



SinoPac Financial Holdings Company Limited

(Stock Code: 2890)

2024 Annual General Shareholders' Meeting

Meeting Handbook

(Summary Translation)

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

Time: Friday, June 7, 2024, at 9:00 a.m. (Taipei time)

Venue: Auditorium at 13F, No. 36, Sec. 3, Nanjing E. Road, Taipei, Taiwan

(Shareholders' meeting will be held by means of physical shareholders' meeting)

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Report Items

Proposal 1

Proposed by the board of directors

Proposal: Business Report for year 2023

Explanation: The 2023 Business Report is attached hereto as Attachment 1.

Proposal 2

Proposed by the board of directors

Proposal: Audit Committee's Review Report on Financial Statements for year 2023

Explanation:

- A. The 2023 Audit Committee's Review Report on Financial Statements is attached hereto as Attachment 2.
- B. The main focus of the Audit Committee in 2023 and the communications among the Audit Committee, audit officers and CPAs are attached hereto as Attachment 3.

Proposal 3

Proposed by the board of directors

Proposal: Distribution of remuneration for employees and directors in 2023, and a report on the payment of director remuneration

Explanation:

- A. Based on Paragraph 2 of Article 36 of the Articles of Incorporation, distribution of compensation for employees and directors shall be determined by a resolution adopted by a majority vote at a board of directors meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.
- B. Based on Paragraph 1 of Article 36 of the Articles of Incorporation, for a profitable year, the Company shall set aside equivalent to or more than 0.01 % for employees' compensation and equivalent to or less than 1% for directors' compensation. For the soundness of the Company's continuing operation, the Company's accumulated losses shall first be covered before distributing the compensation. And according to Paragraph 3 of Article 36, the Company shall deduct and set aside an amount equal to the cumulative losses (if any) from its profit before taxes before calculating employees' and directors' compensation.
Distribution of compensation for employees and directors for year 2023:
 - a. The Company set aside NTD2,000,000 for compensation for employees, 0.01% of the profits following aforementioned calculation, and were distributed in cash.
 - b. The Company set aside NTD43,200,000 for compensation for directors, 0.22% of the profits following aforementioned calculation.
- C. This proposal was approved at the 1st and 2nd meeting of the 5th Term Remuneration Committee and the 1st, 2nd, and 3rd meeting of the 8th Term Board of Directors in 2024.

D. In accordance with Article 71-1 of the "Corporate Governance Guidelines" of the Company, the Company shall report the remuneration received by the directors at the shareholders' meeting, including the remuneration policy, the type, amount, and level of remuneration, and the relationship with the directors' performance evaluation results. The payment of directors' remuneration is attached hereto as Attachment 4.

Proposal 4

Proposed by the board of directors

Proposal: Report on the amendment to the Company's "Guidelines for Ethical Corporate Management"

Explanation:

- A. The amendment is highlighted as follows:
Amend the procedures for reporting the review of the programs to forestall unethical conduct.(Paragraph 3 of Article 21)
- B. For the comparison table of amendments to the Company's "Guidelines for Ethical Corporate Management" and the amended version, are attached hereto as Attachment 5.

Ratification Items

Proposal 1

Proposed by the board of directors

Proposal: Business Report and Financial Statements for year 2023

Explanation:

- A. The 2023 Financial Statements of the Company, were audited by Wu, Yi-Chun CPA and Ke, Jr-Shian CPA, both of Deloitte & Touche, Taiwan who issued an unmodified opinion report.
- B. The aforementioned Business Report and Financial Statements were approved at the 3rd meeting of the 8th Term Board of Directors in 2024 and examined by the Audit Committee.
- C. The 2023 Business Report and Financial Statements are attached hereto as Attachment 1 and Attachment 6.

Resolutions :

Proposal 2

Proposed by the board of directors

Proposal: Proposal for distribution of 2023 earnings

Explanation:

- A. The beginning retained earnings of the year 2023 was NTD4,009,629,222 and then it was adjusted by adding NTD1,843,239,884 on the disposal of investments in equity instruments measured at fair value through other comprehensive

income, deducting NTD453,228,104 on the 2023 remeasurement of defined benefit plans, adding 2023 after-tax profit of NTD19,764,389,721, setting aside legal reserve of NTD2,115,440,150, and reversing special reserve of NTD9,042,496,242, the distributable retained earnings became NTD32,091,086,815.

- B. Based on the Articles of Incorporation, proposal for distribution of 2023 earnings is as follows,
 - a. Cash dividends of Common Stock: NTD9,282,329,960 (NTD0.75 per share)
The amount of cash dividends per share shall be calculated and truncated to NTD1. The fractional amounts of dividends less than NTD1 are summed to be recognized as other income of the Company.
 - b. Stock dividends of Common Stock: NTD3,094,109,990 (NTD0.25 per share)
 - c. Unappropriated retained earnings: NTD19,714,646,865.
- C. In the event the number of outstanding shares to be affected by, buyback of shares, conversion of preferred stocks to common stocks, disposal of shares by shareholders, etc., it is proposed that the Board of Directors be authorized to adjust the cash dividends and stock dividends to be distributed to each share.
- D. In accordance with Article 66-9 of the Income Tax Act, the net income and other comprehensive income of 2023 shall be applied first for the purpose of the distribution of earnings.
- E. The Company issued Class A preferred shares on May 15, 2009. Based on the Articles of Incorporation, dividends of class A preferred shares NTD1,263,255 were recognized as interest expense of 2023.
- F. This proposal was approved at the 5th meeting of the 8th Term Board of Directors in 2024 and reviewed by the Audit Committee.
- G. The Distribution of 2023 earnings is attached hereto as Attachment 7.

Resolutions :

Discussion Item

Proposal 1

Proposed by the board of directors

Proposal: Appropriation of 2023 undistributed earnings as capital through issuance of new shares

Explanation:

- A. The company's current paid-in capital is NTD123,864,399,410 with 12,386,439,941 shares in issuance (12,376,439,941 common shares and 10,000,000 preferred shares). It is proposed that 309,410,999 new shares be issued on the amount of NTD3,094,109,990 from distributable profit of 2023. Paid-in capital after new

shares issuance will be NTD126,958,509,400.

- a. Source of fund for the proposed increase of capital: Distribution profit of NTD3,094,109,990 for 2023. 309,410,999 new shares are to be issued with a par value of NTD10 per share.
 - b. Purpose of the proposed increase of capital: The increased capital will be used to enhance scale of capital and strengthen financial structure.
 - c. Conditions of the proposed increase of capital:
 - (a) The right and obligation of the new shares to be issued will be the same as the existing common shares.
 - (b) The new shares will be distributed to the eligible shareholders as registered in the shareholders roster at the rate of 25 shares per 1,000 shares. Within five days from the book closure, the shareholders may go to the shareholder services agent to combine their fractional shares to become one share, or the shareholders may be paid in cash for their fractional shares. The fractional shares will be accumulated and the Chairman is authorized to sell the fractional shares to identified individuals. Shareholders who are delivered the stock shares through book-entry transfer, the cash for their fractional shares will be offset as the delivery fees.
 - (c) It is proposed that the Board of Directors be authorized to carry out appropriate actions in connection with the change of outstanding shares and stock dividend distribution rate, from buy back of the Company's outstanding shares or any other reasons.
- B. Subject to regulatory approval, it is proposed the Board of Directors be authorized to decide the distributing date of the new shares or matters requested by regulators.

Resolution:

Questions and Motions

Adjournment

2023 Business Report of SinoPac Financial Holdings Co., Ltd

2023 Economic and Market Retrospective

Three major themes of 2023 are ongoing wars, inflation, and interest rate hikes, keeping the global environment in a turbulent and unstable state. In addition to the Russo-Ukrainian war, challenges such as the Israel-Hamas war, collapse of SVB, Fitch downgrades, hawkish comments by the US Federal Reserve, and the US 10-year Treasury yield surpassing 5% have negatively impacted the performance of financial markets. Fortunately, the global AI boom, along with developments in biotechnology and power industry, has been steadily gaining momentum. Despite market volatility, the Dow Jones reached a record high of 37,778 points, the NASDAQ surged by 43%, and the TAIEX rose from 14,001 points to 17,956 points, achieving a significant increase of 27% for the year. As such, 2023 has also been an exciting year, filled with optimism and growth.

Regarding to the concerning issue of inflation, there has been a decrease in its severity due to improvements in global supply chain bottlenecks, stabilization of energy and food supply, and proactive interest rate hikes to control inflation by central banks. Specifically, the CPI has decreased from 6% to 3% in the United States, from 8% to 2% in the Eurozone, and from 10% to 4% in the United Kingdom. In 2023, the US Federal Reserve raised interest rates by only 100 basis points to a total of 525 basis points and bringing the terminal interest rate to 5.25%. The European Central Bank (ECB) raised interest rates by 200 basis points to a total of 450 basis points and a terminal interest rate of 4.0%. The Central Bank of Taiwan also raised interest rates by only 50 basis points in 2023, increasing a total of 75 basis points and resulting in a terminal interest rate of 1.875%. With inflation now under control, this period of increasing interest rates has come to a definitive end.

On the economic front, promotion of supply chain reshoring in the United States, coupled with a robust post-pandemic job market, demonstrated consumer resilience and led to a growth rate of 2.5% for the year. Under the influence of war, inflation, and high interest rates, the Eurozone's economy experienced a modest growth of just 0.5%. In China, the bursting of the housing bubble and ongoing conflict with the US have impeded the recovery anticipated to follow lifted pandemic restrictions, but policies were put in place to maintain the growth rate at around 5%, resulting in a final growth rate of 5.2%. Global terminal demand weakened, leading to a slump in Taiwan's exports, and the economy experienced 10 straight months of contraction, resulting in a growth rate of only 1.31% for the entire year.

