

Note:

1. The Company has 1,511,441,084 shares and is a wholly owned subsidiary of Mega Financial Holding Co., Ltd. Mega Financial Holding Co., Ltd. appointed the Company's 16th Board of Directors and Supervisors on June 22, 2021, with the term of office from June 23, 2021 to June 22, 2024. The list of the 16th Board of Directors (including Independent Directors) and Supervisors is as follows: Chairperson Liao, Mei-Chu, Director and President Tsai, Yao-Kuang, Independent Director Hwang, Yih-Ray, Independent Director Chen, Jean-Yue, Director Lin, Ruei-Yun, Director Fu, Ruei-Yuan, Director Hsiao, Yu-Mei, Supervisor Huang, Yung-Chen, and Supervisor Chen, Chi-Ho.
2. Director Fu, Ruei-Yuan, originally appointed by Mega Financial Holding Co., Ltd., resigned on August 11, 2021. Yeh, Nian-Tzy was appointed as the replacement on August 25, 2021.
3. On January 1, 2024, Mega Financial Holding Co., Ltd. further reappointed Lee, Jian-Pyng to replace Director Lin, Ruei-Yun and Ko, Yi-Ming to replace Supervisor Chen, Chi-Ho.
4. As of February 28, 2025, the term of the 16th Board of Directors and Supervisors has expired, and since the 17th Board has not yet been appointed, the existing members will continue to perform their duties until the assumption of office by the new Board of Directors and Supervisors.

(II) Major Shareholders of the Company's Shareholders

December 31, 2024

Name of the Company's shareholders	Major shareholders of the Company's shareholders (whose shareholding is among the top ten)	Shareholding
Mega Financial Holding Co., Ltd.	Ministry of Finance, R.O.C	8.20%
	National Development Fund, Executive Yuan, R.O.C	6.19%
	Chunghwa Post Co., Ltd.	3.59%
	Bank of Taiwan	2.62%
	Cathay Life Insurance Co., Ltd.	2.46%
	Taiwan Life Insurance Co., Ltd.	2.18%
	Labor Pension Fund - Fuh Hwa Discretionary Investment 1st Mandate for 2011	1.89%
	Citibank in custody for Government of Singapore	1.78%
	Taishin International Bank in custody for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	1.76%
	Yuanta Taiwan Dividend Plus ETF	1.60%

(III) Major Shareholders of Major Shareholders who are Corporate Entities

December 31, 2024

Name of Major shareholders of the Company's shareholders	Major shareholders of Major shareholders of the Company's shareholders (Note)	Shareholding
Ministry of Finance, R.O.C	Government agency	
National Development Fund, Executive Yuan, R.O.C	Government agency	
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications, R.O.C	100.00%
Bank of Taiwan	Taiwan Financial Holding Co., Ltd.	100.00%
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd.	100.00%
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.	100.00%

Note: Top ten shareholders.

(IV) Information on Directors and Supervisors (2)

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

February 28, 2025

Qualification Name	Professional qualification and experience	Independence analysis	Number of other public companies at which the person concurrently serves as an independent director
Chairperson Liao, Mei-Chu	Bachelor's degree, Department of Banking, National Chengchi University. Chairperson of the Company since March 2018. Currently also serving as Executive Director of the R.O.C. Bills Finance Association, Supervisor of The Bankers Association of the Republic of China, Supervisor of The Bankers Association of Taipei, and Director of Mega Charity Foundation. Former Deputy General Manager of First Financial Holding Co., Ltd.; Secretary of the Board of Directors of First Financial Holding Co., Ltd. and First Commercial Bank; Chairperson of First Securities Corporation; Director of FCB Leasing Co., Ltd.; Director of First Commercial Bank USA; Supervisor of First Life Insurance Co., Ltd.; Supervisor of Financial Information Service Co., Ltd.; Director of First Financial Management Consulting Co., Ltd. and First Capital Investment Banking Co., Ltd.; Director of First Securities Investment Trust Company Limited; Chairperson of the R.O.C. Bills Finance Association; Director of Taiwan Depository & Clearing Corporation; Director of Taiwan Academy of Banking and Finance; Director of Taiwan Financial Services Roundtable. Possesses extensive practical experience in the financial industry, with expertise in corporate governance, strategic management, and leadership.	1. Also serves as Director of Mega Charity Foundation, a related party of the Company. 2. Other qualifications meet the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Director and President Tsai, Yao-Kuang	Bachelor's degree, Department of Banking, Tamkang University. General Manager of the Company since July 2020. Currently also serving as Director of the R.O.C. Bills Finance Association. Formerly served as Chief Auditor, Deputy Assistant General Manager of the Risk Management Department, Deputy Assistant General Manager of the Kaohsiung Branch, and Deputy Assistant General Manager of the Credit Department of the Company. With over 40 years of service at the Company, possessing extensive practical experience in bills finance, being highly familiar with the operations of all departments, and equipped with strong capabilities in corporate governance, industry development, and strategic insight.	1. The person is also the General Manager of the Company, a manager. 2. The rest of the members meet the criteria of independence as stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Independent Director Hwang, Yih-Ray	Master of Business Administration, University of Massachusetts, U.S.A; Certified Public Accountant. Currently serving as Solomon & Co., CPAs; Director of Huaku Development Co., Ltd.; Independent Director of Mega Securities Co., Ltd.; Director of Ma Kuang Healthcare Holding Limited; Chairperson of Weidu Investment Co., Ltd.; Supervisor of Ma Kuang International Development Co., Ltd.; Director of Chi Fang Co., Ltd.; and Independent Director of China Airlines Ltd.. Previously the Chairperson of the National Federation of CPA Associations of ROC; Director of E-Family Corp., and Supervisor of PChome Online Inc. Specializes in accounting, finance, and corporate governance. The Company's independent director is currently the third term of the board.	The Company's independent directors meet the criteria of independence listed in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" as follows: 1. Whether the person, spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated companies: None. 2. The number and percentage of shares held by the person, spouse, or relatives within the second degree of kinship (or held in the name of others): None. 3. Whether the person serves as a director, supervisor, or employee of a specific affiliate of the Company (refer to Paragraph 5–8 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies): Concurrently serving as an independent director of Mega Securities Co., Ltd., which falls under the situation described in Paragraph 2 of Article 3 of the Regulations, where independent directors are concurrently appointed among subsidiaries under the same parent company according to the Securities and Exchange Act. 4. The amount of remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliates in the past 2 years: None.	2

Independent Director Chen, Jean-Yue	Master of National Development, National Taiwan University; qualified lawyer; currently the responsible person of Chen Jean Yue Law Firm; also serving as Supervisor of Happy Space Digital Convergence Co., Ltd.; Independent Director of Bryton Inc.; and Supervisor of 02+Life Co., Ltd., providing advice on legal compliance and management decisions in business operations. The current term of office of the independent director is the second term of office.	The Company's independent directors meet the criteria of independence listed in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" as follows: 1. Whether the person, spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated companies: None. 2. The number and percentage of shares held by the person, spouse, or relatives within the second degree of kinship (or held in the name of others): None. 3. Whether the person is a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies): None. 4. The amount of remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliates in the past 2 years: None.	1
Director Chang, Ya-Ting	Master of Accounting, University of Illinois Urbana-Champaign, U.S.A, with CPA qualification. Currently a partner of Elite & Co., CPAs also serving as a director of Yili Management Consulting Co., Ltd. and Chairperson of Surplus Assets Management Co., Ltd. Previously served at Deloitte Taiwan. Possesses expertise in accounting and financial analysis.	The independence criteria set forth in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" are met.	0

Director Hsiao, Yu-Mei	Master of Finance, University of Illinois Urbana-Champaign, U.S.A Currently serving as Director and President of Mega Financial Holding Co., Ltd., and concurrently as Managing Director of Mega International Commercial Bank Co., Ltd., Director of Mega Asset Management Co., Ltd., Vice Chairperson of the Mega Charity Foundation, and Director of the Mega Bank C&E Foundation. Previously served as Deputy General Manager and Board Secretary of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd., Manager of the Brisbane Branch of First Commercial Bank Co., Ltd., Chairperson of Mega International Commercial Bank Public Co., Ltd., and Director of China Construction Management Co., Ltd. Possesses extensive experience in the financial industry, possesses corporate governance capabilities and an international outlook, and is highly familiar with the Group's operations.	1. Currently the Director and President of the Company's parent company, Mega Financial Holding Co., Ltd., and concurrently Managing Director of Mega International Commercial Bank Co., Ltd., Director of Mega Asset Management Co., Ltd., Vice Chairperson of the Mega Charity Foundation, and Director of the Mega International Commercial Bank Education Foundation. 2. Other qualifications meet the independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Director Yeh, Nian-Tzy	Master of Business Administration, University of Texas at Dallas, U.S.A Currently serving as Chief Compliance Officer of Mega Financial Holding Co., Ltd. and Mega International Commercial Bank Co., Ltd. Previously served as Deputy General Manager of Mega International Commercial Bank Co., Ltd., Manager of Silicon Valley Branch, Director of the Anti-Money Laundering and Financial Crime Prevention Division, Chairperson of Mega International Commercial Bank Public Co., Ltd., Director of Taiwan Urban Regeneration & Financial Services Co., Ltd., and Director of Excel Chemical Corporation. Possesses strong international perspective, expertise in credit review, and professional knowledge in anti-money laundering.	1. Currently serving as Chief Compliance Officer of the Company's parent company, Mega Financial Holding Co., Ltd., and concurrently as Chief Compliance Officer of the affiliated company, Mega International Commercial Bank Co., Ltd. 2. The rest of the members meet the criteria of independence as stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Director Lee, Jian-Pyng	Master's degree in Financial Management, National Sun Yat-sen University. Currently serving as Deputy General Manager and Head of the Credit Review Division of Mega International Commercial Bank Co., Ltd. Previously served as Secretary of Mega Financial Holding Co., Ltd., Secretary of Mega International Commercial Bank Co., Ltd., Manager of Dunnan Branch, Manager of Neihu Branch, Manager of East Neihu Branch, Director of the Corporate Banking Division, and Director of the Credit Marketing Division. Possesses expertise in credit review, corporate governance, and other management specialties.	1. Currently serving as Deputy General Manager and Head of the Credit Review Division of the Company's affiliate, Mega International Commercial Bank Co., Ltd. 2. The rest of the members meet the criteria of independence as stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Supervisor Huang, Yung-Chen	Master's degree in Economics from New York University, U.S.A. Currently serving as Executive Director and President of Mega International Commercial Bank Co., Ltd.; Director of Mega Asset Management Co., Ltd.; Director of Mega Bank C&E Foundation; Director of Mega Charity Foundation; Director of Taipei Financial Center Corp.; Director of Financial Information Service Co., Ltd.; and Director of the National Credit Card Center of R.O.C.. Previously served as Deputy General Manager of Mega Financial Holding Co., Ltd., Deputy General Manager and Chief Auditor of Mega International Commercial Bank Co., Ltd., Deputy General Manager of the Overseas Department, Manager of various branches, and Director of China Construction Management Co., Ltd., with expertise in risk management review and internal auditing.	1. Currently serving as Executive Director and President of Mega International Commercial Bank Co., Ltd.; Director of Mega Asset Management Co., Ltd.; Director of Mega Bank C&E Foundation; Director of Mega Charity Foundation; Director of Taipei Financial Center Corp.; Director of Financial Information Service Co., Ltd.; and Director of the National Credit Card Center of R.O.C. 2. The rest of the members meet the criteria of independence as stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Supervisor Ko, Yi-Ming	Master of Laws from Southern Methodist University, Texas, U.S.A. Currently serving as Deputy General Manager of Mega International Commercial Bank Co., Ltd., and Chairperson of Public Co., Ltd. Previously served as Chief Compliance Officer of Mega Financial Holding Company Ltd. and Mega International Commercial Bank Co., Ltd., Deputy Assistant General Manager and Head of the Anti-Money Laundering and Financial Crime Prevention Division, Deputy Assistant General Manager of the Los Angeles Branch, Manager of the Chicago Branch, and Deputy General Manager of the Credit Department of Kuang Hwa Bank (Canada). Possesses expertise in international affairs, legal compliance, legal affairs, and anti-money laundering.	1. Currently serving as Deputy General Manager of the Company's affiliate, Mega International Commercial Bank Co., Ltd., and Chairperson of Public Co., Ltd. 2. The rest of the members meet the criteria of independence as stated in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Description: None of the Company's directors and supervisors have any matters described in Article 30 of the Company Act.