Business Strategy and Performance of SinoPac Holdings

Amidst a dynamic and constantly evolving environment, SinoPac Holdings continued displaying three major themes: "Supervision and Management," "Strategic Leadership," and "Realization of Synergy." SinoPac Holdings' 2023 consolidated after-tax net profit reached a historic high, totaling NT\$19.764 billion. The earnings per share after tax were NT\$1.62, with a return on equity of 11.55%, showcasing an impressive performance. The business strategy for 2022-2024 focuses on four key themes: digitalization, cross-border, integration, and sustainability. The results up through 2023 are specified as follows:

1. Accelerating digital transformation: SinoPac Holdings continues to deepen its digital efforts, with digital technology capital expenditure increasing over 20% in recent years, and has achieved remarkable results in digital business, shifting the focus from customer acquisition to providing an advanced wealth management ecosystem through digital channels. SinoPac Holdings also uses data to discover its base of potential customers and utilizes customer value through personalized AI recommendations. Another primary development focus is placed on technology optimization for fraud prevention and risk management, while also improving multi-faceted operational efficiency. Moreover, in response to regulatory authorities' relaxation of cloud regulations, SinoPac Holdings has proactively invested in cloud infrastructure to enhance financial operational resilience, advancing towards multi-cloud deployment.
2. Boost overseas revenues and expand our international presence: SinoPac Holdings continues to reinforce the business characteristics of our overseas locations, striving to meet the cross-border financial service needs of both businesses and high-net-worth customers, and actively entering local retail markets, resulting

in an impressive annual growth rate of over 20% in overseas revenue. In the Greater China region, branches of Bank SinoPac (China) maintain close collaboration with those of Hong Kong and Macao, diversifying revenue streams. SinoPac Securities enables professional investors and professional institutional investors to trade in Vietnamese equities through its sub-brokerage business, expanding development in the global securities market. SinoPac International Leasing has also successfully acquired a significant customer base in the local market, with local customers now representing 60% of total assets. SinoPac Holdings also takes advantage of the relocation of the international supply chain to the Southeast Asian region. Bank SinoPac Ho Chi Minh City Branch in Vietnam is committed to developing corporate banking services and driving the digitalization of local consumer banking services.

3. Provide integrated services and optimize customer experience: SinoPac Holdings aims to achieve “One SinoPac” through integrated services that elevate customer experience and encourage advocacy for SinoPac. Integration of Bank SinoPac's DAWHO digital account and SinoPac Securities' DAWHOTOU is happening across four key areas: account opening, assets, transactions, and customer management, providing comprehensive financial services that encompass consumption, investment, savings, and flexible funds. Bank SinoPac and SinoPac Securities are reengineering the account opening and service processes, and together providing their customers a comprehensive, real-time daily report covering all of their banking and securities assets. With the report, customers can easily check their net asset information under their name, so they can quickly observe changes in their asset values and make timely, informed decisions about their fund allocation and finances. At the same time, the two companies have launched a procedure to request an increase in stock daily trading limit based on bank deposit balance, simplifying the process of providing financial statements, and have pioneered the linkage of subscription for IPO securities with personal credit loan services, with a view to furthering cross-subsidiary service integration. In addition, there has been a great response from the dual-platform services offered to VIP customers of Bank SinoPac and SinoPac Securities, with a significant increase in customer interactions with the two companies.
4. Explore green opportunities and fulfill sustainability commitments: SinoPac Holdings is committed to actively expanding the sustainable impacts through the core financial capabilities with the Government's Pathway to Net-Zero Emissions and aims to establish itself as a leading brand in green financing and fundraising. Bank SinoPac has been actively promoting the development of renewable energy in Taiwan through innovative and diverse financial services, achieving remarkable success in the solar photovoltaics field, with a financing balance exceeding one hundred billion and its market share of installed capacity that continues to lead the industry. Bank SinoPac is the recipient of the Top Solar System Awards in the Best Financial Service Provider Award category, held by the Energy Administration of the Ministry of Economic Affairs, making it the one and only financial institution to receive this prestigious award for eight consecutive years. Bank SinoPac is at the forefront of supporting energy storage financing and has expanded into the small hydropower and geothermal power generation sectors. Additionally, Bank SinoPac has collaborated with multiple power retailers to establish a green energy trading platform, promoting the security of private green energy transactions and supporting the government in realizing its energy transformation strategies, including carbon neutrality, circular sustainability, and energy independence, thereby accelerating sustainable development. SinoPac Securities has made substantial advancements in stock underwriting in the green energy and environmental industries in recent years, with its annual underwriting making up nearly 50% of the total market amount for the two industries, firmly establishing SinoPac Securities as the industry leader.

Business Strategy and Performance of Major Subsidiaries

Bank SinoPac, with a firm customer-oriented philosophy, has been recognized in Forbes' World's Best Banks three years in a row. In 2023, for the second consecutive year, the Bank achieved a record-breaking consolidated net profit after tax of NT\$16.066 billion, with earnings per share being NT\$1.68 and a return on equity of 10.34%. In response to the evolution of digital technology and market demand, Bank SinoPac's DAWHO digital account offers on-demand, convenient, and secure financial services, receiving high praise from the market. With over 1.56 million accounts opened, this all-in-one digital operating model has been honored with the Excellence Award of Large Enterprise Group in the 3rd Dingge - Digital Transformation Awards held by Harvard Business Review

Taiwan. Bank SinoPac continues to develop its AI trading models, strengthening quantitative investment, and accelerating digital development. Bank SinoPac also actively participates in various financial transactions in the Taiwanese and Asian financial markets, including foreign exchange, interest rate, equity and their derivative financial products. Bank SinoPac was among the first members of the centralized clearing business for OTC derivatives in Taiwan Futures Exchange, and also a main conductor of inter-bank transactions in the Asia-Pacific region. Moreover, Bank SinoPac is actively building defensive and structural growth portfolios, implementing risk diversification through diverse investment methods supplemented by dynamic hedging, thus establishing portfolios with stable, sustainable return rates.

SinoPac Securities is an industry leader, offering innovative products and services and establishing itself as a leading digital financial brand. In 2023, the consolidated net profit after tax reached NT\$3.836 billion, with earnings per share after tax of NT\$2.37 and a return on equity of 12.02%. SinoPac Securities has achieved impressive results in wealth management, with its pan-wealth management revenue reaching NT\$2.877 billion, boasting a year-on-year growth rate of 29.42%. SinoPac Securities consistently ranks second in the industry by sub-brokerage market share. In terms of AUM in trust, SinoPac Securities ranks third in the market with a scale of NT\$33.31 billion. Additionally, the balance of securities lending has reached NT\$47.626 billion, showing a yearly growth rate of 43.48%; the amount accounts for 139.11% of SinoPac Securities's latest audited net worth, the third highest percentage in the industry. SinoPac Securities is innovating and optimizing its digital platform by incorporating intelligent services into key user investment scenarios. The main interface, the DAWHOTOU App, creates an all-in-one financial service ecosystem, offering more accurate and faster digital investment services. In 2023, SinoPac Securities launched the DAWHOFONE App to help with wealth management, to consolidate the management of seven major securities assets in one place and introduce small-scale overseas bond investments. Rich Club is the industry's first financial knowledge service platform, offering a wide range of investment knowledge through text and video formats, attracting an annual traffic in the tens of millions.

SinoPac Leasing is dedicated to offering diverse specialist financial leasing services to customers in Taiwan, mainland China, and beyond, primarily focusing on small and medium-sized leasing businesses, exploring niche markets, and catering to green energy-related customer groups. For two consecutive years, SinoPac Leasing International has been acknowledged to be an Outstanding Financial Lease Company in Jiangsu Province, and its green leasing products have been recognized as exemplary at the inaugural China Yangtze River Delta Financing and Leasing Development Conference. SinoPac SITC has successfully developed income-themed and ESG-themed investment products, resulting in a growth of AUM over 60% in mutual funds under management by the end of 2023 compared to the previous year. SinoPac Venture Capital specializes in five key industries: biotechnology and healthcare, circular economy, greentech, semiconductor, and FinTech, and actively manages the investment portfolio to reduce investment risks.

Strong Capital Structure and Stable Credit Rating

SinoPac Holdings has a strong capital structure, with a capital adequacy ratio of 134.41% as of 2023, and Bank SinoPac has a consolidated capital adequacy ratio of 15.61%. Bank SinoPac maintains excellent asset quality, with a non-performing loan ratio of only 0.09%. In general, the credit rating outlook for SinoPac Holdings remains stable, with a summary of the latest credit rating results as follows:

Credit Rating Category	Credit Rating Institution	Long-term Rating	Short-term Rating	Credit Rating Outlook	Date of Credit Rating
International	S&P Global Ratings	BBB	A-2	Stable	August 28, 2023
	Fitch Ratings	BBB+	F2		January 30, 2024
Domestic	Fitch Ratings	AA-(tw)	F1+(tw)	Stable	August 28, 2023
	Taiwan Ratings	twA+	twA-1		August 28, 2023

Actively Promoting Sustainability and Transition to Net Zero

SinoPac Holdings has a long-standing commitment to environmental stewardship in Taiwan, guided by four major sustainable development missions and policies: Ethics and Decency, Wealth Building, Environmental

Sustainability, and Social Responsibility. SinoPac Holdings has been recognized for its efforts, being included in the DJSI World Index and the DJSI Emerging Markets Index for three consecutive years. SinoPac Holdings has also received the prestigious Platinum Award for The Asset ESG Corporate Awards 2023 by The Asset magazine for the fourth consecutive years, and has been in the ranking for the Excellence in Corporate Social Responsibility Top 100 by CommonWealth Magazine for four years. Additionally, SinoPac Holdings has been honored with ten major awards, including the Taiwan Top 100 Sustainable Exemplary Enterprise Award from 2023 TCSA Taiwan Corporate Sustainability Awards.

SinoPac Holdings is actively responding to the international net-zero initiative and is committed to achieving net-zero in its entire asset portfolio by 2050. After joining the Science-Based Targets initiative (SBTi) in 2022 and the Partnership for Carbon Accounting Financials (PCAF) in 2023, SinoPac Holdings declared a statement on decarbonization, announcing that it would gradually withdraw from general investment and financing business related to fuel coal mining and power generation, and that it would achieve full decarbonization of offshore financing by 2030; its various carbon reduction initiatives were recognized by the Financial Times as the 2023 Asia Pacific Climate Leaders. SinoPac Holdings is dedicated to raising climate awareness among its customers, employees, and the general public. For the past five years, SinoPac Holdings has been promoting the "SinoPac Life initiative," encouraging simple acts of green in everyday life that show love for the Earth, and Bank SinoPac's "SinoPac Financially Friendly Show Time for Carbon Reduction!" also won Most Popular Brand at the 20th National Brand Yushan Awards.

SinoPac Holdings places great importance on sustainable investment and due diligence governance. Our subsidiaries collectively received three awards at the 3rd TWSIA Taiwan Sustainable Investment Awards. SinoPac Securities has been acknowledged for its responsible investment, commitment to the transparent disclosure of relevant corporate governance information, and expanding the company's influence in promoting sustainable investment. Thus, SinoPac Securities has been awarded the Excellence Award for Institutional Influence in Securities Company. SinoPac SITC actively promotes ESG-themed investment and has introduced four ESG funds in the past four years. Therefore, SinoPac SITC has been selected for the Excellence Award for Institutional Influence in the Investment Trust Group for the third consecutive year. Additionally, SinoPac Inv. Service received the Silver Award for ESG Innovation in Institutional Influence Group for adopting PCAF methodology in its financed carbon emissions services. Both SinoPac Securities and SinoPac SITC have also been recognized for three consecutive years on Taiwan Stock Exchange's List of Companies with Better Institutional Investor Stewardship Disclosure.

Awards and Honors for the Customer-First Business Philosophy

SinoPac Holdings has achieved remarkable results in sustainable development, its commitment to innovation and integrated experiences, digital finance, wealth management, and financial transactions evident, and are demonstrated by over 230 prestigious awards, both domestically and internationally, in 2023.

Regarding innovation and integrated experience, Bank SinoPac places paramount importance on enhancing customer experiences. It has been conferred the prestigious Best Frictionless Customer Experience Initiative in Taiwan Award from The Asian Banker for its Customer 360° View, which leverages advanced AI algorithms and a comprehensive analysis of customer transaction histories to precisely predict customer preferences, setting a new benchmark in personalized banking services. In addition, the Bank's personalized recommendation project has been honored with the Analytics Initiative of the Year and the AI & Machine Learning Initiative of the Year for Taiwan by Asian Banking & Finance. Bank SinoPac's Palm Vein Authentication service has received several awards, including the Best Biometrics Project by The Asset magazine and Branch Innovation of the Year - Silver Award by Asian Banking & Finance, and its ATM interbank cardless withdrawal service was also awarded the Best Digital Collaboration Award by The Asset magazine.

Bank SinoPac's digital banking has been awarded Asiamoney's Best Bank for Digital Solutions Award, the SinoPac Donation Platform was also listed in Best Product National First Prize at the 20th National Brand Yushan Awards. Furthermore, the Bank's overseas mobile banking App, easy App, and digital payment App, DACARD App, have respectively won the Taiwan Initiative Award (Mobile App). Award and the Taiwan Mobile Banking

& Payment Initiative of the Year Award from Asian Banking & Finance. In addition, Bank SinoPac's personalized community management has been awarded Taiwan's Best Retail Social-Media Banking Experience by The Asset magazine. SinoPac Securities has been awarded Outstanding Financial Innovation Award at the 17th Golden Goblet Awards for the DAWHOTOU FinTech Financial Services Ecosystem. Additionally, DAWHOTOU App has received the Taiwan Best Digital Finance Experience Award from the International Business Magazine, and secured the top position in the Best Digital Experience Award category in the 17th Wealth Management Banks and Securities Firms Evaluation conducted by Business Today. The innovative FengTouGood service introduced by SinoPac Inv. Service, offering real-time and comprehensive market research and industry analysis, was awarded Excellence Award of SME Group in the 3rd Dingge - Digital Transformation Awards in Business Models held by Harvard Business Review Taiwan.

Bank SinoPac and SinoPac Securities have been recognized with multiple awards in the 17th Wealth Management Banks and Securities Firms Evaluation by Business Today, including first place in Bank Group - Most Innovative Trust Service Award and Best Wealth Management Securities Award, in addition, the two companies were jointly awarded Best Domestic Bank Wealth Management Team, Best Service in Securities at the 2023 Wealth Management Awards by Wealth Magazine, and Best Brokerage Customer Recommendation Gold Award at the 2023 Taiwan Financial Awards by Wealth Magazine. Bank SinoPac is actively promoting trust business and has received several prestigious awards with its innovative employee benefit trust and green financial ecosystem services, including Asiamoney's Best Digital Private Bank in Taiwan, Domestic Banks: Innovative Trust Award and Influential Trust Services Award at the 2023 Wealth Management Awards by Wealth Magazine.

In terms of financial trading, Bank SinoPac excelled in the field of foreign exchange trading, receiving four international awards. These include the renowned institution for financial information and data London Stock Exchange Group (LSEG)'s Highest Trading Volume Growth, Top 5 Trading Volume, Taiwan's Top Asian NDF Entity, and Taiwan's Top Asian NDF Trader. On the other hand, SinoPac Securities was recognized by The Asset magazine as Best ETF Market Maker - Highly Commended in Taiwan. Moreover, SinoPac Securities, SinoPac Futures, and Bank SinoPac collectively received seven awards at Taiwan Futures Exchange's 9th Futures Diamond Awards, including second place in Futures Introducing Broker Trading Volume Diamond Award, first place in Securities Firm in Trading Volume Growth, and the Trading Volume Diamond Award in Banking Industry.

2024 Outlook and Business Strategy

Looking ahead to 2024, the United States is expected to establish a downward trend in inflation, and it is anticipated that the US Federal Reserve will initiate interest rate cuts, and the economy is projected to experience a soft landing with an annual growth rate of 2.3%. The ECB will also start to reduce interest rates, and the economy is expected to grow by 0.7%. The impact of the contraction in the Chinese housing market on the economy has already passed its peak and entered a mid-to-late stage correction phase. It is expected that the government will implement fiscal expansion and use a combination of interest rate cuts and reserve requirement reductions to stabilize the economy. The projected annual growth rate is 4.7%. Interest rate cuts by central banks in Europe and the United States will help revive end-demand, and the global inventory level of consumer electronics is gradually improving, AI servers are also in high demand. This will significantly strengthen Taiwan's export momentum and restore investment confidence, semiconductor manufacturers could continue to invest in advanced processes, and allow for increase in the construction of offshore wind power and other green energy facilities, which leads to a projection of the annual growth rate to be 3.43%. Addressing climate change is a pressing matter that necessitates global collaboration between governments and businesses to prioritize ESG sustainability, facilitating the social goals of achieving net-zero emissions and transitioning to clean energy.

In 2024, SinoPac Holdings will continue to drive its medium and long-term strategies. Regarding the acceleration of digital transformation, SinoPac Holdings will focus on two main areas: digital customer acquisition and management, to further deep dive into data analysis to continuously enhance customer satisfaction. Additionally, in line with regulatory relaxations, SinoPac Holdings will further adopt AI and cloud applications to keep improving operational efficiency. To boost overseas revenues and expand international presence, SinoPac Holdings will actively pursue cross-border opportunities for both corporate and high-net-worth clients, while also steadily developing its local retail customer base. In order to provide integrated services and optimize customer

experience, SinoPac Holdings will uphold the One SinoPac spirit and continue to improve the online and offline account opening processes across its subsidiaries. SinoPac Holdings will also track customer feedback to foster deeper engagement. Regarding the exploration of green opportunities and fulfilling sustainability commitments, SinoPac Holdings will support the government's sustainable finance policies, develop green energy and ecological financial services, maintain Bank SinoPac's and SinoPac Securities' leadership in solar energy financing and green industries underwriting, respectively, and leverage innovative thinking and various financial tools to assist our corporate clients in achieving net-zero transformation.

Reflecting on the past 75 years, SinoPac Holdings has made significant progress since its inception as a mutual loans and savings company. In tandem with Taiwan's economic growth, SinoPac Holdings has evolved alongside its customers, shifting from traditional physical branches to a seamless blend of virtual and on-site services, expanding from local to global markets, yet maintaining an unwavering dedication to foster excellence and happiness in collaboration with customers. In the future, SinoPac Holdings will continue to uphold and renovate its corporate vision of "Together, a better life." The Board of Directors, management team, and the entire body of employees are committed to fulfilling our duty of enhancing shareholder value and meeting the trust of all shareholders.

Chairman: Shi-Kuan Chen

President: Stanley Chu

Chief Accountant: Hsiang-Yuan Chang

Attachment 2

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

The Board of Directors has submitted the company's 2023 consolidated financial statements audited by Yi-Chun Wu and Jr-Shian Ke, the Certificated Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to Audit Committee. After reviewing the abovementioned statements and reports, the Audit Committee has found them to meet the requirements of applicable laws and regulations. The Statements were thus approved by all members of the Audit Committee. Therefore, this Report is hereby prepared according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and submitted for your approval.