2. Diversification and Independence of the Board of Directors

(1) Diversification of the Board of Directors: The Company's "Corporate Governance Best Practice Principles" specify that members of the Board of Directors shall generally possess the knowledge, skills, and literacy necessary to perform their duties. The Board of Directors should overall possess operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, international market perspective, leadership ability, decision-making ability, and sustainable development management ability.

- 1) The Company's shares are 100% held by Mega Financial Holding Co., Ltd., and all directors and supervisors are appointed by Mega Financial Holding. The composition of the Board of Directors is diversified based on the Company's operations, business model, and development needs, with professional backgrounds and experience covering law, accounting, credit, finance, economic analysis, business management, internal control, and industry knowledge. Professional skills include risk management, compliance, anti-money laundering, finance, economic analysis, business management, internal control, and industry knowledge.
- 2) The 16th Board of Directors and Supervisors collectively possess capabilities in operational judgment, accounting and financial analysis, business management, crisis management, leadership and decision-making, risk management, and sustainable development management, along with industry experience and international market perspectives.
- 3) The Company has 1 director with employee status, namely President Tsai, Yao-Kuang, accounting for 12.5%; 2 independent directors, accounting for 25%; 3 female directors, accounting for 37.5%. Two independent directors have been consecutively appointed for less than three terms. Three directors are aged between 61 and 70, four directors between 51 and 60, and one director is under 40 years old.

Items Title and name		Basic composition									Industry experience/Professional ability								
		Nationality	Gender	Holding concurrent position as the Company's employee	Distribution of age			Years of service of independent			Business management ability	Leadership and decision-making ability	Financial knowledge	International industrial and economic knowledge	Accounting and financial ability	Fiscal and taxation knowledge	Legal knowledge	Risk management ability	ESG sustainability
					Under 50	51-60	Over 61	Less than 3 years	3 to 9 years	Over 9 years									
Chairperson	Liao, Mei-Chu	Republic of China	Female			V				V	V	V	V	V			V	V	
Director and President	Tsai, Yao-Kuang	Republic of China	Male	V		V				V	V	V	V	V			V	V	
Independent Director	Hwang, Yih-Ray	Republic of China	Male		V				V	V	V	V	V	V	V	V	V	V	
Independent Director	Chen, Jean-Yue	Republic of China	Male		V				V	V	V	V				V	V	V	
Director	Chang, Ya-Ting	Republic of China	Female		V					V	V	V	V	V	V		V	V	
Director	Hsiao, Yu-Mei	Republic of China	Female		V					V	V	V	V	V			V	V	
Director	Yeh, Nian-Tzy	Republic of China	Male			V				V	V	V	V	V			V	V	
Director	Lee, Jian-Pyng	Republic of China	Male		V					V	V	V	V	V			V	V	
Supervisor	Huang, Yung-Chen	Republic of China	Female		V					V	V	V	V	V			V	V	
Supervisor	Ko, Yi-Ming	Republic of China	Female			V				V	V	V	V			V	V	V	

- (2) The independence of the Board of Directors: The Company's "Corporate Governance Best Practice Principles" specifies that two or more independent directors shall be appointed, and they shall not be less than one fifth of the number of directors. It is not advised that an independent director shall serve as an independent director in more than three public companies. It is not advised that an independent director shall be re-elected for more than three terms. More than half of the directors shall be persons who have a relationship with each other, who are spouses or relatives within the second degree of kinship. It is not allowed that a supervisor or a director shall have a relationship with another director that is spouse or relative within the second degree of kinship.
- 1) The Company's independent directors' independence is recognized in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company has 8 seats of directors, including 2 independent directors, accounting for 25%. Two independent directors concurrently serve as other public companies: Independent Director Chen, Jean-Yue concurrently serves as one, Independent Director Hwang, Yih-Ray concurrently serves as two, and the term of office of the independent directors is less than three years. The term of office of the current independent directors is less than three terms.
- 2) There is no relationship between the Company's directors, supervisors, or directors and supervisors that is a spouse or a relative within the second degree of kinship.

II. President, Senior Executive Vice President, Executive Vice President, and Senior Vice President of each Department and Branch

December 31, 2024

Title	Nationality	Name	Gender	Date of election (inauguration)	Shareholding		Shares held by spouse and underage children		Shares held through nominees		Major experience/educational background		Positions held in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Remarks
					shares	%	shares	%	shares	%	Education	Experience		Title	Name	Relations	
President	Republic of China	Tsai, Yao-Kuang	Male	2020.07.02	-	-	-	-	-	-	Department of Banking, Tamkang University	Chief Auditor	-	-	-	-	
Senior Executive Vice President	Republic of China	Chen, Shih-Yi	Male	2022.07.29	-	-	-	-	-	-	MBA, Katholieke Universiteit Leuven, Belgium	Chief Auditor	-	-	-	-	
Senior Executive Vice President	Republic of China	Wang, Shih-Ming	Male	2023.07.16	-	-	-	-	-	-	Master of Finance, Tamkang University	Senior Executive Vice President of Corporate Finance Department	-	-	-	-	
Chief Auditor	Republic of China	Wang, Ming-Bao	Male	2022.07.29	-	-	-	-	-	-	Master of Accounting and Taxation, Feng Chia University	Senior Executive Vice President of Tainan Branch	-	-	-	-	
Executive Vice President of Risk Management Department	Republic of China	Hsiao, Li-Chun	Male	2024.01.16	-	-	-	-	-	-	Master of Business Administration, Soochow University	Senior Executive Vice President of Taichung Branch	-	-	-	-	
Executive Vice President of Planning Department	Republic of China	Lin, Chih-Wu	Male	2022.07.01	-	-	-	-	-	-	MBA, National Cheng Kung University	Senior Vice President of Planning Department	-	-	-	-	
Executive Vice President of Corporate Finance Department	Republic of China	Lue, Shao-Shih	Male	2024.01.16	-	-	-	-	-	-	Master of Management Science, Ming Chuan University	Senior Vice President of Administration Department	-	-	-	-	
Senior Vice President of Trade Department	Republic of China	Yang, Wen-Ching	Male	2024.06.03	-	-	-	-	-	-	Department of International Trade, Tamkang University	Senior Vice President of Trade Department	-	-	-	-	
Senior Vice President of Bonds Department	Republic of China	Yu, Teng-Mao	Male	2021.11.01	-	-	-	-	-	-	Master of Finance, National Taiwan University	Acting Senior Vice President of Bond Department	-	-	-	-	
Executive Vice President of Treasury Department	Republic of China	Hsu, Chi-Ming	Male	2024.05.01	-	-	-	-	-	-	Master of Management, National Sun Yat-sen University	Senior Vice President of Treasury Department	-	-	-	-	
Senior Vice President of Administration Department	Republic of China	Hu, Ming-Hsueh	Male	2024.01.16	-	-	-	-	-	-	Master of Economics, Soochow University	Senior Vice President of Hsinchu Branch	-	-	-	-	

Senior Vice President of Electronic Data Processing Department	Republic of China	Chan, Wen-Chun	Male	2024.01.16	-	-	-	-	-	-	Master of Information Management, Yuan Ze University	Senior Vice President of Electronic Data Processing Department	-	-	-	-
Senior Vice President of Legal Affairs and Compliance Department	Republic of China	Liu, Lian-Hsu	Male	2024.06.03	-	-	-	-	-	-	Master of Accounting, National Taiwan University	Vice President of Administration Department	-	-	-	-
Senior Vice President of Kaohsiung Branch	Republic of China	Sung, Cheng-Hsun	Male	2024.06.03	-	-	-	-	-	-	MBA, University of Texas at Arlington	Senior Vice President of Tainan Branch	-	-	-	-
Senior Vice President of Tainan Branch	Republic of China	Chung, Hwei-Lung	Male	2024.06.03	-	-	-	-	-	-	Master of Finance, National Cheng Kung University	Senior Vice President of Legal Affairs and Compliance Department	-	-	-	-
Senior Vice President of Taichung Branch	Republic of China	Lin, Cheng-Yih	Male	2024.11.04	-	-	-	-	-	-	Master of Business Administration, National Chung Cheng University	Senior Vice President of Sanchong Branch	-	-	-	-
Senior Vice President of Hsinchu Branch	Republic of China	Tzou, Nain-Shion	Male	2024.01.16	-	-	-	-	-	-	Department of Finance, Tamkang University	Vice President of Risk Management Department	-	-	-	-
Senior Vice President of Taoyuan Branch	Republic of China	Kang, Chi-Cheng	Male	2023.08.01	-	-	-	-	-	-	Department of Business Administration, Feng Chia University	Senior Vice President of Tainan Branch	-	-	-	-
Senior Vice President of Banqiao Branch	Republic of China	Wang, Ching-Chi	Male	2024.01.16	-	-	-	-	-	-	Department of Business Administration, Tamkang University	Vice President of Corporate Finance Department	-	-	-	-
Executive Vice President of Sanchong Branch	Republic of China	Fang, Yung-Fu	Male	2024.11.04	-	-	-	-	-	-	Department of Economics, National Taiwan University	Executive Vice President of Taichung Branch	-	-	-	-
Executive Vice President of Taipei Branch	Republic of China	Cheng, Fu-Yuan	Male	2024.06.03	-	-	-	-	-	-	Master of Management, Yuan Ze University	Executive Vice President of Trade Department	-	-	-	-

III. Chairperson and President who retired and were reinstated as Consultants: None.

Two. Operation of Corporate Governance

I. Operation of the Board of Directors

The Board of Directors held 14 meetings (A) in 2024. The attendance of directors and supervisors is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of actual attendance (B/A)	Remarks
Chairperson	Liao, Mei-Chu	14	0	100	
Director and President	Tsai, Yao-Kuang	14	0	100	
Independent Director	Hwang, Yih-Ray	14	0	100	
Independent Director	Chen, Jean-Yue	14	0	100	
Director	Chang, Ya-Ting	14	0	100	
Director	Hsiao, Yu-Mei	14	0	100	
Director	Yeh, Nian-Tzy	14	0	100	
Director	Lee, Jian-Pyng	13	1	93	
Supervisor	Huang, Yung-Chen	14	0	100	
Supervisor	Ko, Yi-Ming	14	0	100	

Other matters to be recorded:

- I. The operation of the Board of Directors is considered to be in line with the following conditions:
 - (I) Items listed under Article 14-3 of the Securities and Exchange Act
 1. The 39th meeting of the 16th Board of Directors on February 17, 2024 submitted the 2024 financial and tax audit, transfer pricing report and personal data protection project audit report. PwC Taiwan's Kuo, Po-Ru and Wu, Shih-Lun were appointed to handle the audit, and the independent directors had no objections or reservations.
 2. The 42nd meeting of the 16th Board of Directors on May 28, 2024 reported the revision of the "Procedures for Acquisition or Disposal of Assets", "Procedures for Conducting Derivatives Transactions" and "Implementation Rules of Internal Control System". The independent directors had no objections or reservations.
 3. The 43rd meeting of the 16th Board of Directors on June 18, 2024 reported the revision of the Company's "Internal Control System for the Trading of OTC Securities." The independent directors had no objections or reservations.
 4. The 47th meeting of the 16th Board of Directors on September 24, 2024 reported the revision of the "Procedures for Conducting Derivatives Transactions" of the Company. The independent directors had no objections or reservations.
 5. The 51st meeting of the 16th Board of Directors on December 24, 2024 reported the revision of the Company's "Internal Control System Implementation Rules." There were no objections or reservations from the independent directors.
 - (II) Any other documented objections or qualified opinions raised by independent directors against board resolutions: None.
- II. The recusal of directors from motions that concern their interests: (All independent directors have no objections or reservations)
 - (I) Regarding the business plan for donation to the Mega Charity Foundation, Chairperson, Liao, Mei-Chu and Director, Hsiao, Yu-Mei recused themselves from the discussion and voting, as they are the stakeholders.
 - (II) On July 23, 2024, the 44th meeting of the 16th Board of Directors of Mega Financial Holding Company Ltd. submitted the underwriting of the commercial paper for Mega Financial Holding Company Ltd. without guarantee. Director Hsiao, Yu-Mei, Director Lee, Jian-Pyng, Supervisor Huang, Yung-Chen, and Supervisor Ko, Yi-Ming are the General Manager, Secretary, Deputy General Manager, and Chief Compliance Officer of Mega Financial Holding Company Ltd. All of them are stakeholders and recuse themselves from the discussion and voting.
 - (III) On September 24, 2024, the 47th meeting of the 16th Board of Directors submitted 1. The Company's all 7 floors of the Mega International Financial Center are proposed to be rented to