To
2024 Annual General Meeting of the Shareholders

SINOPAC FINANCIAL HOLDINGS CO., Ltd.
Audit Committee
Convener Wen-ling MA
April 26, 2024

SinoPac Financial Holdings Company Limited

The main focus of the Audit Committee in 2023 and Communications between the Audit Committee, Internal Auditing Officers and CPAs

The Audit Committee held a total of 9 meetings in 2023, with an average actual attendance rate of 100%, and the key focus areas for the year being as listed:

- Examine various documents prepared by the Board of Directors and submitted to the General Shareholders' Meeting (e.g., business report, financial statement, and earning distribution plan), and issue Audit Committee's review reports in accordance with relevant laws and regulations.
- Review the mid-term and annual financial reports.
- Review and deliberate on the appointment and remuneration of CPAs. The Company engages certified public accountants on an annual basis and assesses their independence and qualifications based on the Audit Quality Indicators (AQIs), which include five dimensions of professionalism, quality control, independence, supervision, and innovation, as well as thirteen AQI indicators.
- Reviewing the internal audit plan.
- Review the Internal Control System Statement.
- Review amendments to the Company's rules and regulations regarding the internal control system.
- Review of donations to related parties.
- Review audit reports submitted by the Audit Division, reports on the implementation of the legal compliance system submitted by the Legal & Compliance Department, reports on potential risks and management submitted by the Risk Management Division, and other special case reports.

Communication between Independent Directors, Internal Auditing Officers, and CPAs

- (1) The internal audit officer shall present the audit report to the Audit Committee each quarter. In the first quarter of every year, the officer shall present the internal control efficacy evaluation for the previous year (submit the internal control statement) and present the audit items individually to the Audit Committee. At the end of each year, the officer shall present the annual audit plan individually and convene a meeting if necessary.
- (2) The Audit Committee shall meet with the CPAs at least six times each year. In addition to the audit reports (annual report, semiannual report), review report (quarterly report), and matters of advice, the meetings shall fully communicate significant accounting estimates and selection or changes in accounting principles and internal control audits in order stay fully apprised of the Company's financial situation. The audit strategy and focuses shall be communicated to the CPAs individually before the reporting of the audit plan and opinions in the second and fourth quarters, in order to supervise the formulation of the Company's financial statements. This is done to effectively oversee

the preparation of the Company's financial statements. From 2022 onwards, the Company's interim financial statements shall first be approved by the Audit Committee before they are discussed and approved by the Board of Directors.

(3) Communication between Independent Directors and Internal Audit Officers

Audit Committee Meeting Date	Meeting Term	Agenda	Key Communication Points	Result
2023/3/6	2nd meeting of the 3rd Audit Committee in 2023	Audit Report of SinoPac Holdings	The internal audit officer presented the audit report.	Permitted and submitted to the Board of Directors.
		The Statement of Internal Control of SinoPac Holdings for 2022.	The internal audit officer presented the report on implementation of the internal control systems in 2022.	Approved and submitted to the Board of Directors for deliberation.
2023/4/17	3rd meeting of the 3rd Audit Committee in 2023	Proposal of improvements to be made in accordance with key inspection observations by the Financial Supervisory Commission on the Company's operations in 2022.	The internal audit officer reported implementation of improvements made in accordance with inspection items in the review of the Company's operations by the Examination Bureau.	Managers were requested to consider all Independent Director opinions and handle the proposal appropriately before submitting to the Board of Directors for resolution.
2023/5/15	4th meeting of the 3rd Audit Committee in 2023	Audit Report of SinoPac Holdings	The internal audit officer presented the audit report.	Acknowledged and submitted to the Board of Directors.
2023/8/18	2nd meeting of the 4th Audit Committee in 2023	Audit Report of SinoPac Holdings	The internal audit officer presented the audit report.	Acknowledged and submitted to the Board of Directors.
2023/12/15	5th meeting of the 4th Audit Committee in 2023	Audit Report of SinoPac Holdings	The internal audit officer presented the audit report.	Acknowledged and subsequently reported to the Board of Directors.
		2024 Internal audit plan of SinoPac Holdings.	The internal audit officer presented the internal audit plan of SinoPac Holdings for 2024 to the Audit Committee respectively. The audit items were adjusted in accordance with the financial inspection priorities in 2024, as announced by the relevant authorities.	Approved and submitted to the Board of Directors for deliberation.

(4) Summary of communication between independent directors and CPAs

Audit Committee Meeting Date	Meeting Term	Agenda	Key Communication Points	Results
2023/3/6	2nd meeting of the 3rd Audit Committee in 2023	The 2022 Annual Consolidated Financial Report of	The CPAs presented the audit report and opinions on the consolidated	Approved and submitted to the Board of

Audit Committee Meeting Date	Meeting Term	Agenda	Key Communication Points	Results
		SinoPac Holdings and its Subsidiaries, and SinoPac Holdings' 2022 Annual Business Report.	financial statements and business report.	Directors for deliberation.
		2022 Surplus Distribution Proposal of SinoPac Holdings.	The CPAs were present for queries.	Approved and submitted to the Board of Directors for deliberation.
		Appointment and compensation of CPAs in 2023 for SinoPac Holdings and its Subsidiaries.	The CPAs presented AQI Report.	Approved and submitted to the Board of Directors for deliberation.
2023/5/15	4th meeting of the 3rd Audit Committee in 2023	The consolidated financial statements of SinoPac Holdings and its subsidiaries for Q1 2023.	The CPAs presented the review results of the consolidated financial report for Q1 2023.	Approved and submitted to the Board of Directors for deliberation.
2023/6/16	1st meeting of the 4th Audit Committee in 2023	CPAs' opinions on financial statements and internal controls were reported to the Audit Committee respectively.	The CPAs reported the audit plan for the Q2 2023 financial report and proposed their opinions on financial statements and internal controls.	Acknowledged.
2023/8/18	2nd meeting of the 4th Audit Committee in 2023	The consolidated financial statements of SinoPac Holdings and its subsidiaries for Q2 2023.	The CPAs presented the audit report and opinions on the consolidated financial statements and business report.	Approved and submitted to the Board of Directors for deliberation.
2023/11/21	4th meeting of the 4th Audit Committee in 2023	The consolidated financial statements of SinoPac Holdings and its subsidiaries for 2023 Q3.	The CPAs presented the review results of the consolidated financial report for Q3 2023.	Approved and submitted to the Board of Directors for deliberation.
2023/12/15	5th meeting of the 4th Audit Committee in 2023	CPAs' opinions on financial statements and internal controls were reported to the Audit Committee respectively.	The CPAs presented the audit plan for the 2023 financial statements of SinoPac Holdings, as well as recommendations on Quality Management for Firms of Deloitte & Touche, as well as Disclosure Requirements under IFRS S1/S2, IESBA Standards, and Internal Control.	Acknowledged.

Remuneration and Compensation to Directors in 2023

The Company and all consolidated entities' total amount of remuneration paid to the Company's directors, and the analysis of the proportion of the after-tax net profit of only the parent company's financial statements in 2023 are as follows:

1. In 2023, the total remuneration paid by the Company to Directors (excluding remuneration to those who serve as employees) was NT\$67,019 thousand and accounted for 0.34% of the net profit after tax of the Company. The remuneration (excluding remuneration to those who serve as employees) paid by companies in the consolidated financial statements (including SinoPac Holdings) was NT\$128,094 thousand and accounted for 0.65% of the net profit after tax of all companies.
2. The Company's remuneration for Directors includes transportation and attendance allowances and remuneration.
 - (1) The payments for transportation and attendance allowances shall be processed in accordance with the "Payment Guidelines for Transportation and Attendance Allowances for Directors, Supervisors, and Consultants" adopted by the Board of Directors. If the independent directors of the Company concurrently act as the members of the Audit Committee, Remuneration Committee or Ethical Corporate Management Committee, attendance allowances will be paid in accordance with the respective committee charters, and no additional transportation allowance will be paid. The attendance allowances per attendance at the committee meetings shall be defined in the committee charters based on the independent directors' powers, risks, and time spent.
 - (2) Article 36 of the Company's "Articles of Incorporation" provides that "In the event the Company makes a profit during the fiscal year it shall set aside no less than 0.01% of the profits for employee remuneration. The remuneration for Directors shall be no higher than 1%. However, the Company's accumulated losses shall have been covered. This Company shall distribute director compensation in cash. Employees compensation may be distributed in cash or in the form of shares. Employees eligible for compensation include employees of the Company and subsidiaries who meet the criteria set forth by the board of directors. The distribution ratio of compensation of directors and the distribution form and ratio of employees' compensation shall be approved by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting. When calculating employee and director remuneration, the profits of the current year (profits before tax deducted by pre-tax interest for distribution of remuneration to employees and directors) shall be deducted by accumulated deficit before calculating employee and director remuneration. The Articles of Incorporation have established the distribution standards and procedures for director remuneration and they link director remuneration to the Company's profitability and performance. The rate and amount of directors' remuneration for the current year would be based on the performance of directors, the financial and operational performance of the company, the implementation of corporate governance and ESG, and the reasonableness of the correlation of future risks, considering the industry standard with the peers, and should be considered and approved by the Compensation Committee and the Board of Directors and reported to the shareholders' meeting.
 - (3) The remuneration for the Chairman of the Board shall be determined by the Remuneration Committee and the Board of Directors in accordance with prevailing rates of the industry.

- (4) Director remuneration of the Company shall be distributed in accordance with prevailing rates of the industry based on individual participation and contribution to the Company's operations, the Company's overall operations and forecast, and risk factors that have already occurred.
- (5) The "Regulations Governing the Evaluation of the Performance of the Board of Directors" were established by the Company on June 22, 2018 to evaluate the performance of the Board of Directors every year. The results of individual Directors' performance evaluation will be used as the basis for determining their individual remuneration.
- (6) According to Article 5 of SinoPac Holdings' Rules Governing the Scope of Powers of Independent Directors, "The remuneration, compensation and service fees of the independent directors of the Company shall be collected in accordance with Articles 28-1 and 36 of the Company's Articles of Incorporation and the "Payment Guidelines for Transportation and Attendance Allowances for Directors, Supervisors, and Consultants," and may be different from those paid to regular directors as appropriate." As independent directors have more powers, risks and time spent than regular directors, independent directors shall be entitled to reasonable annual remunerations, in addition to attendance allowances for functional committee meetings, in the case of low profitability. In addition to supervising and giving independent opinions, independent directors are expected to provide strategic guidance and improve business performance together with other Board members. In case of high profitability, independent directors' remuneration link to their performance as regular directors. Over the past two years, SinoPac Holdings posted high profitability and did not define separate standards for independent directors' remunerations. Independent directors received the same remunerations as regular directors.