Mega International Commercial Bank. Director Hsiao, Yu-Mei, Director Yeh, Nian-Tzy, Director Lee, Jian-Pyng, Supervisor Huang, Yung-Chen, and Supervisor Ko, Yi-Ming are the stakeholders, who are the executive director, Deputy General Manager, Secretary, General Manager, and Chief Compliance Officer of Mega International Commercial Bank. They recuse themselves from the discussion and voting. 2. Underwriting of Mega Securities Co., Ltd. was exempted from the requirement of a guarantor's commercial paper. Independent Director Huang, Yu-Chun recused himself as the independent director of Mega Securities Co., Ltd. and was a stakeholder. (IV) On October 29, 2024, the 48th meeting of the 16th Board of Directors of China Airlines Co., Ltd. proposed to issue commercial paper without guarantee. Independent Director Hwang, Yih-Ray, who was an independent director of China Airlines Co., Ltd. and a stakeholder, withdrew from the discussion and voting. (V) On December 24, 2024 the 51st meeting of the 16th Board of Directors reported that Supervisor Huang, Yung-Chen, who was the director of Taipei Financial Center, was a stakeholder and had disassociated from the discussion and voting. 2. The underwriting of Mega Asset Management Co., Ltd. was exempted from providing commercial paper. Director Hsiao, Yu-Mei and Supervisor Huang, Yung-Chen were the directors of Mega Asset Management Co., Ltd. and were the stakeholders. They recused themselves from the discussion and voting. III. The information on the evaluation cycle and duration, scope, method and content of the evaluation of the Board of Directors' self-assessment (or peer-to-peer assessment) of the TWSE/TPEX-listed company: The Company is not a TWSE/TPEX listed company, but has conducted performance evaluation of the Board of Directors. The implementation is as follows:				
Evaluation cycle	Duration of evaluation	Scope of evaluation	Method of evaluation	Evaluation content
Annually	2024.01.01-2024.12.31	Evaluation of the performance of the Board of Directors and its members as a whole	The Board of Directors shall prepare a questionnaire for the members of the Board of Directors to complete the qualitative indicators. The quantitative indicators of the questionnaire shall be prepared by the meeting unit.	(1)The evaluation of the overall performance of the Board of Directors: participation in the operation of the Company, improvement of the quality of the decision making of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of the Directors, and internal control. (2)The performance evaluation of the board of directors: mastery of the goals and missions of the Company, awareness of the duties of a director, participation in the Company's operations, internal relationship management and communication, the director's professionalism and continuing education, and internal control. Evaluation result: all evaluation indicators were achieved, and both the overall Board and individual directors were rated as "Exceeding Standards."
IV. Goals to strengthen the functionality of the Board of Directors in the current year and the most recent year (e.g. setting up an audit committee, improving information transparency, etc.) and the implementation status evaluation: (I) On May 28, 2024, the Company established its Audit Committee Charter to supervise internal control-related matters, enhance corporate governance, and strengthen the Board's functionality. It will be implemented starting from the 17th Board of Directors. (II) On December 24, 2024, the Company amended its Ethical Corporate Management Best Practice Principles, stipulating that directors' continuing education hours shall be accumulated progressively.				

II. Participation of Supervisors in Board of Directors Meetings

The Board of Directors held 14 meetings (A) in 2024. The attendance of the directors is as follows:

Title	Name	Number of actual attendance (B)	Actual attendance rate (%) (B/A)	Remarks
Supervisor	Huang, Yung-Chen	14	100	
Supervisor	Ko, Yi-Ming	14	100	

Other matters to be recorded:

I. The composition and duties of supervisors:

- (I) The communication between the supervisors and the employees and shareholders (e.g. communication channels and methods): The communication between the supervisors and the employees and shareholders of the Company can be done through letter, telephone, fax or other means, and the communication channels are smooth.
Tel: (02)2563-3156 / Fax: (02)2581-3089 / Address: 5F., No. 100, Jilin Rd., Taipei City
- (II) The communication between the supervisors and the internal audit officer and the CPAs (e.g. the items, methods and results of the communication on the financial and business condition of the Company): The Company's internal audit reports, financial statements, and other operational information are regularly submitted to supervisors for review in accordance with regulations. Supervisors may communicate with the internal audit officer and CPAs via supervisors' meetings, audit communication sessions, internal control deficiency review meetings, correspondence, telephone, or other methods. Supervisors also attend Board meetings to stay informed about related proposals and the Company's financial and operational status.

II. If supervisors attend the Board of Directors' meeting, they shall state their opinions. The date, session, content of the proposal, resolution of the Board of Directors, and the Company's handling of the supervisors' opinions shall be stated:

Date of Board of Directors	Period	Proposal content	The Company's handling of the supervisors' opinions Board of Directors' resolution
2024.02.27	16-39	Credit case of ○○ Company	● Full explanation provided by the Managerial Department. ● Approved as proposed.
2024.04.23	16-41	Report on the implementation of business risk control in Q1 2024	● The Supervisors' opinions are taken into consideration. ● Approved with record.
		Credit case of ○○ Company	● The Managerial Department provided a full explanation and proposed to withdraw the case. ● Withdrawal approved.
2024.05.28	16-42	Establishing the Company's Audit Committee Charter	● Certain articles were amended in accordance with Supervisors' opinions. ● Approved after amendment.
		Amendment to the Company's Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors	● Certain articles were amended in accordance with Supervisors' opinions. ● Approved after amendment.
2024.06.18	16-43	Credit case of ○○ Company	● Full explanation provided by the Managerial Department. ● Approved as proposed, with instructions for the lead bank to set annual sales targets and progress milestones, and to monitor the maintenance of the collateral building.
2024.07.23	16-44	Credit case of ○○ Company	● Full explanation provided by the Managerial Department.

			● Approved as proposed.
		Credit case of ○○ Company	● Full explanation provided by the Managerial Department. ● Approved as proposed.
2024.08.27	16-46	Report on the Company's Credit Business Operations for July 2024	● Full explanation provided by the Managerial Department. ● Acknowledged.
2024.12.24	16-51	Report on the Company's Credit Business Operations for November 2024	● Full explanation provided by the Managerial Department. ● Acknowledged.
		Credit case of ○○ Company	● Full explanation provided by the Managerial Department. ● Approved with revisions.

III. Information on Corporate Governance

Please refer to the " Regulatory Disclosure" section on the Company's website (<https://www.megabills.com.tw/>) for details.

IV. Implementation of Corporate Governance and Deviations Status and Reasons from the Corporate Governance Best Practice Principles for Bills Finance Companies

Assessment items	Implementation status			Deviation status and reasons from the Corporate Governance Best Practice Principles for Bills Finance Companies
	Yes	No	Summary description	
I. Equity Structure and Shareholders' Rights				The Company complies with the "Corporate Governance Best-Practice Principles for Bills Finance Companies."
(I) Does the Company have internal procedures in place for handling shareholders' suggestions, inquiries, disputes, and litigations, and are these procedures duly implemented?	V		(I) The Company is a wholly owned (100%) subsidiary of Mega Financial Holding Company Ltd. Organizational management, business operations, financial and business information, and audit management are conducted in accordance with the "Mega Financial Holding Subsidiary Supervision Rules" established by the parent company. Communication channels between the Company and its parent are smooth and effective.	
(II) Has the Company maintained an updated list of major shareholders and the ultimate controllers of such major shareholders?	V		(II) The Company's sole shareholder is Mega Financial Holding Co., Ltd., and the list of ultimate controllers can be accessed through the parent company.	
(III) Has the Company established and implemented a risk control mechanism and firewall with its affiliated enterprises?	V		(III) The Company maintains complete independence in managing personnel, assets, and financial matters with its affiliated enterprises, and implements risk control and firewall mechanisms in accordance with the "Risk Management Policy and Guidelines" and "Firewall Policy" formulated by Mega Financial Holding. 1. Information Security: The Company has established control measures for transaction authorization and restricted access to information files. 2. Customer Information Confidentiality: Access to or use of customer information requires authorization before execution. The Company discloses its customer data protection and confidentiality measures online, obtains customer consent prior to joint marketing and resource sharing, and enters into confidentiality agreements with its subsidiaries to safeguard customer information. 3. Related Party Transactions: The Company maintains related party files, regularly reports to the parent company Mega Financial Holding, and ensures disclosure of relevant information to the competent authorities.	

II. The composition and duties of the Board of Directors				
(I) Does the Board of Directors have a diversity policy and specific management goals?	V		(I) The Company's "Corporate Governance Best Practice Principles" specifies that the Board of Directors shall be equipped with the knowledge, skills and literacy required to perform their duties, and the Board of Directors shall be equipped with the overall ability to perform their duties. The Company's shares are 100% held by Mega Financial Holding Co., Ltd., and all directors and supervisors are appointed by Mega Financial Holding. The composition of the Board of Directors is diversified based on the Company's operations, business model, and development needs, with professional backgrounds and experience covering law, accounting, credit, finance, economic analysis, business management, internal control, and industry knowledge. Professional skills include risk management, compliance, anti-money laundering, finance, economic analysis, business management, internal control, and industry knowledge. The Board of Directors values gender equality and has three female members among the eight directors.	The Company complies with the "Corporate Governance Best-Practice Principles for Bills Finance Companies."
(II) In addition to the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	-		(II) The Company is not a TWSE/TPEx-listed company and is 100% owned by Mega Financial Holding Company Ltd. The Company is not required to set up a Remuneration Committee and may set up an Audit Committee or supervisors. The Company has a total of eight seats of directors, including two independent directors, and two seats of supervisors. To improve decision-making and strengthen management mechanisms, the Company's "Corporate Governance Best Practice Principles" has been established to outline the requirements for functional committees.	
(III) Are the TWSE/TPEx-listed financial companies required to establish the Board of Directors' performance evaluation methods and methods, conduct performance evaluations annually and regularly, and submit the results of performance evaluations to the Board of Directors, and use them as reference for individual directors' remuneration and nomination renewal?	-		(III) The Company is not a TWSE/TPEx-listed company. However, in order to implement corporate governance, the Company conducted performance evaluations on the Board of Directors and its members in accordance with the "Board of Directors Performance Evaluation Standards" in 2024, and the results of the performance evaluation were submitted to the Board of Directors.	
(IV) Are the CPAs' independence assessed regularly?	V		(IV) The Company assesses the independence of the commissioned CPAs every year and has them issue a declaration of independence.	
III. Is the company equipped with competent and appropriate number of corporate governance personnel, and has the corporate governance officer been appointed to be in charge of corporate governance affairs (including but not limited to providing information required for directors and supervisors to perform their duties, assisting directors and supervisors to comply with laws and regulations, handling matters related to Board of Directors and shareholders' meetings according to the law, and preparing minutes of Board of Directors and shareholders' meetings)?	V		The Company's Board of Directors has approved the appointment of a corporate governance officer and set up a corporate governance department to be responsible for corporate governance-related matters, including handling matters related to Board of Directors meetings, preparing Board of Directors meeting minutes, assisting directors and supervisors in their duties and continuing education, providing directors and supervisors with the information needed to perform their duties, and assisting directors and supervisors to comply with laws and regulations. The number of hours of continuing education of the Corporate Governance Officer in 2024 was 18 hours.	The Company complies with the "Corporate Governance Best-Practice Principles for Bills Finance Companies."

liability insurance for directors and supervisors by the bill finance company):			communicate with the Company through telephone, mail, email or customer complaint hotline. (V) Continuing education of directors and supervisors: The number of hours of continuing education of new directors and supervisors reaches 12 hours or more, and the number of hours of continuing education of those who are re-elected reaches 6 hours or more. Please refer to the table below "Continuing Education of Directors and Supervisors in 2024". (VI) The attendance of directors and supervisors at the Board of Directors: Regular attendance and attendance at the Board of Directors in accordance with the regulations. (VII) The implementation of risk management policies and risk assessment standards: The Company follows the regulations of the competent authority and the parent company, Mega Financial Holding Company Ltd., to assess the Company's operational risks, set limits on the risks it is allowed to undertake, and urge the management unit to take necessary measures to ensure the safety of the Company's operations and balance business performance. To ensure effective implementation of risk management policies, the Bank holds credit review meetings and risk management committee meetings on a regular basis to assess the effectiveness and effectiveness of risk management practices. Risk management measures are then adjusted in a timely manner. (VIII) Implementation of consumer protection or customer policies: The Company has established "Financial Consumer Protection Act" in accordance with the Financial Consumer Protection Act of the Financial Supervisory Commission, which specifies the relevant regulations to be followed by the Company; and in the "General Agreement on Bond and Bill Trading with Conditions," the Company specifies the requirements to be followed by the Company, so that consumers or customers can claim their rights accordingly. The Company has also set up a customer complaint window contact person and service hotline on the Company's website for consumers or customers to contact. (IX) Liability insurance for directors and supervisors: "Directors, supervisors and managers liability insurance" is purchased for directors and supervisors every year.	
VII. Please explain improvements made based on the corporate governance evaluation results published by the corporate governance center of Taiwan Stock Exchange Corporation in the most recent year, and propose prioritized enhancements for the issues and measures that have not yet been improved. (Not applicable as the bills finance company is not included in the evaluation) Not a TWSE/TPEX-listed company, not included in the evaluation, and thus not required to fill in.				

Continuing Education of Directors and Supervisors in 2024

Title	Name	Date of continuing education		Organizer	Course Name	Hours of continuing education
		From	to			
Chairperson	Liao, Mei-Chu	2024.04.25	2024.04.25	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.10.25	2024.10.25	Taiwan Corporate Governance Association	Management Trends in AML and Counter-Terrorism Financing for the Financial Industry	3
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
		2024.11.12	2024.11.12	Ministry of Finance	Corporate Governance Seminar	3
Director and President	Tsai, Yao-Kuang	2024.04.15	2024.04.15	Taipei Foundation of Finance	3-Hour Online Course on Sustainable Finance	3
		2024.04.19	2024.04.19	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.05.23	2024.05.23	Securities and Futures Institute	Functions and Prospects of Carbon Exchanges (Directors and Governance Training Series)	3
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
Independent Director	Hwang, Yih-Ray	2024.02.19	2024.02.19	National Federation of CPA Associations of ROC	CFC System and Reporting Forms	2
		2024.02.26	2024.02.26	National Federation of CPA Associations of ROC	Greenhouse Gas Inventory (Part 1)	6
		2024.02.29	2024.02.29	National Federation of CPA Associations of ROC	Greenhouse Gas Inventory (Part 2)	6
		2024.04.02	2024.04.02	National Federation of CPA Associations of ROC	Anti-money Laundering Trends and Case Study Analysis	3
		2024.05.03	2024.05.03	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.08.07	2024.08.07	National Federation of CPA Associations of ROC	National Federation of CPA Associations of ROC - Financial and Economic Forum	3
		2024.08.11	2024.08.11	National Federation of CPA Associations of ROC	2024 New CPA Seminar	4
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
Independent Director	Chen, Jean-Yue	2024.04.26	2024.04.26	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
		2024.11.28	2024.11.28	Securities and Futures Institute	AML and CFT Practical Discussion	3
		2024.12.17	2024.12.17	Taiwan Academy of Banking and Finance	Establishing Risk Management Systems for Directors and Supervisors	3
Director	Lee, Jian-Pyng	2024.04.12	2024.04.12	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.06.01	2024.06.09	Taiwan Academy of Banking and Finance	2024 U.S. FinTech and Cybersecurity Industry Visit	34
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
Director	Hsiao, Yu-Mei	2024.01.19	2024.01.19	Taiwan Corporate Governance Association	Remuneration for Senior Managers and ESG Performance System Design	3
		2024.03.15	2024.03.15	Securities and Futures Institute	Trends and Challenges of International Financial Cybersecurity Supervision	3
		2024.03.27	2024.03.27	Taiwan Securities Association	Introduction and Response to the Financial Consumer Protection Act	3
		2024.04.03	2024.04.03	Taiwan Securities Association	Structure and Value of Corporate Sustainability Reports	3
		2024.04.30	2024.04.30	Taiwan Corporate Governance Association	Practical Operation of the Sustainability Development Committee (CSO, Working Groups)	3
		2024.04.12	2024.04.12	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.05.08	2024.05.15	Taiwan Academy of Banking and Finance	Understanding Generative AI Technology and Financial Applications	12
		2024.05.14	2024.05.14	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Application	3
		2024.05.16	2024.05.16	Securities and Futures Institute	Shareholders' Meetings, Management Control, and Equity Strategy	3
		2024.06.25	2024.06.25	Taiwan Academy of Banking and Finance	2024 Green Finance Leaders Roundtable - Leading the Net-Zero Transformation	3
		2024.07.17	2024.07.17	Securities and Futures Institute	2024 FinTech Talent Development Program – Cloud Technology Application Trends	1
		2024.07.18	2024.07.18	Taiwan Academy of Banking and Finance	ESG x HR – Promoting ESG within Companies	2.5
		2024.07.30	2024.07.30	Taiwan Corporate Governance Association	ESG Evaluation Vision and Trends - Directors' and Supervisors' Forum	2
		2024.09.26	2024.09.26	Corporate Operating and Sustainable Development Association	Driving Corporate Sustainability Through Risk Management	3
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
		2024.11.12	2024.11.12	Ministry of Finance	Corporate Governance Seminar	3
		2024.12.05	2024.12.05	Taiwan Corporate Governance Association	Impact of Climate Change on Financial Statements	3

Director	Yeh, Nian-Tzy	2024.04.12	2024.04.12	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
		2024.11.05	2024.11.05	Taiwan Project Management Association	Current Status and Future Challenges of Sustainable Finance Development	3
		2024.11.15	2024.11.15	Taiwan Corporate Governance Association	Comprehensive Intellectual Property Protection Strategies - AI-Assisted Compliance Management	3
Director	Chang, Ya-Ting	2024.04.26	2024.04.26	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.07.19	2024.07.19	National Federation of CPA Associations of ROC	Understanding Carbon Trading Mechanisms	3
		2024.07.22	2024.07.22	National Federation of CPA Associations of ROC	Application of AI and Machine Learning in AML	3
		2024.07.29	2024.07.29	National Federation of CPA Associations of ROC	Understanding the Carbon Border Adjustment Mechanism (CBAM) Report	3
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
Supervisor	Huang, Yung-Chen	2024.04.12	2024.04.12	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.07.12	2024.07.12	Securities and Futures Institute	Challenges and Strategies for Corporate ESG	3
		2024.09.19	2024.09.19	Taiwan Academy of Banking and Finance	2024 International Financial Supervision Trends - Banking Law and Regulation Issues	1.6
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3
		2024.11.05	2024.11.05	Taiwan Corporate Governance Association	How to Draw a Corporate Sustainability Roadmap	3
Supervisor	Ko, Yi-Ming	2024.01.17	2024.01.17	Taiwan Academy of Banking and Finance	ACAMS 15th Annual AML & Anti-Financial Crime Conference	7
		2024.02.22	2024.02.22	PricewaterhouseCoopers Legal Taiwan	Workplace Human Rights Protection - New Sexual Harassment Prevention Regulations	2.5
		2024.03.26	2024.03.26	Taiwan Academy of Banking and Finance	Responding to International Sanctions for Public and Private Sector Enterprises	3.2
		2024.04.12	2024.04.12	Mega Bills Finance	Education and Training on Prevention of Sexual Harassment	2
		2024.04.23	2024.04.24	Taiwan Academy of Banking and Finance	In-Service Compliance Training Program	15
		2024.04.24	2024.04.24	Taiwan Insurance Institute	2024 AML and CFT Workshop for the Financial Sector	6
		2024.06.13	2024.06.14	CRDF Global	Seminar on Procurement of Dual-Use Technologies in Commercial and Defense Supply Chains: Understanding Policy and Political Risks	13
		2024.07.30	2024.07.30	Lexis Nexis	Seminar: In-Depth Analysis of the "2023 Asia-Pacific True Cost of Fraud Study"	1
		2024.07.30	2024.07.30	Financial Innovation and Technological Evolution Center, National Chengchi University	Forum: "Regulation and Legal Framework of Virtual Assets: International Experiences and Insights"	2
		2024.08.05	2024.08.05	Taiwan Academy of Banking and Finance	Advanced Financial Anti-Fraud Forum	2
		2024.08.15	2024.08.15	SAS	SAS Financial AI Governance Summit: Taiwan's Financial AI Applications and Global Case Sharing	2.5
		2024.08.22	2024.08.22	Taiwan Academy of Banking and Finance	Seminar on "Practical Approaches to International Sanctions Compliance Issues"	3.6
		2024.09.10	2024.09.10	SAS	SAS x Deloitte Seminar: Trends and Practical Strategies for Financial Crime Prevention	2
		2024.09.20	2024.09.20	Taiwan Academy of Banking and Finance	2024 Compliance Officers Exchange Meeting	3
		2024.10.29	2024.10.29	Deloitte Taiwan Risk Management Advisory	Information Security Training	3

V. Implementation of Sustainable Development

(I) Deviations Status and Reasons from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation items	Implementation status			Deviations status and reasons from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Does the Company follow the principle of materiality in assessing the environmental, social and corporate governance risks related to the Company's operations, and formulate relevant risk management policies or strategies?	V		The Company is a 100% owned subsidiary of the parent company, JihSun Financial Holding. The parent company has established the "Sustainable Development Best Practice Principles", "Sustainable Development Policy" and "Sustainable Development Reporting and Verification Procedures" to regulate the principle of sustainability in the preparation of sustainability reports. The sustainability report shall identify the risks of environmental, social and corporate governance related sustainability issues. For the standards, procedures, results and management measures for assessing the material issues, please refer to the stakeholders and material topics in the parent company's sustainability report.	Not a TWSE/TPEX-listed company; thus not required to fill in.
II. Is the governance structure established to promote sustainable development, and is the unit dedicated (or also responsible for) promoting sustainable development established? Is the Board authorized to authorize senior management to handle this matter, and is the Board responsible for supervising the status of the matter?	V		The parent holding company has established the "Sustainable Development Committee" under the committee there are six working groups, namely environmental sustainability, sustainable finance, customer commitment, employee care, social prosperity, corporate governance, responsible for establishing and tracking the Group's ESG plan and promotion. The Company has established an ESG execution team in accordance with the plans of the parent holding company. The planning department is in charge of promoting sustainable development, and the implementation status is reported to the Board of Directors on a quarterly basis. Please refer to the parent holding company's annual report for details of operation and execution.	
III. Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	V		(I) The Company follows the parent group's "Sustainable Development Policy," "Sustainable Development Best Practice Principles," and "Environmental Sustainability Management Procedures," and collaborates with the Group's environmental sustainability plans and targets (including energy and greenhouse gas management, green procurement, supply chain evaluation and management) to implement environmental sustainability management. In 2024, the Company completed the "ISO14064-1 Greenhouse Gas Inventory" across all 9 operating sites and successfully introduced the "ISO14001 Environmental Management System" and "ISO50001 Energy Management System," all of which passed third-party verifications.	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(II) The Company implements the following programs: 1. Continued replacement of gasoline vehicles with hybrid electric vehicles or electric vehicles. In 2024, a total of 15 hybrid electric vehicles and electric motorcycles were procured, accounting for 100% of the newly acquired official vehicles. 2. Prioritized green procurement by sourcing products from vendors with energy-saving labels or environmental protection certifications. In 2024, green procurement amounted to NT\$ 8 million, representing 10.89% of the total procurement expenditure.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(III) Please refer to page 38 for climate-related information.	
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(IV) The Company has established an "Environmental and Energy Management Policy Statement," emphasizing the principle of "promoting energy conservation and carbon reduction, minimizing energy consumption, and enhancing energy efficiency." Data regarding the Company's greenhouse gas emissions, water consumption, and total waste generation over the past two years are as follows: 1. Greenhouse Gas Emissions: Please refer to page 42 for	

			detailed greenhouse gas inventory and assurance information. 2. Water consumption (including 9 business locations of the Company) Unit: Kiloliters <table><tr><th>Year</th><th>Total water consumption</th></tr><tr><td>2023</td><td>6,885</td></tr><tr><td>2024</td><td>6,749</td></tr></table> Description: Please refer to page 41, "Information on Green Operation," for details. The 2024 water usage inventory is still in progress, and the verified results will be disclosed in the next year's annual report. 3. Waste output (including 9 business locations of the Company) Unit: Tons <table><tr><th>Year</th><th>Total output</th></tr><tr><td>2023</td><td>46.04</td></tr><tr><td>2024</td><td>38.69</td></tr></table> Description: Please refer to page 41, "Information on Green Operation," for details. The 2024 waste output inventory is still in progress, and the verified results will be disclosed in the next year's annual report.	Year	Total water consumption	2023	6,885	2024	6,749	Year	Total output	2023	46.04	2024	38.69
Year	Total water consumption														
2023	6,885														
2024	6,749														
Year	Total output														
2023	46.04														
2024	38.69														
IV. Social Topic															
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V	(I)	The Company follows the "Human Rights Policy" established by the parent holding company, complies with relevant labor regulations, and respects internationally recognized basic labor rights principles. Appropriate management methods and procedures have been established, including: 1. Providing employees with reasonable remuneration and bonus systems. 2. Organizing employee education and training programs. 3. Implementing insurance plans and leave policies. 4. Contributing to employees' pension funds in accordance with legal requirements. 5. Establishing the "Workplace Sexual Harassment Prevention Guidelines" and the "Employee Suggestions and Complaints Guidelines" to offer proper channels for complaints and maintain workplace order.												
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V	(II)	The following employee welfare measures are implemented: 1. Linking Business Performance with Employee Compensation 2. In addition to a two-month basic bonus, the Company provides additional performance bonuses based on the achievement of annual earnings targets. This system motivates employees, shares the results of business success, and strengthens employee loyalty. Employee remuneration is distributed in accordance with the Company's Articles of Incorporation and profitability, based on individual business contributions and calculated proportionally according to the length of service during the year. 3. Leave and Other Benefits (1) Leave System Employees are entitled to two-day weekends and are granted additional special leave based on years of service. In cases of major injury, illness, or childcare needs, employees may apply for unpaid leave to balance personal and family responsibilities. (2) Subsidies and Incentives The Company provides subsidies for travel, health check-ups, childbirth, and group insurance. It also offers financial support and incentives for obtaining financial, language, and professional certifications. To encourage professional development, the Company fully subsidizes relevant training courses. (3) Workplace Diversity and Equal Opportunity: In 2024, female employees accounted for 29.5% of the workforce (compared to 28.4% in 2023), and female executives accounted for 2.7% (compared to 1.4% in 2023). The Company also employed two individuals with physical or mental disabilities in compliance with legal requirements in 2024.												
(III) Does the Company provide	V	(III)	The Company provides employees with a safe and healthy												