Remuneration and Compensation to Directors

Unit: NT\$ thousand

Position	Name	Remuneration				The Aggregate of A, B, C, B, C, and D and The Aggregate of A, B, C, and D as Percentage of Net Income (Note 3)				Relevant Remuneration Received by Who are also Employees				The Aggregate of A, B, C, D, E, F, and G and The Aggregate of A, B, C, D, E, F, and G as Percentage of Net Income (Note 3)		Any Other Compensation from Other Investees or Parent Company					
		Base Compensation (A)		Retirement and Resignation (B)		Directors' Compensation (C) (Note 2)		Business-conducting Expenses (D)		Salaries, Bonuses and Special Allowances (E)	Retirement and Resignation (F)		Employees' Compensation (G)		The Company		All Consolidated Entities				
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities		The Company	Cash Dividends	Stock Dividends	The Company				All Consolidated Entities			
Director	8th Board of Directors (Note 1)																				
	Chairman	Hsinex International Corp./ Shi-kuan CHEN																			
	Director	Hsinex International Corp./ Stanley CHU																			
	Director	Xing Yuan Co., Ltd./ Chi-hsing YEH																			
	Director	Xing Yuan Co., Ltd./ Wei-thyr TSAO	16,967	47,164	0	0	28,800	52,000	4,500 (Including vehicle and gas 923)	9,251 (Including vehicle and gas 2,742)	50,267 / 0.25%	108,415 / 0.55%	43,373	43,459	108	108	0	0	93,748 / 0.47%	151,982 / 0.77%	None
Independent Director	7th Board of Directors																				
	Chairman	Hsinex International Corp./ Shi-kuan CHEN																			
	Director	Hsinex International Corp./ Stanley CHU																			
	Director	Xing Yuan Co., Ltd./ Chi-hsing YEH																			
	Director	Xing Yuan Co., Ltd./ Wei-thyr TSAO																			
Independent Director	8th Board of Directors (Note 1)																				
	Independent Director	Huey-jen SU																			
	Independent Director	Wen-ling MA																			
	Independent Director	Wei-ta PAN	0	0	0	0	14,400	16,800	2,352	2,879	16,752 / 0.08%	19,679 / 0.1%	0	0	0	0	0	0	16,752 / 0.08%	19,679 / 0.1%	None

Director Independent Director																				
	Wei-ta PAN																			

Remuneration Range Table

Bracket	Name of Directors											
	The Aggregate of A, B, C, and D			The Aggregate of A, B, C, D, E, F and G			The Company (Note 5)		The Company (Note 5)		The Company (Note 5)	
	The Company (Note 5)	All Consolidated Entities (Note 6) H	All Consolidated Entities (Note 6) I	The Company (Note 5)	All Consolidated Entities (Note 6) H	All Consolidated Entities (Note 6) I	The Company (Note 5)	All Consolidated Entities (Note 6) H	All Consolidated Entities (Note 6) I	The Company (Note 5)	All Consolidated Entities (Note 6) H	All Consolidated Entities (Note 6) I
Under NT\$1,000,000	Stanley CHU、Chi-hsing YEH、Wei-thyr TSAO	Chi-hsing YEH	Chi-hsing YEH	Chi-hsing YEH、Wei-thyr TSAO	Chi-hsing YEH	Chi-hsing YEH	Chi-hsing YEH、Wei-thyr TSAO	Chi-hsing YEH	Chi-hsing YEH	Chi-hsing YEH	Chi-hsing YEH	Chi-hsing YEH
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)												
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	James J. SHEU、Huey-jen SU、Wen-ling MA	James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	James J. SHEU、Huey-jen SU、Wen-ling MA	James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	Chi SCHIVE、James J. SHEU、Huey-jen SU、Wen-ling MA	James J. SHEU、Huey-jen SU、Wen-ling MA
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)												
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Xing Yuan Co., Ltd、Wei-ta PAN	Stanley CHU、Xing Yuan Co., Ltd、Chi SCHIVE、Wei-ta PAN	Stanley CHU、Xing Yuan Co., Ltd、Chi SCHIVE、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Stanley CHU、Xing Yuan Co., Ltd、Chi SCHIVE、Wei-ta PAN	Stanley CHU、Xing Yuan Co., Ltd、Chi SCHIVE、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Xing Yuan Co., Ltd、Wei-ta PAN	Xing Yuan Co., Ltd、Chi SCHIVE、Wei-ta PAN
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)												
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.	Shi-kuan CHEN、Hsinex International Corp.
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)												
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)												
Over NT\$100,000,000												
Total	11	11	11	11	11	11	11	11	11	11	11	11

Note 1: The term of office for the 8th Board of Directors is from May 24, 2023 to May 23, 2026.

Note 2: Refer to the amount of compensation to be distributed to directors as approved by the Board of Directors in the most recent year.

Note 3: Net income means after-tax income in 2023.

Note 4: A total of NT\$4147 thousand in wages were paid to directors.

Note 5: The name of directors to whom the total remuneration is paid by SinoPac Holdings shall be disclosed in the corresponding remuneration range.

Note 6: The name of directors to whom the total remuneration is paid by all the consolidated entities (including SinoPac Holdings) listed in the consolidated financial statements shall be disclosed in the corresponding remuneration range.

Note 7: The remuneration disclosed in the Remuneration Range Table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

SinoPac Financial Holdings Company Limited
Guidelines for Ethical Corporate Management
Comparison table of amendments

Chapter/ Article	Amended Version	Current Version	Description
Article 21	<p>Accounting and internal control</p> <p>The Company and its subsidiaries shall establish effective accounting systems and internal control systems, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and implementation of the systems are showing results.</p> <p>The internal audit unit of the company and its subsidiaries shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p><u>The results of examination in the preceding paragraph shall be reported to senior</u></p>	<p>Accounting and internal control</p> <p>The Company and its subsidiaries shall establish effective accounting systems and internal control systems, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and implementation of the systems are showing results.</p> <p>The internal audit unit of the company and its subsidiaries shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p><u>The results of examination in the preceding paragraph shall be reported to the ethical</u></p>	<p>According to Paragraph 3 of Article 20 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," the Company amended Paragraph 3 of this article "The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors."</p>

Chapter/ Article	Amended Version	Current Version	Description
	<u>management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</u>	<u>management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</u>	

SinoPac Financial Holdings Company Limited
Guidelines for Ethical Corporate Management

Enacted Unit: Legal & Compliance Division

Approved Level: Board of Directors

Article 1 Purpose of adoption

Pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" jointly stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange, these Guidelines are adopted for the purpose of fostering a corporate culture of ethical management and sound development.

Article 2 Definition of terms

The term "Subsidiaries" as used in these Guidelines refers to companies in which more than 50 percent of the shares are directly or indirectly held by the Company or those over which the Company holds substantive control.

The term "Interested Parties" as used in these Guidelines refers to internal and external individuals or groups that generate influence on the Company and its subsidiaries or are subject to influence of the Company and its subsidiaries, including shareholders, investors, clients, employees, government and competent authorities, media, social communities, non-profit or non-governmental organizations, and suppliers.

Article 3 Prohibition of unethical conduct

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company and its subsidiaries or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors,

managers, employees or substantial controllers or other stakeholders.

Article 4 Type of benefits

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 5 Compliance of laws or regulations

The Company and its subsidiaries shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 6 Policies

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 7 Prevention programs

The Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "Prevention Programs"), including operational procedures, guidelines, and training.

The aforementioned prevention programs that have been established shall be in line with relevant laws and regulations of the territory where the Company and its subsidiaries are operating.

Article 8 Scope of prevention programs

The company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their

adequacy and effectiveness on a regular basis.

It is advisable for the company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests of consumers in the course of research and development, advertisement, sale, performance of contracts, and provision of services and consultancy for products and services.

Article 9 Commitment and implementation

The Company and its subsidiaries shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall make disclosure of the ethical management policy on the Company's website or in its annual report. The Board of Directors and the senior management shall commit to the rigorous implementation of the ethical corporate management policies, and shall realistically carry out the policies in internal management and in external commercial activities.

The Company and its subsidiaries shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 10 Ethical management and commercial activities

The Company and its subsidiaries shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

The Company and its subsidiaries shall, before engaging in commercial

activities with another party, give consideration to the legality and reputation of the business counterparty. It is advisable not to engage in transactions with parties having a record of engaging in unethical conducts, and to include the terms of ethical conduct into the contract signed with other parties.

Article 11 Prohibited of request or accepting improper benefits

When conducting business, the Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 12 Prohibited provision of illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its subsidiaries shall comply with the Political Donations Act and their own relevant internal operational procedures, and may not make such donations in exchange for commercial gains or business advantages.

Article 13 Prohibited improper charitable donations or sponsorship

When making or offering donations and sponsorship, the Company and its subsidiaries shall comply with relevant laws and regulations and internal operational procedures, and may not surreptitiously engage in bribery.

Article 14 Prohibited improper benefits

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 15 Prohibited infringement of intellectual property rights

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, their internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual

property rights holder.

Article 16 Prohibited engagement in unfair competitive practices.

The Company and its subsidiaries shall engage in operations pursuant to competition-related laws and regulations.

Article 17 Prevention of products or services from damaging interested parties

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and their internal standards while exercising business, in order to avoid the damage to the rights and interests of clients and other interested parties,

Article 18 Organization and responsibilities

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and avail itself of adequate resources and staff itself with competent personnel, responsible for supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis(at least once a year):

1. Assisting in incorporating ethics and moral values into the Company's business strategy and deliberating appropriate prevention measures and supervision/check-and-balance mechanism against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Supervising the managerial departments analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's

operations and business. Deliberating programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the deliberation task.

3. Supervising over the planning of the internal organization, structure, and allocation of responsibilities made by managerial departments and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Supervising over the promotion and coordination of awareness and educational activities with respect to ethical management policies.
5. Establishing a whistle-blowing system and supervising over the effectiveness of implementation thereof.
6. Assisting the Board of Directors in supervising management over auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 19 Compliance with laws and regulations

The Company and its subsidiaries and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 20 Prevention of conflicts of interest

The Company and its subsidiaries shall adopt standards for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other interested parties attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the companies, the concerned person may not participate in discussion of or voting on the

proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company and its subsidiaries shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 21 Accounting and internal control

The Company and its subsidiaries shall establish effective accounting systems and internal control systems, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and implementation of the systems are showing results.

The internal audit unit of the company and its subsidiaries shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 22 Operating procedures and conduct guidelines

The Companies shall establish operational procedures and conduct guidelines in accordance with Article 7 hereof to guide directors, supervisors, managers, employees, and substantial controllers of the Company and its subsidiaries on how to conduct business. The procedures and guidelines shall contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or

sponsorship.

4. Rules for avoiding work-related conflicts of interest and how they shall be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Guidelines.
8. Disciplinary measures on offenders.

Article 23 Training and appraisal

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company and its subsidiaries, and all business units in charge shall communicate to the companies' commercial transaction counterparties so they can fully understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company and its subsidiaries shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 24 Whistle-blowing system

The Company and its subsidiaries shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following matters:

1. An independent mailbox or hotline either established and publicly announced or provided by an independent external institution, to allow companies' insiders and outsiders to submit reports.
2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or manager shall be reported to the independent directors or senior supervisors. Categories of reported

misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.

3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation and preservation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

The company and its subsidiaries shall accept the case while anonymous whistle blower offer the specific and clear content, with information or directions for verification, and the investigation is deemed necessary.

When a material misconduct or likelihood of material impairment to the Company and its subsidiaries comes to the awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 25 Disciplinary and grievance system

The Company and its subsidiaries shall adopt and publish a well-defined disciplinary and grievance system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 26 Information disclosure

The Company shall continuously promote ethical management policy, and disclose the measures taken for implementing ethical corporate management and the status of implementation on its Company website, and in annual reports and prospectuses, and shall disclose the Guidelines for Ethical Corporate Management on the Market Observation Post System.

Article 27 Review and amendment of ethical corporate management policies and

measures

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 28 Enforcement

These Guidelines, and any amendments thereto, shall enter into force through announcement after they have been adopted by the Board of Directors, and submitted to a shareholders' meeting.

When these Guidelines for Ethical Corporate Management are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the Board meeting in person to express objection or reservations shall provide a written opinion before the Board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

The first meeting of the sixth term of the board in 2018 adopted the rule on February 2, 2018.

The third meeting of the sixth term of the board in 2018 amended the rule on March 23, 2018.

The sixth meeting of the seventh term of the board in 2020 amended the rule on September 25, 2020.

The fourth meeting of the eighth term of the board in 2024 amended the rule on March 22, 2024.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SinoPac Financial Holdings Company Limited

Opinion

We have audited the accompanying consolidated financial statements of SinoPac Financial Holdings Company Limited and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the competent authority, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Estimated Impairment of Discounts and Loans

The management assesses, estimates and recognizes impairment of discounts and loans collectively at the higher amount determined according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans ("the Procedures") endorsed by the Financial Supervisory Commission (FSC) and according to International Financial Reporting Standard 9 Financial Instruments ("IFRS 9"). According to the Procedures, the management estimates the impairment of discounts and loans based on the overdue loans classified by loan term and the situation of pledged collateral. According to IFRS 9, impairment of discounts and loans is estimated based on assumptions of probability of default and loss given default based on historical experience, current market situation and forward-looking information. Assessment of evidence of probable default and credit impairment, whether the credit risk has increased significantly since the original recognition (including the adoption of forward-looking factors), and the assessment of the methodology and assumptions used for estimating impairment and the estimation of the amount and timing of future cash flows require critical judgments and estimates. The estimated provision for impairment of discounts and loans calculated according to either the Procedures or IFRS 9 has a significant impact on the consolidated financial statements. Therefore, the estimation of impairment of discounts and loans is identified as a key audit matter for the year ended December 31, 2023.

Refer to Notes 4, 5 and 49(c) to the accompanying consolidated financial statements for the relevant accounting policies, judgments for estimations, estimation uncertainty and other related disclosures of the estimated impairment of discounts and loans.

Our key audit procedures performed with respect to the above area included the following:

We understood and assessed management's impairment assessment practices, accounting policies and related internal control procedures for discounts and loans and evaluated whether the classification of loan assets complied with the Procedures. In addition, we evaluated whether overdue loans, situation of pledged collateral, and the provision for impairment of discounts and loans complied with the related regulations issued by the authorities. We also evaluated whether the methodology, assumptions and inputs used in the impairment assessment conform to the IFRS 9 impairment model and appropriately reflected the actual outcome. We tested samples of discounts and loans to verify their rationality.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2024

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS, NET (Notes 4, 6 and 45)	\$ 30,644,456	1	\$ 66,231,664	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET (Notes 7 and 45)	184,050,320	7	281,921,054	11
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 14 and 45)	149,883,920	5	91,643,856	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 45 and 46)	374,874,958	14	336,138,847	13
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 46)	303,546,679	11	225,460,151	9
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 45)	77,919,383	3	67,873,919	3
RECEIVABLES, NET (Notes 4, 12 and 45)	128,573,076	5	90,209,758	3
CURRENT INCOME TAX ASSETS (Notes 4, 33 and 45)	269,417	-	125,953	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 13, 45 and 46)	1,423,468,362	51	1,328,702,915	51
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 15)	1,016,351	-	1,011,812	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 16, 45 and 46)	44,463,965	2	45,018,164	2
INVESTMENT PROPERTY, NET (Notes 4, 17, 45 and 46)	2,267,321	-	2,390,819	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 18, 45 and 46)	13,248,648	-	13,287,583	-
RIGHT-OF-USE ASSETS, NET (Notes 4, 19, 45 and 46)	3,720,343	-	3,646,832	-
INTANGIBLE ASSETS, NET (Notes 4, 20 and 45)	2,442,924	-	2,310,197	-
DEFERRED INCOME TAX ASSETS (Notes 4 and 33)	2,404,567	-	2,014,238	-
OTHER ASSETS, NET (Notes 4, 21 and 45)	28,558,041	1	30,775,495	1
TOTAL	\$ 2,771,352,731	100	\$ 2,588,763,257	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 22 and 45)	\$ 115,708,086	4	\$ 72,477,217	3
DUE TO THE CENTRAL BANK AND BANKS	2,760,676	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 45)	76,270,123	3	59,764,822	2
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10, 11, 23 and 45)	68,718,702	2	59,923,315	2
COMMERCIAL PAPERS ISSUED, NET (Notes 24 and 45)	54,048,045	2	19,102,966	1
PAYABLES (Notes 4, 25, 30, 41 and 45)	60,041,643	2	50,521,956	2
CURRENT INCOME TAX LIABILITIES (Notes 4, 33 and 45)	1,973,105	-	1,479,084	-
DEPOSITS AND REMITTANCES (Notes 26 and 45)	2,018,978,249	73	2,000,528,731	77
BONDS PAYABLE (Notes 4, 27 and 45)	71,827,113	3	71,242,261	3
SHORT-TERM BORROWINGS (Notes 28, 45 and 46)	7,886,511	-	3,864,926	-
LONG-TERM BORROWINGS (Notes 28, 45 and 46)	122,000	-	2,480,712	-
PREFERRED STOCK LIABILITIES (Notes 4 and 34)	18,437	-	18,437	-
PROVISIONS (Notes 4, 29 and 30)	3,409,253	-	3,099,728	-
OTHER FINANCIAL LIABILITIES (Notes 4, 31 and 45)	79,418,632	3	69,764,427	3
LEASE LIABILITIES (Notes 4, 19 and 45)	3,243,653	-	3,132,839	-
DEFERRED INCOME TAX LIABILITIES (Notes 4 and 33)	1,627,403	-	1,668,845	-
OTHER LIABILITIES (Notes 4, 32 and 45)	16,965,144	1	15,674,254	1
Total liabilities	2,583,016,775	93	2,434,744,520	94
EQUITY				
Capital stock				
Common stock	123,764,399	5	113,837,646	4
Capital surplus	6,129,361	-	2,228,781	-
Retained earnings				
Legal reserve	23,751,851	1	22,112,855	1
Special reserve	14,684,030	-	483,818	-
Unappropriated earnings	25,164,031	1	29,555,849	1
Total retained earnings	63,599,912	2	52,152,522	2
Other equity	(5,157,716)	-	(14,200,212)	-
Total equity	188,335,956	7	154,018,737	6
TOTAL	\$ 2,771,352,731	100	\$ 2,588,763,257	100