employees with a safe and healthy working environment, and implement regular safety and health education for employees?			work environment and related education. These include: 1. Annual occupational safety training sessions and office environment monitoring are conducted, ensuring carbon dioxide levels, lighting, and electromagnetic wave measurements meet required standards. 2. Annual health examinations are provided for employees, along with accident and medical insurance coverage for employees and their dependents. 3. The Company has established safety maintenance procedures and disaster emergency response protocols. Fire drills and safety meetings are held annually, and Occupational Safety and Health Committee meetings are convened regularly. No occupational accidents or fire incidents were recorded in 2024.
(IV) Has the Company established effective career development training programs for employees?	V	(IV)	The following career capacity development training programs are established for employees: 1. Each year, the Company formulates an internal education and training plan to provide comprehensive competency development for managers and employees. In 2024, employees completed a total of 12,918 training hours, averaging 58.98 hours per employee. 2. Employees are encouraged to rotate among different roles to broaden their skill sets and enhance professional competence. 3. To improve staff quality and strengthen the Company's competitive advantage, employees who obtain domestic or international certifications in finance, professional fields, information technology, or English proficiency are provided with subsidies and rewards.
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V	(V)	The Company complies with relevant laws and regulations and has formulated policies and procedures to protect customers' interests, including: 1. In accordance with the Financial Supervisory Commission's "Financial Consumer Protection Act" and "Principle for Financial Service Industries to Treat Clients Fairly", the Company has formulated the "Guidelines for Handling Financial Consumer Disputes" and the "Fair Treatment Principles and Financial Consumer Protection Policy". The Company also clearly states the channels for filing complaints on its website, allowing customers to submit complaints via telephone, in-person visits, written correspondence, or email. A designated unit handles all complaints by verifying the facts, assessing the handling status, and proposing solutions. Once a resolution is confirmed, the designated unit responds to the applicant and closes the case. 2. The marketing, labeling, advertising, and promotional activities related to products and services are conducted in accordance with the Company's "Guidelines for Conducting Advertising, Marketing, and Promotional Activities".
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V	(VI)	The Company's supplier management policy includes: 1. The Company has established the "Supplier Sustainability Management Guidelines", which require suppliers to comply with labor and environmental protection laws and to provide safe and healthy working environments. 2. Before initiating business with suppliers, the Company evaluates whether there is any record of negative environmental or social impacts to avoid transactions with suppliers that violate these principles. Suppliers must adhere to these guidelines when entering into contracts with the Company and are required to sign the "Supplier Sustainability Statement". In 2024, all 21 supplier contracts included the signed Statement.

V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V	(I) The parent company, Mega Financial Holding Co., Ltd., prepares its Group Sustainability Report in accordance with the "GRI Universal Standards 2021" issued by the "Global Reporting Initiative (GRI)", the "United Nations Sustainable Development Goals (SDGs)", and with reference to the standards for "Commercial Banks" issued by the "Sustainability Accounting Standards Board (SASB)". (II) The 2023 Sustainability Report was assured by Deloitte Taiwan in accordance with the "International Standard on Assurance Engagements (ISAE) 3000". The 2024 Sustainability Report will undergo assurance by CPAs in accordance with the parent company's "Sustainability Report Preparation and Assurance Procedures".
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.		
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: Please refer to the "Sustainable Development" section on the Company's website (https://www.megabills.com.tw/).		

(II) Climate-Related Information

Implementation of Climate-Related Information

Items	Implementation status			
I. Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	Responsibilities of the Board of Directors and Management			
	Organization	Responsibilities		
	Board of Directors	- Review the Company's climate policy and strategy, oversee the execution of climate-related indicators and targets. - Recognize operational risks, supervise business performance, and bear ultimate responsibility for establishing and maintaining an effective internal control system.		
	Management	- Formulate climate risk management policies, management systems, and monitoring indicators, and regularly review implementation effectiveness. - Designate responsible units or working groups to execute climate-related tasks, establish management mechanisms, implement countermeasures under different scenarios, regularly report to the Risk Management Committee, and submit the Committee's resolutions to the Board of Directors for reference.		
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Risks	Financial impact	Period	Operations and strategies
	Increase in operating cost at high temperature	Higher costs due to the use of green electricity, leading to increased operating expenses	Short-term	Implement energy-saving and carbon-reduction measures (e.g., regulating air-conditioning temperature, installing water-saving devices), transition to low-carbon operations.
	Transformation needs of customers	Failure to assist customers in their transition (e.g., by offering preferential interest rates) may lead to customer loss and decreased revenue	Short-term	Guide clients toward sustainable development, support their transition to a low-carbon economy or green energy industry.

	<table><tr><th>Opportunities</th><th>Financial impact</th><th>Period</th><th>Operations and Strategies</th></tr><tr><td>Low-carbon energy</td><td>Replacing traditional energy with low-carbon alternatives reduces expenses</td><td>Short-term</td><td>Increase procurement (including leasing) of electric vehicles (automobiles and motorcycles) and hybrid electric vehicles.</td></tr><tr><td>Low-carbon transformation business opportunities</td><td>Channel capital toward low-carbon technologies, energy, and equipment; drive green finance and generate green revenue</td><td>Mid-term</td><td>Implement responsible lending and investment, engage high-carbon clients in priority transition discussions.</td></tr></table>	Opportunities	Financial impact	Period	Operations and Strategies	Low-carbon energy	Replacing traditional energy with low-carbon alternatives reduces expenses	Short-term	Increase procurement (including leasing) of electric vehicles (automobiles and motorcycles) and hybrid electric vehicles.	Low-carbon transformation business opportunities	Channel capital toward low-carbon technologies, energy, and equipment; drive green finance and generate green revenue	Mid-term	Implement responsible lending and investment, engage high-carbon clients in priority transition discussions.		
Opportunities	Financial impact	Period	Operations and Strategies												
Low-carbon energy	Replacing traditional energy with low-carbon alternatives reduces expenses	Short-term	Increase procurement (including leasing) of electric vehicles (automobiles and motorcycles) and hybrid electric vehicles.												
Low-carbon transformation business opportunities	Channel capital toward low-carbon technologies, energy, and equipment; drive green finance and generate green revenue	Mid-term	Implement responsible lending and investment, engage high-carbon clients in priority transition discussions.												
III. Describe the impacts of extreme weather and transformation actions on the financial position.	<table><tr><th>Extreme weather events</th><th>Transformation action</th><th>Financial impact</th></tr><tr><td>Global warming has led to the melting of polar ice caps and rising sea levels, resulting in more frequent heavy rainfall, droughts, and the expansion of desertification.</td><td> ● The Company has introduced external climate databases and climate disaster models to assess the physical risk exposure of investment and financing targets, enabling early response. ● It conducts emergency drills, establishes secondary backup office sites, and formulates business continuity plans for disaster scenarios. </td><td> ● By closely monitoring physical risk exposure, the Company aims to avoid impairment of collateral value and subsequent financial losses. ● The Company also strengthens its disaster response capabilities to ensure uninterrupted operations and minimize operational impact. </td></tr></table>			Extreme weather events	Transformation action	Financial impact	Global warming has led to the melting of polar ice caps and rising sea levels, resulting in more frequent heavy rainfall, droughts, and the expansion of desertification.	● The Company has introduced external climate databases and climate disaster models to assess the physical risk exposure of investment and financing targets, enabling early response. ● It conducts emergency drills, establishes secondary backup office sites, and formulates business continuity plans for disaster scenarios.	● By closely monitoring physical risk exposure, the Company aims to avoid impairment of collateral value and subsequent financial losses. ● The Company also strengthens its disaster response capabilities to ensure uninterrupted operations and minimize operational impact.						
Extreme weather events	Transformation action	Financial impact													
Global warming has led to the melting of polar ice caps and rising sea levels, resulting in more frequent heavy rainfall, droughts, and the expansion of desertification.	● The Company has introduced external climate databases and climate disaster models to assess the physical risk exposure of investment and financing targets, enabling early response. ● It conducts emergency drills, establishes secondary backup office sites, and formulates business continuity plans for disaster scenarios.	● By closely monitoring physical risk exposure, the Company aims to avoid impairment of collateral value and subsequent financial losses. ● The Company also strengthens its disaster response capabilities to ensure uninterrupted operations and minimize operational impact.													
IV. Describe the identification, assessment and management procedures for climate risks and how they are integrated into the overall risk management system.	<table><tr><td colspan="2">Climate risk management framework</td></tr><tr><th>Process</th><th>Description</th></tr><tr><td>Risk identification</td><td>With reference to global climate issues collected by the parent financial holding company, the Company identifies climate risks and opportunities associated with its business operations that may have significant financial impacts.</td></tr><tr><td>Risk assessment</td><td>Before and after engaging in investment, financing, and other related financial activities, the Company gradually incorporates climate risk factors into its existing risk management framework through the use of exclusion lists and evaluation indicators.</td></tr><tr><td>Risk response</td><td>Based on the assessed impacts of climate risks, the Company adopts corresponding response measures such as control, mitigation, or avoidance to manage those risks effectively.</td></tr><tr><td>Risk reporting</td><td>The implementation status of climate risk management is regularly reported to the Company’s Risk Management Committee, Board of Directors, and the Risk Management Committee of the parent financial holding company.</td></tr></table>			Climate risk management framework		Process	Description	Risk identification	With reference to global climate issues collected by the parent financial holding company, the Company identifies climate risks and opportunities associated with its business operations that may have significant financial impacts.	Risk assessment	Before and after engaging in investment, financing, and other related financial activities, the Company gradually incorporates climate risk factors into its existing risk management framework through the use of exclusion lists and evaluation indicators.	Risk response	Based on the assessed impacts of climate risks, the Company adopts corresponding response measures such as control, mitigation, or avoidance to manage those risks effectively.	Risk reporting	The implementation status of climate risk management is regularly reported to the Company’s Risk Management Committee, Board of Directors, and the Risk Management Committee of the parent financial holding company.
Climate risk management framework															
Process	Description														
Risk identification	With reference to global climate issues collected by the parent financial holding company, the Company identifies climate risks and opportunities associated with its business operations that may have significant financial impacts.														
Risk assessment	Before and after engaging in investment, financing, and other related financial activities, the Company gradually incorporates climate risk factors into its existing risk management framework through the use of exclusion lists and evaluation indicators.														
Risk response	Based on the assessed impacts of climate risks, the Company adopts corresponding response measures such as control, mitigation, or avoidance to manage those risks effectively.														
Risk reporting	The implementation status of climate risk management is regularly reported to the Company’s Risk Management Committee, Board of Directors, and the Risk Management Committee of the parent financial holding company.														
V. If the scenario analysis and assessment are used to face the resilience to the climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated.	The scenarios are analyzed as follows: (1) Physical risks: The Company uses climate scenarios SSP1-2.6 (moderate) and SSP5-8.5 (severe), as defined in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), to assess physical risks. Asset categories assessed include suppliers, business premises, real estate collateral, and financing/investment clients. The proportion of assets located in high climate-sensitivity areas is relatively low, and the financial impact is assessed as limited. (2) Transformation risk: Transition risks are evaluated based on scenarios from the Network for Greening the Financial System (NGFS), including orderly, disorderly, and no-policy transition pathways. The analysis focuses on suppliers and high carbon-emitting clients. Results indicate that the financial impact under these scenarios is not significant.														