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME	\$ 75,530,795	140	\$ 47,358,582	100	59
INTEREST EXPENSES	<u>(51,087,165)</u>	<u>(95)</u>	<u>(20,455,158)</u>	<u>(43)</u>	150
NET INTEREST REVENUE (Notes 4, 35 and 45)	<u>24,443,630</u>	<u>45</u>	<u>26,903,424</u>	<u>57</u>	(9)
NET REVENUES OTHER THAN INTEREST (Note 4)					
Service fee and commissions income, net (Notes 36 and 45)	14,750,479	28	13,878,860	29	6
Gains on financial assets and liabilities at fair value through profit or loss, net (Notes 37 and 45)	10,279,866	19	1,481,963	3	594
Gains on investment property	50,096	-	-	-	-
Realized gains on financial assets at fair value through other comprehensive income (Notes 38 and 45)	1,527,710	3	1,268,186	3	20
Gains (losses) arising from derecognition of financial assets measured at amortized cost	51,591	-	(83,790)	-	162
Foreign exchange gains	1,717,933	3	2,635,522	6	(35)
Reversal of impairment loss (impairment loss) on assets (Notes 9, 10, 16, 21 and 39)	45,754	-	(16,228)	-	382
Share of profit of associates for using equity method (Note 15)	131,295	-	215,053	-	(39)
Net other revenue other than interest income (Notes 40 and 45)	<u>902,658</u>	<u>2</u>	<u>962,766</u>	<u>2</u>	(6)
Net revenues other than interest	<u>29,457,382</u>	<u>55</u>	<u>20,342,332</u>	<u>43</u>	45
NET REVENUE	<u>53,901,012</u>	<u>100</u>	<u>47,245,756</u>	<u>100</u>	14
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 6, 7, 12, 13, 16 and 29)	<u>(2,304,219)</u>	<u>(4)</u>	<u>(2,444,392)</u>	<u>(5)</u>	(6)

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses (Notes 4, 30, 41 and 45)	\$ (18,013,266)	(33)	\$ (15,819,509)	(34)	14
Depreciation and amortization expense (Notes 4, 17, 18, 19, 20 and 42)	(2,386,354)	(5)	(2,307,168)	(5)	3
Other general and administrative expenses (Notes 43 and 45)	<u>(8,126,279)</u>	<u>(15)</u>	<u>(7,269,972)</u>	<u>(15)</u>	12
Total operating expenses	<u>(28,525,899)</u>	<u>(53)</u>	<u>(25,396,649)</u>	<u>(54)</u>	12
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	23,070,894	43	19,404,715	41	19
INCOME TAX EXPENSE (Notes 4 and 33)	<u>(3,306,504)</u>	<u>(6)</u>	<u>(3,443,715)</u>	<u>(7)</u>	(4)
NET INCOME	<u>19,764,390</u>	<u>37</u>	<u>15,961,000</u>	<u>34</u>	24
OTHER COMPREHENSIVE INCOME (Note 4)					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plans (Note 30)	(566,535)	(1)	510,950	1	(211)
Change in fair value of financial liability attributable to change in credit risk of liability (Note 34)	4,374	-	39,237	-	(89)
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income (Note 34)	7,510,700	14	(4,217,479)	(9)	278
Income tax related to items that will not be reclassified to profit or loss (Notes 33 and 34)	<u>103,173</u>	<u>-</u>	<u>(98,341)</u>	<u>-</u>	205
Items that will not be reclassified to profit or loss	<u>7,051,712</u>	<u>13</u>	<u>(3,765,633)</u>	<u>(8)</u>	287

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations (Note 34)	\$ (232,249)	(1)	\$ 881,463	2	(126)
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 34)	3,605,164	7	(12,720,706)	(27)	128
Share of other comprehensive loss of associates accounted for using equity method (Notes 15 and 34)	(777)	-	(10,104)	-	(92)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 33 and 34)	<u>8,658</u>	<u>-</u>	<u>(114,309)</u>	<u>(1)</u>	108
Items that will be reclassified to profit or loss	<u>3,380,796</u>	<u>6</u>	<u>(11,963,656)</u>	<u>(26)</u>	128
Other comprehensive income	<u>10,432,508</u>	<u>19</u>	<u>(15,729,289)</u>	<u>(34)</u>	166
TOTAL COMPREHENSIVE INCOME	<u>\$ 30,196,898</u>	<u>56</u>	<u>\$ 231,711</u>	<u>-</u>	12,932
EARNINGS PER SHARE (Note 44)					
Basic	<u>\$ 1.62</u>		<u>\$ 1.37</u>		
Diluted	<u>\$ 1.62</u>		<u>\$ 1.37</u>		

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	Capital Stock (Note 34)		Capital Surplus (Notes 4 and 34)		Retained Earnings (Notes 9 and 34)		Total Retained Earnings		Exchange Differences on Translation of Foreign Operations	Other Equity (Notes 4, 9 and 34)		Total
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Change in Fair Value of Liability Attributable to Change in Credit Risk of Liability				
BALANCE AT JANUARY 1, 2022	\$ 112,710,541	-	\$ 2,228,764	\$ 483,818	\$ 25,033,001	\$ 45,906,514	\$ (1,891,151)	\$ 3,935,066	\$ (85,882)	\$ 1,958,033	\$ 162,803,852	
Appropriation and distribution of retained earnings generated in 2021	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	1,723,160	-	(1,723,160)	-	-	-	-	-	-	
Cash dividends - common stock	-	-	-	-	(9,016,843)	(9,016,843)	-	-	-	-	(9,016,843)	
Stock dividends - common stock	1,127,105	-	-	-	(1,127,105)	(1,127,105)	-	-	-	-	-	
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-	-	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	17	-	-	17	-	-	-	-	17	
Net income for the year ended December 31, 2022	-	-	-	-	15,961,000	15,961,000	-	-	-	-	15,961,000	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	408,760	408,760	700,282	(16,877,568)	39,237	(16,138,049)	(15,729,289)	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	16,369,760	16,369,760	700,282	(16,877,568)	39,237	(16,138,049)	231,711	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	20,196	20,196	-	(20,196)	-	(20,196)	-	
BALANCE AT DECEMBER 31, 2022	113,837,646	-	2,228,781	483,818	29,555,849	52,152,522	(1,190,869)	(12,962,698)	(46,645)	(14,200,212)	154,018,737	
Appropriation and distribution of retained earnings generated in 2022	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	1,638,996	-	(1,638,996)	-	-	-	-	-	-	
Special reserve	-	-	-	14,200,212	(14,200,212)	-	-	-	-	-	-	
Cash dividends - common stock	-	-	-	-	(7,280,259)	(7,280,259)	-	-	-	-	(7,280,259)	
Stock dividends - common stock	2,426,753	-	-	-	(2,426,753)	(2,426,753)	-	-	-	-	-	
Net income for the year ended December 31, 2023	-	-	-	-	19,764,390	19,764,390	-	-	-	-	19,764,390	
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(453,228)	(453,228)	(185,088)	11,066,450	4,374	10,885,736	10,432,508	
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	19,311,162	19,311,162	(185,088)	11,066,450	4,374	10,885,736	30,196,898	
Issuance of common stock for cash	7,500,000	-	3,750,000	-	-	-	-	-	-	-	11,250,000	
Share-based payments	-	-	-	-	-	-	-	-	-	-	150,580	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,843,240	1,843,240	-	(1,843,240)	-	(1,843,240)	-	
BALANCE AT DECEMBER 31, 2023	\$ 123,764,399	-	\$ 6,129,361	\$ 14,684,030	\$ 25,164,031	\$ 63,599,912	\$ (1,375,957)	\$ (3,739,488)	\$ (42,271)	\$ (51,577,16)	\$ 188,335,956	

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$ 23,070,894	\$ 19,404,715
Adjustments to reconcile profit		
Depreciation expense	1,946,638	1,925,546
Amortization expense	439,716	381,622
Provision for bad debt expense	2,900,821	2,895,586
Interest expenses	51,087,165	20,455,158
Net (gain) loss arising from derecognition of financial assets measured at amortized cost	(51,591)	83,790
Interest income	(75,530,795)	(47,358,582)
Dividend income	(3,243,344)	(3,060,424)
Net change in provisions for guarantee liabilities	(37,637)	(56,689)
Net change in other provisions	(59,312)	117,209
Share-based payments	150,580	-
Share of profit of associates for using equity method	(131,295)	(215,053)
Gains on disposal and retirement of property and equipment	(150)	(6,109)
Property and equipment transferred to expenses	466	1,403
Gain on disposal of investment properties	(50,096)	-
Losses on disposal of intangible assets	-	498
(Reversal of impairment loss) impairment loss on financial assets	(49,384)	43,726
Impairment loss (reversal of impairment loss) on non-financial assets	3,630	(27,498)
Losses on sale of non-performing loans	5,382	-
Losses on disposal of collaterals	-	5,344
Net (gains) losses on changing in leasing contracts	(692)	967
Changes in operating assets and liabilities		
Decrease (increase) in due from the Central Bank and call loans to banks	11,922,286	(23,572,573)
Increase in financial assets at fair value through profit or loss	(58,240,064)	(3,627,509)
(Increase) decrease in financial assets at fair value through other comprehensive income	(27,611,041)	45,618,081
Increase in investments in debt instruments at amortized cost	(78,035,218)	(58,157,747)
Decrease (increase) in securities purchased under resell agreements	2,886,974	(2,539,409)
(Increase) decrease in receivables	(37,531,890)	22,849,917
Increase in discounts and loans	(97,291,171)	(140,868,430)
Decrease in other financial assets	519,796	669,535
Decrease in other assets	2,155,841	9,335,086
Increase in deposits from the Central Bank and banks	43,230,869	2,212,132
Increase in financial liabilities at fair value through profit or loss	16,509,675	36,619,516
Increase in securities sold under repurchase agreements	8,795,387	22,126,397
Increase (decrease) in payables	6,386,353	(8,488,288)
Increase in deposits and remittances	18,449,518	164,793,492
Decrease in provisions for employee benefits	(65,055)	(274,293)