VI. If there is any transformation plan responding to the climate-related risks, please describe the content of the plan, and the indicators and targets used to identify and manage the physical risks and transformation risks.	1. Transformation plan: The parent holding company signed the Science Based Targets Initiative (SBTi) in April 2023, and promised to achieve the net-zero carbon emissions (Net Zero 2050) in 2050. The plan includes climate governance, green operation, climate opportunities, physical and transformation risks, and other projects. 2. The physical and transformation risk indicators and goals: The "high-carbon emission industry investment/funding limit ratio" control has been established to reduce the impact of climate change.				
VII. If the internal carbon pricing is used as the planning tool, the basis of price determination shall be explained.	The net zero scenario (Net Zero) of NGFS is expected to be approximately US\$ 142 (equivalent to NT\$ 4,363) per metric ton by 2030. The pilot introduction of the "Internal Carbon Pricing (ICP)" is expected to achieve the carbon reduction/electricity saving target.				
VIII. If climate-related goals are set, the scope of activities covered, the scope of greenhouse gas emissions, the planning schedule, and the progress of each year should be explained. If carbon reduction limits and the number of carbon reduction or renewable energy certificate (REC) are used to achieve the relevant goals, the sources and amount of carbon reduction or the number of renewable energy certificate (REC) should be explained.	Topic	Climate target (2024)		Scope of greenhouse gas emissions	Achieving progress
	Climate action	2022 is the baseline year, and the total greenhouse gas (Scope 1 + 2) reduction rate is 10.5% or more from 2024.	Over 60% of the Headquarters' operating locations used more than 60% of the power.	Scope 2	The proportion of green electricity used at the Company's headquarters operating site reached 66.4%.
			Electric vehicles (including both automobiles and motorcycles) and hybrid electric vehicles accounted for 80% of the total official vehicles purchases (including leases) for the year.	Scope 1	The procurement of electric and hybrid electric vehicles accounted for 100% of the total official vehicles purchases for the year.
	Green procurement	The Company promotes responsible procurement by prioritizing products certified with government-recognized energy-saving labels, environmental protection labels, and green building materials. Circular procurement—products that support resource recycling—is also incorporated.	Green procurement represented 2.5% of total procurement spending.	Scope 3	Green procurement accounted for 10.89% of total procurement.
	Green operation	The Company continues to expand its environmental certifications.	The Company has been accredited with the "ISO 14064-1 Greenhouse Gas Inventory", "ISO 14001	Scope 1 and 2	All of the above have been certified by a third-party institution.

			Environmental Management System" and "ISO 50001 Energy Management System" (including the renewal).		
		Continue to achieve the goal of water and waste reduction for all domestic operations.	The water reduction target is 2% lower than that in 2020, and the waste reduction target is 3.5% lower than that in 2022.	Scope 3	Water consumption was 5.13% lower than that in 2020, and waste was 29.76% lower than that in 2022.
	Sustainable finance	Implement credit management for specific industries and enhance management of sustainability risks.	"High-carbon emission" credit limit is not more than 12%, "high environmental and social impact" credit limit is not more than 30%.	Scope 3	The balance of the "high-carbon emission" and "high-environment and high-society impact" industries was 4.75% and 0.35%, respectively.
		Implement sustainable investment and increase the investment position of bonds for sustainable development.	The balance of domestic green, social responsibility or sustainable bond investment reached NT\$ 2.8 billion.	Scope 3	The domestic green bond investment balance was NT\$ 5.17 billion.
		Continue to strengthen the sustainable financial business.	The balance of loans to the green energy technology industry reached NT\$ 3.5 billion.	Scope 3	The balance of the green energy technology loan is NT\$ 12.551 billion.
IX. Greenhouse gas inventory and assurance, reduction targets, strategies and concrete action plans (see 1-1 and 1-2).	Please refer to Tables 1-1 and 1-2 on page 42 and 43 for the relevant information.				

1-1 Greenhouse Gas Inventory and Assurance for the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (tons of CO₂e), intensity (tons of CO₂e/NT\$ million), and data coverage for the last two years.

(1) Greenhouse gas emission (tons of CO₂e)

Year	Direct emission (Scope 1)	Indirect emission (Scope 2)	Other indirect emission (Scope 3)
2023	153.7027	472.2166	688,448.2952
2024	150.2631	370.1825	807,787.8810

Description: The Company has obtained the "ISO14064-1 Greenhouse Gas Inventory" verification statement from DNV Business Assurance in 2023. The Company has not yet been certified by third-party organization in 2024. The complete information will be disclosed on the MOPS.

(2) GHG intensity (tons of CO₂e/NT\$ million): Total emissions/net revenue

Year	GHG intensity
2023	221.097
2024	218.537

(3) Scope of data: The Company has a total of 9 business locations.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards, and the assurance opinions.				
Year	Assurance scope	Assurance institution	Assurance standards	Assurance opinions
2023	All emission sources within the Company's organizational boundary	DNV Business Assurance	● ISO14064-1:2018 ● The Company complies with the requirements of ISO 14066:2011, ISO 14065:2020 and ISO 14064-3:2019.	The guarantee level of the 2023 greenhouse gas verification is a reasonable guarantee level for the indirect greenhouse gas emissions between the direct greenhouse gas emissions and the input energy, and other indirect greenhouse gas emissions are limited guarantee level.
2024	All emission sources within the Company's organizational boundary	DNV Business Assurance	● ISO14064-1:2018 ● The Company complies with the requirements of ISO 14066:2011, ISO 14065:2020 and ISO 14064-3:2019.	The data assurance is confirmed, and the complete assurance information will be disclosed on the MOPS.

1-2 Greenhouse Gas Reduction Goals, Strategies and Concrete Action Plans

Describe the baseline year for greenhouse gas reduction, the number of years, the reduction target, the strategy, and the achievement of reduction target.			
(1) The baseline year for greenhouse gas reduction and the data: 2022 is the baseline year, and the total emissions of the Company is 3,793.8849 tons of CO ₂ e.			
(2) Reduction target: A、Short-Term Target: Achieve a 10.5% reduction in Scope 1 and 2 GHG emissions by 2024, compared to the 2022 baseline. B、Mid-Term Target: Achieve a 42% reduction in Scope 1 and 2 GHG emissions by 2030, compared to the 2022 baseline. C、Long-Term Target: Achieve net-zero emissions by 2050.			
(3) Reduction strategies, concrete action plans, and achievement of reduction targets:			
Reduction target for 2024	Reduction strategy	Concrete action plan	Achieving status
2022 is the baseline year, and the total greenhouse gas (Scope 1 + 2) reduction rate is 10.5% or more from 2024.	Procurement of green energy	Over 60% of the Headquarters' operating locations use green power.	The Headquarters' electricity consumption was 730,962 kWh in 2024, and 485,333 kWh of green power was converted. The usage ratio was 66.4%.
	Replaced energy-consuming equipment to improve energy efficiency	The number of electric vehicles (automobiles and motorcycles) or hybrid electric vehicles purchased reaches 80% of the total number of official vehicles procured in the current year.	Procured 15 official vehicles, 11 hybrid electric vehicles, and 4 electric motorcycles, reaching 100% of the total number of official vehicles procured in the year.

VI. Fulfillment of Ethical Corporate Management and Deviations Status and Reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment items	Implementation status			Deviations status and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Establishing ethical corporate management policy and proposal				Not a TWSE/TPEX-listed company; thus not required to fill in.
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) The Company operates under the philosophy of "Integrity and Stability, Innovation and Growth, Service Efficiency, and Sustainable Development." To establish a corporate culture rooted in integrity and to ensure sound development, the Board of Directors has approved the adoption of the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct." These policies place integrity as a foundational element of the Company's operational strategy and are aimed at building a strong corporate governance and risk control framework, thereby fostering a sustainable business environment.	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the	V		(II) The Company's "Procedures for Ethical Management and Guidelines for Conduct" incorporate the business activities with higher risks of unethical behavior as listed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," and adopt preventive measures including regular training, implementation of internal control systems, and encouraging internal and external reporting of unethical or improper conduct.	

activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? (III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly prohibit the offering or promising of facilitation payments, unfair competition, and the offering or receipt of improper benefits, and set out related handling procedures and disciplinary measures for violations. The "Work Rules" and "Guidelines for Handling Whistleblower Cases" stipulate disciplinary actions for employee misconduct such as legal violations, fraud, or embezzlement. The "Employee Suggestion and Complaint Guidelines" also define clear scopes and procedures for filing complaints. The Company conducts a semi-annual review of the implementation of ethical management policies to ensure policy compliance and evaluate preventive measures.	
II. Ethical corporate management in practice (I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts? (II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? (III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(I) According to the "Key Points of Management for Suppliers' Sustainable Development" of the Company, the Company assesses whether the counterparty has a record of impacting the environment and society before any transaction or contract is made, to prevent dealings with those with records of unethical behavior. Suppliers must issue a declaration and credit clients must sign an agreement; if unethical conduct is involved, the Company may terminate or cancel the contract at any time. (II) The Board of Directors approved the "Procedures for Ethical Management and Guidelines for Conduct," designating the Administration Department as the responsible unit, which reports to the Board at least once a year. (III) The "Procedures for Ethical Management and Guidelines for Conduct" includes conflict of interest regulations. Directors, supervisors, managers, and other stakeholders attending or present at Board meetings shall not participate in the discussion or voting on agenda items in which they or the legal persons they represent have a conflict of interest, and must recuse themselves. They are also prohibited from voting on behalf of other directors. If a director's spouse, second-degree relative, or a company in a controlling/subordinate relationship with the director	

(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits? (V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V V	has an interest in a matter, the director is deemed to have a conflict of interest. In 2024, directors and supervisors recused themselves on five occasions. Apart from motions related to personnel, compensation, and audit plans, managers had no items requiring recusal. The Company's "Employee Code of Conduct" clearly states the principle of conflict of interest—employees must not use their position to gain improper benefits for themselves, their spouse, second-degree relatives, or any closely related party. (IV) The Company's "Accounting System" is established in accordance with regulatory requirements and is prepared quarterly following generally accepted accounting principles and the "Regulations Governing the Preparation of Financial Reports by Public Companies." The Company has established internal audit and self-inspection systems. An internal control self-check is conducted annually in December, and CPAs are commissioned to audit the internal control system each year. The Auditing Department reviewed the 2024 internal control self-inspections conducted by all departments and found no significant deficiencies or unethical conduct. The CPAs' 2024 audit of the internal control system also found no material abnormalities. (V) Each department of the Company arranges internal and external training courses each year on legal compliance, internal control, and ethical corporate management. In September 2024, 219 employees participated in the ethical management training program.	
III. Operation of the reporting system (I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers? (II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V V	(I) The Company has established the "Guidelines for Handling Whistleblower Cases" to provide the basis for the Company to handle reported cases. The Auditing Department is responsible for the acceptance and investigation of reported cases, and has established and announced the channels for reporting, including written, telephone, and email. Anyone with any illegal conduct may report, and has also established the regulations for the types of reported cases and related personnel's rewards and punishments. The Auditing Department did not receive any reported cases through the aforementioned channels in 2024. (II) The SOP for case acceptance and review are clearly defined. All the investigated subjects and the witness shall be required to sign the confidentiality agreement. The Company shall remind them to comply with the confidentiality commitment, and shall inform them that any violation of the confidentiality commitment will lead to serious legal consequences. The Company shall also specify the distribution of the follow-up investigation report and related personnel's reward and punishment measures after the investigation is completed.	

(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		(III) The regulations on the identity of the informants, the confidentiality of the content of the report, and the protection of the right of the informants, to protect the informants from improper treatment, they may appeal to the independent directors or supervisors.	
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		In addition to the annual report, the Company's fulfillment of ethical management is disclosed on the Company's website.	
V. If the company has adopted its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviations between the principles and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" to ensure that all operations are conducted in accordance with the Principles. There is no difference.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Board of Directors approved the revision of the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Guidelines for Handling Whistleblower Cases" on May 28, 2024.				

VII. Other Important Information that Facilitate a Better Understanding of the Company's Corporate Governance:

Please refer to the "Regulatory Disclosures" section on the Company's website (<https://www.megabills.com.tw/>).

VIII. Implementation of Internal Control System

(I) Internal Control System Statement

Mega Bills Finance Co., Ltd. Internal Control System Statement

Representing Mega Bills Finance Co., Ltd., the Company, from January 1, 2024 to December 31, 2024, has truly abided by the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries”. The company has established an internal control system, implemented risk management, and conducted inspections by an impartial and independent audit department, periodically reported to the Board of Directors and supervisors. The Company properly observes Article 38, Subparagraph 5 and Article 38-1 of the aforementioned Implementation Rules, as well as the self-regulatory rules for information security established by the association of the industry. As for the non-specialized securities business, the Company judges the design of the internal control system and the effectiveness of the implementation pursuant to the internal control system judgment items specified in the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets”. According to the careful assessment, the internal control, legal compliance and information security of each department were implemented effectively this year except for those listed in the attached table.

This Declaration will constitute the main content of the Company’s annual report and prospectus, and will be open to external scrutiny. The illegal inclusion of falsehoods or the illegal concealment of information in the above public data, will incur legal liability in relation to Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

Respectful to
Financial Supervisory Commission

Declarers
Chairperson of the Board: Liao, Mei-Chu
President: Tsai, Yao-Kuang
Chief Auditor: Wang, Ming-Bao
Legal Compliance Officer: Liu, Lian-Hsu
Information Security Officer: Chen, Shih-Yi

January 21, 2025

Mega Bills Finance Co., Ltd.
Internal Control System Required Improvement and Corrective Plan

December 31, 2024

Required improvement	Corrective action	Scheduled completion date
None	None	None

(II) Disclosure of the Audit Report where a CPA has been Entrusted to Audit the company's Internal Control System: None.

IX. Major Resolutions of the Shareholders' Meeting and the Board of Directors in the Most Recent Year and up to the Date of Publication of the Annual Report

(I) The 41st meeting of the 16th Board of Directors passed the following on behalf of Shareholders' Meeting on April 23, 2024:

1. The 2023 final accounts review report and the 2023 final accounts report have been reviewed by the Company's supervisors.
2. Proposal for capitalization of 2023 earnings by way of issue of new shares.

(II) The 43rd meeting of the 16th Board of Directors passed the following on behalf of Shareholders' Meeting on June 18, 2024:

1. Amendment to the "Procedures for Acquisition or Disposal of Assets".
2. Amendment to the "Procedures for Conducting Derivatives Transactions".

X. Documented Opinions or Declarations Made by Directors or Supervisors against the Board's Resolutions in the Most Recent Year up till the Publication Date of this Annual Report: None.

Capital Overview

Information on Capital and Shares

I. Source of Capital as the Publication Date of Annual Report

Unit: NT\$ thousands; shares

Year. month	Par value	Authorized capital		Paid-in capital		Remarks	
		Shares	Amount	Shares	Amount	Source of capital	Others
2025.03	10	1,511,441,084	15,114,410,840	1,511,441,084	15,114,410,840	Public offering	—

Unit: shares

Type of stocks	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stocks	1,511,441,084	0	1,511,441,084	Public offering but not listed on TWSE/TPEX

II. Major Shareholders

Shares	Number of shareholding	Percentage of shareholding
Name of Major Shareholders		
Mega Financial Holding Co., Ltd.	1,511,441,084 shares	100%

III. Dividend Policy and Implementation

(I) Dividend Policy Defined in the Articles of Incorporation

The Company's dividends to shareholders are paid in cash, but the percentage of cash distribution may be adjusted depending on the business development, capital planning and other factors.

(II) Dividend Distribution Proposed at the Shareholders' Meeting

Mega Financial Holding Co., Ltd. is the Company's only shareholder. The proposed cash dividend to shareholders is NT\$ 0.8391 per share, totaling NT\$ 1,268,250,214.

IV. Impact on the Company's Business Performance and EPS by the Allocation of Shares

Discussed at this Shareholders' Meeting: None.

V. Remuneration to Employees, Directors and Supervisors

(I) Percentage or Range of Remuneration to Employees, Directors and Supervisors as Stated in the Articles of Incorporation

1. Remuneration to Employees

If there is a profit in each fiscal year, 1.75% to 3% of the profit shall be appropriated as remuneration to employees. However, if there is a cumulative loss, the amount of profit shall be retained in advance. The aforementioned remuneration

to employees shall be paid after the attendance of at least two-thirds of the Directors and the consent of at least half of the Directors present, and shall be reported to the Shareholders' Meeting.

2. Remuneration to Directors and Supervisors: None.

(II) Basis for Estimating the Amount of Remuneration to Employees, Directors and Supervisors, for Calculating Number of Shares to be Distributed as Employee Remuneration, and Accounting Treatment of the Discrepancy, if any, between Actual Distributed Amount and Estimated Figure, for Current Period

1. Basis for Estimating Amount of Remuneration to Employees, Directors and Supervisors, and for Calculating Number of Shares to be Distributed as Employee Remuneration for Current Period

The estimated amount of employee remuneration for 2024 is NT\$ 56,010,962, which is based on the profit before tax excluded employee remuneration as of the current period, and is estimated based on the percentage defined in the Articles of Incorporation. In addition, the Company did not estimate the remuneration to directors and supervisors and the remuneration to employees distributed in shares in 2024.

2. Accounting Treatment for the Actual Amount of Employees' Remuneration Distributed Differs from the Estimated Amount

If the actual amount resolved by the Board of Directors differs from the original amount, it is treated as a change in accounting estimate.

(III) Distribution of Remuneration Approved by the Board of Directors

1. Amount of Remuneration to Employees, Directors and Supervisors Distributed in Cash or in Shares

According to the Articles of Incorporation and the resolution of the 54th meeting of the 16th Board of Directors on March 25, 2025, the remuneration to employees in cash for 2024 was NT\$ 64,412,606. The Company did not distribute remuneration to employees, directors and supervisors in shares. The Board of Directors approved the distribution of cash remuneration to employees for NT\$ 64,412,606 in 2024, which differed from the amount of NT\$ 56,010,962 recognized in the financial statements for 2024 by NT\$ 8,401,644. This difference was due to the change in the percentage of employee remuneration, which has been adjusted in the profit or loss for 2025.

2. Amount of Employee Remuneration Distributed in Shares and Ratio to Profit After Tax and Total Amount of Employee Remuneration in Current Financial Report:
None.

(IV) Actual Distribution of Employees', Directors' and Supervisors' Remuneration in the Previous Year

1. Actual Distribution of Remuneration to Employees

According to the Articles of Incorporation and the resolution of the 40th meeting of the 16th Board of Directors on March 26, 2024, the cash remuneration to employees for 2023 is NT\$ 48,777,899. The actual amount of cash remuneration to employees for 2023 was NT\$ 48,777,899, which differed from the amount of NT\$ 47,128,405 recognized in the financial statements for 2023 by NT\$ 1,649,494. This difference was due to a change in the percentage of employee remuneration, which has been adjusted in the profit or loss for 2024.

2. Actual Distribution of Remuneration to Directors and Supervisors: None.

VI. Repurchase of the Company's Shares: None.

Operational Overview

One. Business Scope

I. Main Business

(I) Major Business Activities by Segment

1. Bills Business

(1) Certification, underwriting, brokerage and proprietary trading of short-term bills (including USD bills)

(2) Guarantee or endorsement of commercial papers

2. Bonds Business

(1) Proprietary trading of government bonds

(2) Certification, underwriting, brokerage and proprietary trading of bank debentures

(3) Proprietary trading of corporate bonds

(4) Proprietary trading and investment of fixed income securities

(5) Proprietary trading and investment of foreign currency bonds

3. Equity Investment Business

4. Others

(II) Assets and Revenues of Each Business as Percentage of Total Assets and Revenues, Growth and Changes Therein

1. Assets

Unit: NT\$ thousands

Year Item	2024		2023		Change (%)
	Amount	%	Amount	%	
Bills business	167,215,960	51.25	145,539,869	51.29	14.89
Bonds business	146,152,399	44.79	129,259,258	45.55	13.07
Equity investment business	4,014,173	1.23	2,656,806	0.94	51.09
Others	8,919,542	2.73	6,291,635	2.22	41.77
Total assets	326,302,074	100.00	283,747,568	100.00	15.00

2. Revenues

Unit: NT\$ thousands

Year Item	2024		2023		Change (%)
	Amount	%	Amount	%	
Bills business	4,854,571	53.49	4,117,332	57.69	17.91
Bonds business	3,777,713	41.62	2,688,593	37.67	40.51
Equity investment business	213,931	2.36	167,107	2.34	28.02
Others	230,052	2.53	164,134	2.30	40.16
Total revenues	9,076,267	100.00	7,137,166	100.00	27.17

II. Business Plan for the Year

(I) Bills Business

1. Continue monitoring clients' operational and financial status to assess industry outlook and funding capabilities as a basis for credit decisions.
2. Adjust the structure of credit clients and expand into non-real estate industries to increase bill supply, boost bill return, and maintain bill market share.
3. Continue promoting responsible lending practices and align with regulatory sustainable finance policies by developing financing for low-carbon transformation and green industries.
4. Actively pursue mandates for lead-arranged syndicated loans, unsecured commercial paper joint underwritings, and contracts exceeding one year; also seek negotiable certificates of deposit, secured/unsecured bill purchases, and underwriting opportunities to expand bill sources and enhance returns.
5. Stay informed on central bank monetary policy and financial trends; flexibly manage interest rates in the primary and secondary markets to optimize bill trading spreads and portfolio efficiency.
6. Maintain relationships with financial institutions and expand stable, low-cost corporate funding sources to improve capital utilization and reduce funding costs.

(II) Bonds Business

1. Operate bond buy/sell trades prudently, referencing market dynamics and auction conditions to enhance trading efficiency.
2. Strategically deploy foreign currency bond investments according to financial market developments, diversifying country and industry risks to improve overall portfolio yield.
3. Proactively develop credit clients and new prospects for sub-trading in foreign currency bonds; expand domestic financial institution participation and diversify stable funding sources. Use repo, currency swaps, and buy-sell arrangements to reduce funding costs under secure liquidity conditions and improve bond returns.
4. Invest in high-credit convertible bonds and CB asset swap transactions for fixed-income gains.
5. Continue focusing on green finance topics and implement responsible investment practices, building green bond positions under cost-effective principles.
6. Monitor and adjust the structure and size of local and foreign currency bond positions, balancing revenue growth with risk control objectives. Optimize capital allocation and strengthen risk management systems.

(III) Equity Investment Business

1. Monitor global macroeconomic developments and major industry trends; prioritize

fundamentally strong stocks using technical analysis and market themes for both short-term and swing trading strategies.

2. Identify high-quality, resilient, high-dividend stocks in trending sectors, diversifying across electronics and traditional industries to reduce risk and enhance returns through strategic accumulation.
3. Track SBT (Science Based Targets) compliance of investee companies and actively support sustainable finance initiatives.

III. Market Analysis

(I) Regions of Business Operation, Market Supply and Demand, and Future Growth

1. Regions of Business Operation

The Company has established a total of 9 business locations, including its head office and branches, throughout Taiwan. These locations are responsible for handling credit, bills, bonds, and other related businesses within their respective regions.

2. Market Supply, Demand and Future Growth

(1) Market Reform

To effectively allocate and reasonably utilize credit resources under the government's "Healthy Real Estate Market Plan," the Central Bank has amended the "Regulations Governing Real Estate Secured Lending by Financial Institutions" seven times since December 2020. In July 2023, the new version of the "Equalization of Land Rights Act" came into effect, introducing amendments including the "Permit System for Legal Entities Purchasing Residential Properties" and restrictions on the assignment and resale of contracts for pre-sale and newly built houses.

(2) Market Conditions

1) Bills Market

In 2024, interest rates in the secondary market continued to rise due to the ongoing interest rate hike cycle, leading to a continued narrowing of overall spreads in the bills market. Nevertheless, the total underwriting amount of CP2 bills in the primary market across the entire bills finance industry reached NT\$ 15.440339 trillion in 2024, marking an increase of NT\$ 2.130443 trillion (16.01%) compared to 2023. The Company's underwriting amount in the CP2 primary market was NT\$ 4.768264 trillion, securing a market share of 30.88%. In the secondary market, the total transaction volume for the industry in 2024 was NT\$ 41.851734 trillion, with the Company accounting for NT\$ 12.021611 trillion, representing a 28.72% market share. The Company maintained steady performance across all bills-related operations, sustaining its leading position in the bills finance

industry.

Looking ahead to 2025, economic growth momentum is expected to remain steady. However, corporate credit risk varies significantly across industries. To preserve the quality of overall credit assets and strengthen credit risk management, the Company will adopt differentiated pricing and credit limit control strategies based on the outlook of individual industries. Regarding credit positions, increased volatility in capital investment in 2025 is expected, which may impact net asset value and capital adequacy ratios, presenting continued challenges to the growth of the credit business. In terms of spreads, the Central Bank is expected to maintain a tight monetary policy, and ongoing competition among financial institutions may further compress spreads in the bills market.

2) Bonds Market

In September 2024, the U.S. Federal Reserve initiated a rate-cutting cycle, lowering rates by a total of 1 percentage point (four 25-basis-point cuts) in the second half of the year. However, the U.S. economy and labor market remained strong, while inflation cooled less than expected. Additionally, the anticipated negative effects stemming from uncertainty around Trump-era policies contributed to a rebound in U.S. bond yields post-rate cuts, resulting in heightened yield volatility. Given the still-positive economic outlook and the gradual easing of inflation and the housing market, the Central Bank maintained its current monetary policy. Demand remains in the bond market for replenishment trades, and local bond yields have shown range-bound fluctuations.

Looking forward, due to the high degree of uncertainty surrounding Trump-era policies and continued volatility in U.S. bond yields, the Company will adjust its foreign currency bond structure and trading strategies based on developments in the FED's monetary policy and U.S. bond yields. The FED's cumulative rate cuts of 1 percentage point in 2024 will translate into lower funding costs in 2025, helping to alleviate negative carry in bond portfolios. The Company will continue to manage capital costs proactively. With the Central Bank expected to maintain its current monetary stance, the Company will continue to actively seek local bond investment opportunities with relatively favorable credit risk and yield characteristics to enhance overall returns.

3) Equity Market

In 2024, the TAIEX continued its upward trend for a second consecutive

year, setting a new record high for annual gains and achieving the second-highest increase among global markets. The primary driver of this growth was the strong performance of AI-related concept stocks. Looking ahead to 2025, with the arrival of the Trump 2.0 era, concerns about U.S. inflation are resurfacing. Uncertainty surrounding U.S.-China trade relations and global financial markets is expected to increase. AI-related applications and their upstream and downstream supply chains will remain a central theme in trading. Given the high growth base of 2024, the growth momentum of technology stocks is expected to come under pressure. The Company will therefore diversify investment risks across industries to achieve stable returns.

(II) Competitive niches, Advantageous and Disadvantageous Factors for Future Development, and Responsive Strategies

1. Advantageous Factors

- (1) Although the U.S. Federal Reserve (FED) may reduce the number of rate cuts, the expected rate cuts in 2025 should be fully reflected in market conditions, leading to lower foreign currency funding costs and further improvement in the negative carry on bond portfolios.
- (2) With the ongoing development of financial technology, the Company continues to optimize internal processes and enhance operational efficiency.
- (3) The abundant resources within the financial holding group enable highly integrated marketing of products and services, facilitating business expansion.
- (4) As regulatory authorities promote ESG-related policies, the integration of sustainable finance into credit and investment businesses allows for greater diversification of market risk.

2. Disadvantageous Factors

- (1) Fundraising channels in the financial markets are becoming increasingly diversified. Banks, leveraging their dual license as bill finance companies, are competing in the CP primary market without requiring guarantees, which impacts the business expansion of specialized bill finance firms.
- (2) The Central Bank continues to implement selective credit controls, further restricting capital inflows into the real estate sector. The enactment of the new Average Land Rights Act and the seventh round of credit controls may expose the real estate industry to downside risks, affecting the development of new business opportunities.
- (3) The resilience of the U.S. economy and labor market, combined with the uncertainty of Trump-era policies and rising geopolitical risks, increases global

economic and inflation uncertainties, which may influence the pace of FED rate cuts.

3. Responsive Strategies

- (1) Actively pursue the signing of contracts exceeding one year with non-guaranteed clients, and proactively expand the customer base in the secondary market by targeting private enterprises and individuals with low capital costs, to stabilize bill supply and enhance interest spreads.
- (2) Continue to adjust customer portfolio by developing clients in the low-carbon transition, green energy, and non-real estate sectors with higher interest spreads. Undertake bill underwriting business with a certain spread, and seek to lead or participate in syndicated loans and joint underwriting projects to boost bill revenue and maintain market share.
- (3) Closely monitor U.S. macroeconomic data and the direction of FED monetary policy, stay attuned to changes in financial markets, and dynamically review and adjust overall position allocations. Carefully select high-quality companies with strong industry prospects and growth potential in revenue and earnings to mitigate investment risks.

IV. Overview of Research and Development of Financial Products

(I) The Size and Profit and Loss of the Main Financial Instruments and the Business Department in the Last Two Years and up to the Date of Publication of the Annual Report: None.

(II) Research & Development Expenditure and Results in the Last Two Years

1. Research & Development Expenditure

Unit: NT\$ thousands

Items	Research & development expenditure	
	2024	2023
Employee research and training expenses	1,801	1,844

2. Research & Development Results

(1) Research & Development Expenditure and Results in the Last Two Years

R&D expenditures for 2023 and 2022 were NT\$ 1,844 thousand and NT\$ 1,801 thousand, respectively. The majority of the budget was allocated to employee participation in various research and training programs. The R&D outcomes are as follows:

- 1) Revised the unit performance appraisal system to promote business growth and development.
- 2) Introduced the “Financial Statement Recognition System,” which uses OCR technology to digitize paper-based financial statements for integration into the Company’s credit assessment system.

- 3) Completed Phase I of the E-LOAN credit approval process management system to support effective credit investigation procedures, and continued Phase II development to establish a comprehensive credit approval workflow.
 - 4) Established a human resources management platform to improve administrative efficiency, reduce paper usage, and save storage space.
 - 5) Continued to enhance ESG-related systems to support green industries and promote social sustainability.
 - 6) Continued optimization of the operational risk self-assessment system by conducting self-assessments of key risk items and improving existing control mechanisms based on the assessment recommendations.
 - 7) Upgraded and integrated the core system servers to enhance operational efficiency and support digital development.
 - 8) Optimized the online learning platform to strengthen learning functions and improve training effectiveness.
 - 9) Developed a regulatory compliance system to collect external regulations and track internal rule revisions, thereby reducing human error and increasing operational efficiency.
- (2) Future Research & Development Plans
- 1) Continue developing the E-LOAN credit approval process management system to fully implement systematic process control and enhance operational efficiency.
 - 2) Digitize the Treasury Division's document and item storage operations, integrate the joint marketing notification mechanism, and implement a paperless short-distance transportation expense application and approval system to reduce employee error rates.
 - 3) The R&D budget for 2025 is set at NT\$ 1,800 thousand and is expected to be used for employee participation in various research and training activities in support of R&D projects.

V. Long-term and Short-term Business Development Plans

(I) Short-term

1. Continue monitoring clients' operational and financial status to assess industry outlook and funding capabilities as a basis for credit decisions.
2. Adjust the structure of the credit client by developing businesses in low-carbon transition, green energy industry, and non-real estate sectors. Actively pursue the underwriting of negotiable certificates of deposit, bank-guarantee and non-guarantee bills with required spreads, and strive to act as lead arranger or participant in

syndicated loan and joint underwriting cases.

3. Closely monitor financial market conditions and adjust interest rates for primary and secondary market bill transactions in a timely manner to expand spreads and maintain a leading market position.
4. Remain vigilant of international political and economic developments, exchange rate movements, and interest rate trends; dynamically adjust local and foreign currency bond positions; proactively expand sources of low-cost borrowing to enhance funding capabilities.
5. Actively participate in the CB auction market and expand portfolios of higher-credit convertible bonds and engage in CB asset swaps (CBAS) to enhance investment returns.
6. Deploy high-dividend-yield equity instruments with sound credit quality and high-dividend payout; continue to build portfolios with corporate bonds offering favorable yields and reliable credit standing.
7. Continue to optimize ESG risk assessment systems to uphold stewardship responsibility, support green financial products, monitor SBT (Science-Based Targets) status of investees, initiate engagement, and assist clients with their low-carbon transition.
8. Continue the introduction of green electricity, strengthen green circular procurement, and promote energy conservation and carbon reduction.
9. Continue to enhance information systems and internal operational efficiency, improve operational efficiency, reinforce cybersecurity protections and employee training, and reduce information security risks.
10. Rationally allocate capital to improve fund utilization efficiency; regularly track and review the implementation of risk management objectives to strengthen the overall risk control framework.
11. Continue optimizing the AML system, implementing corporate compliance frameworks and controls; provide ongoing education training to reinforce employees' legal compliance awareness and prevent operational risks.

(II) Long-term

1. Expand asset size and enhance business revenue.
2. Consolidate corporate finance advantages and deepen group cross-selling.
3. Enhance corporate governance standards and pursue sustainable development.
4. Improve operational efficiency and optimize business performance to increase returns.
5. Strengthen risk control and implement internal and external corporate compliance.
6. Protect intellectual property and increase investment in digital information technology.
7. Motivate and enhance employee value and cultivate digital talent.
8. Establish digital culture and encourage research, development, and innovation.

Two. Employee Data for the Most Recent Two Years and Cut-off Date of Publication for this Annual Report

Year		2023	2024	As of March 31, 2025
Number of employees	Staff	216	220	218
	Total	216	220	218
Average age		44.32	44.46	44.58
Average years of service		14.24	14.34	14.47
Distribution of academic background	PhD	0	0	0
	Master	124	122	121
	Bachelor	91	97	96
	Senior high school	1	1	1
	Below senior high school	0	0	0
Professional certificates held by employees	Bill Finance Specialist	214	217	216
	Securities Investment Analyst	8	8	8
	Senior Securities Specialist	155	152	151
	Securities Specialist	101	109	109
	Securities Investment Trust and Consulting Professional	93	93	92
	Trust Operations Personnel	128	127	126
	Futures Specialist	66	63	62
	Derivatives Sales Personnel	14	16	15

Anti money Laundering and Combating Terrorism Financing Specialist	10	12	12
Bank Internal Control	105	102	100
Financial Planning Personnel	58	57	55
Basic Foreign Exchange Personnel	26	27	27
Basic Bank Lending Personnel	62	64	63
Advanced Bank Lending Personnel	4	4	4
Basic Sustainable Development	0	4	5
Certified Public Accountant (CPA)	3	3	3
Chartered Financial Analyst (CFA)	1	2	2
Financial Risk Manager (FRM)	6	7	7

Three. Corporate Responsibility and Ethical Conduct

Please refer to pages 35 and 43 of the Corporate Governance Report, titled “Implementation Status of Sustainable Development” and “Fulfillment of Ethical Corporate Management”.

Four. The Number of Full-time Non-managerial Employees, Average and Median Salary of these Employees during the Year, and Change from the Previous Year

Unit: NT\$ thousands

Item	2024	2023	Change (%)
Number of employees (Note)	225	227	-0.88
Average salary	1,632	1,572	3.82
Median salary	1,391	1,297	7.25

Note: Weighted average number of employees at each month end.

Risk Management

Quantitative Information about Various Risks

I. Credit Risk

Capital Requirement and Risk-weighted Assets for Credit Risk (Standardized Approach)

March 31, 2025

Unit: NT\$ thousands

Type of exposure	Capital requirement	Risk-weighted assets
Sovereigns	0	0
Non central government public sectors	5,614	70,181
Banks (including multilateral development banks)	185,129	2,314,114
Corporations (including securities and insurance companies)	15,691,657	196,145,707
Regulatory retail portfolios	102,158	1,276,975
Equity investment	296	3,700
Credit to parent company or subsidiary and credit secured by securities issued by parent company or subsidiary	0	0
Other assets	279,359	3,491,993
Total	16,264,214	203,302,671

II. Operational Risk

Capital Requirement and Risk-weighted Assets for Operational Risk (Basic Indicator Approach)

March 31, 2025

Unit: NT\$ thousands

Year	Gross income	Capital requirement	Risk-weighted assets
2024	3,704,638		
2023	3,130,098		
2022	4,190,344		
Total	11,025,080	551,254	6,890,675

III. Market Risk

Capital Requirement and Risk-weighted Assets for Market Risk (Standardized Approach)

March 31, 2025

Unit: NT\$ thousands

Type of risk	Capital requirement	Risk-weighted assets
Interest rate risk	7,109,755	88,871,937
Equity risk	741,807	9,272,588
Foreign exchange risk	78,020	975,250
Commodity risk	0	0
Option adopted by simplified approach	0	0
Total	7,929,582	99,119,775

IV. Liquidity Risk

Analysis on Maturity Structure of Assets and Liabilities

March 31, 2025

Unit: NT\$ millions

	Total	Amount outstanding by remaining time to maturity				
		0 – 30 Days	31 – 90 Days	91 – 180 Days	181 Days – 1 Year	Over 1 Year
Assets	313,893	96,980	62,278	12,462	4,137	138,036
Liabilities	276,621	251,143	23,819	1,375	218	66
Gap	37,272	-154,163	38,459	11,087	3,919	137,970
Cumulative gap	-	-154,163	-115,704	-104,617	-100,698	37,272