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023	2022
Increase in other financial liabilities	\$ 9,654,205	\$ 22,092,397
Increase (decrease) in other liabilities	<u>1,290,890</u>	<u>(13,111,647)</u>
Net cash (used in) generated from operations	(176,521,649)	70,267,866
Interest received	74,391,743	44,984,399
Dividends received	3,321,622	3,025,265
Interest paid	(48,014,106)	(17,612,893)
Income tax paid	<u>(3,217,904)</u>	<u>(3,633,322)</u>
Net cash (used in) generated from operating activities	<u>(150,040,294)</u>	<u>97,031,315</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,305,312)	(1,128,006)
Proceeds from disposal of property and equipment	67,534	57,469
Acquisition of intangible assets	(258,056)	(249,886)
Proceeds from disposal of collaterals	-	32,795
Acquisition of right-of-use-assets	(3,568)	(739)
Acquisition of investment properties	(3,429)	(1,099)
Proceeds from disposal of investment properties	<u>160,080</u>	<u>-</u>
Net cash used in investing activities	<u>(1,342,751)</u>	<u>(1,289,466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	3,729,664	(1,581,198)
Increase (decrease) in due to the Central Bank and banks	2,760,676	(205,030)
Increase (decrease) in commercial papers issued	34,945,079	(20,662,703)
Corporate bonds issued	-	3,000,000
Repayment of corporate bonds payable	-	(434,909)
Bank debentures issued	2,000,000	7,000,000
Repayment of bank debentures payable	(1,420,000)	(1,300,000)
Proceeds from long-term borrowings	11,753,146	10,821,832
Repayments of long-term borrowings	(13,842,441)	(10,742,974)
Repayments of lease liabilities	(919,066)	(877,785)
Cash dividends paid	(7,280,259)	(9,016,843)
Issuance of common stock for cash	<u>11,250,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>42,976,799</u>	<u>(23,999,610)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(201,268)</u>	<u>1,426,680</u>

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	2023	2022
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$(108,607,514)	\$ 73,168,919
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>326,689,284</u>	<u>253,520,365</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 218,081,770</u>	<u>\$ 326,689,284</u>

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2023 and 2022:

	<u>December 31</u>	
	2023	2022
Cash and cash equivalents in consolidated balance sheets	\$ 30,644,456	\$ 66,231,664
Due from the Central Bank and call loans to banks reclassified as cash and cash equivalents under the definition of IAS 7	109,530,424	195,483,168
Securities purchased under resell agreements reclassified as cash and cash equivalents under the definition of IAS 7	<u>77,906,890</u>	<u>64,974,452</u>
Cash and cash equivalents at the end of the year	<u>\$ 218,081,770</u>	<u>\$ 326,689,284</u>

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

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

ASSETS	2023	2022	LIABILITIES AND EQUITY	2023	2022
CASH AND CASH EQUIVALENTS	\$ 27,341	\$ 52,710	COMMERCIAL PAPERS ISSUED, NET	\$ 14,533,175	\$ 9,412,734
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	37,093	33,822	PAYABLES	290,288	198,834
RECEIVABLES, NET	1,435,124	1,435,123	CURRENT INCOME TAX LIABILITIES	3,271,659	2,845,516
CURRENT INCOME TAX ASSETS	1,358,867	1,060,291	CORPORATE BONDS PAYABLE	9,994,837	9,992,124
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	213,649,133	173,951,963	PREFERRED STOCK LIABILITIES	18,437	18,437
PROPERTY AND EQUIPMENT, NET	23,328	23,227	PROVISIONS	64,484	60,169
RIGHT-OF-USE ASSETS, NET	560,680	614,054	LEASE LIABILITIES	618,066	661,836
INTANGIBLE ASSETS, NET	6,177	4,229	OTHER LIABILITIES	25,421	22,404
DEFERRED INCOME TAX ASSETS	12,671	11,790	Total liabilities	28,816,367	23,212,054
OTHER ASSETS, NET	41,909	43,582	EQUITY		
			Capital stock	123,764,399	113,837,646
			Capital surplus	6,129,361	2,228,781
			Retained earnings	23,751,851	22,112,855
			Legal reserve	14,684,030	483,818
			Special reserve	25,164,031	29,555,849
			Unappropriated earnings	63,599,912	52,152,522
			Total retained earnings	(5,157,716)	(14,200,212)
			Other equity	188,335,956	154,018,737
TOTAL	\$ 217,152,323	\$ 177,230,791	Total equity	188,335,956	154,018,737
			TOTAL	\$ 217,152,323	\$ 177,230,791

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

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

	2023	2022
REVENUES		
Share of profit of subsidiaries for using equity method	\$ 20,325,895	\$ 16,647,027
Others	53,500	54,978
EXPENSES AND LOSSES		
Operating expenses	(497,744)	(392,252)
Others	<u>(317,082)</u>	<u>(214,674)</u>
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	19,564,569	16,095,079
INCOME TAX BENEFIT (EXPENSE)	<u>199,821</u>	<u>(134,079)</u>
NET INCOME	19,764,390	15,961,000
OTHER COMPREHENSIVE INCOME	<u>10,432,508</u>	<u>(15,729,289)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 30,196,898</u>	<u>\$ 231,711</u>
BASIC EARNINGS PER SHARE	<u>\$1.62</u>	<u>\$1.37</u>
DILUTED EARNINGS PER SHARE	<u>\$1.62</u>	<u>\$1.37</u>

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

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

	Retained Earnings			Other Equity			Total Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings		Exchange Differences of Translation Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Comprehensive Income	Changes in Fair Value of Financial Liability Attributable to Changes in Credit Risk of Liability	Total
BALANCE AT JANUARY 1, 2022	\$ 112,710,541	\$ 2,228,764	\$ 20,389,695	\$ 483,818	\$ 25,033,001	\$ 45,906,514	\$ (1,891,151)	\$ 3,935,066	\$ (85,882)	\$ 1,958,033	\$ 162,803,852
Appropriation and distribution of retained earnings generated in 2021	-	-	1,723,160	-	(1,723,160)	(9,016,843)	-	-	-	-	-
Legal reserve	-	-	-	-	(9,016,843)	(9,016,843)	-	-	-	-	(9,016,843)
Cash dividends - common stock	1,127,105	-	-	-	(1,127,105)	(1,127,105)	-	-	-	-	-
Stock dividends - common stock	-	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	17	-	-	-	-	-	-	-	-	17
Net income for the year ended December 31, 2022	-	-	-	-	15,961,000	15,961,000	-	-	-	-	15,961,000
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	408,760	408,760	700,282	(16,877,568)	39,237	(16,138,049)	(15,729,289)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	16,369,760	16,369,760	700,282	(16,877,568)	39,237	(16,138,049)	231,711
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	20,196	20,196	-	(20,196)	-	(20,196)	-
BALANCE AT DECEMBER 31, 2022	113,837,646	2,228,781	22,112,855	483,818	29,555,849	52,152,522	(1,190,869)	(12,962,698)	(46,645)	(14,200,212)	154,018,737
Appropriation and distribution of retained earnings generated in 2022	-	-	1,638,996	-	(1,638,996)	-	-	-	-	-	-
Legal reserve	-	-	-	-	(1,638,996)	(1,638,996)	-	-	-	-	-
Special reserve	-	-	14,200,212	-	(14,200,212)	-	-	-	-	-	-
Cash dividends - common stock	2,426,753	-	-	-	(2,426,753)	(2,426,753)	-	-	-	-	(7,280,259)
Stock dividends - common stock	-	-	-	-	(2,426,753)	(2,426,753)	-	-	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	19,764,390	19,764,390	-	-	-	-	19,764,390
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(453,228)	(453,228)	(185,088)	11,066,450	4,374	10,885,736	10,432,508
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	19,311,162	19,311,162	(185,088)	11,066,450	4,374	10,885,736	30,196,898
Issuance of common stocks for cash	7,500,000	3,750,000	-	-	-	-	-	-	-	-	11,250,000
Shares-based payments	-	150,580	-	-	-	-	-	-	-	-	150,580
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,843,240	1,843,240	-	(1,843,240)	-	(1,843,240)	-
BALANCE AT DECEMBER 31, 2023	\$ 123,764,399	\$ 6,129,361	\$ 23,751,851	\$ 14,684,030	\$ 45,164,031	\$ 63,599,912	\$ (1,375,957)	\$ 63,739,488	\$ (42,271)	\$ (5,157,716)	\$ 188,335,956

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$ 19,564,569	\$ 16,095,079
Adjustments for:		
Depreciation expense	63,937	64,019
Amortization expense	1,465	1,015
Interest expense	255,517	160,848
Interest income	(4,681)	(548)
Dividend income	(1,405)	(1,519)
Net change in other provisions	3	3
Share-based payments	424	-
Share of profit of subsidiaries for using equity method	(20,325,895)	(16,647,027)
Losses on disposal and retirement of property and equipment	10	7
Losses on changing in leasing contracts	22	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(4)	29
Decrease (increase) in other assets	2,056	(4,982)
Increase in payables	69,556	337
Increase in provisions for employee benefits	28,241	9,101
Increase in other liabilities	3,017	-
Interest received	4,302	113
Dividend received	1,207,694	9,018,362
Interest paid	(252,551)	(158,040)
Income tax refunded	<u>326,051</u>	<u>28,993</u>
Net cash generated from operating activities	<u>942,328</u>	<u>8,565,790</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(6,940)	(10,808)
Acquisition of investments accounted for using equity method	(10,000,000)	-
Acquisition of intangible assets	<u>(2,769)</u>	<u>(1,726)</u>
Net cash used in investing activities	<u>(10,009,709)</u>	<u>(12,534)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial papers issued	5,120,441	507,478
Issuance of common stock for cash	11,250,000	-
Distribution of cash dividends	(7,280,259)	(9,016,843)
Payments of lease liabilities	<u>(48,170)</u>	<u>(45,944)</u>
Net cash generated from (used in) financing activities	<u>9,042,012</u>	<u>(8,555,309)</u>

(Continued)

	2023	2022
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (25,369)	\$ (2,053)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>52,710</u>	<u>54,763</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 27,341</u>	<u>\$ 52,710</u>

(Concluded)

SinoPac Financial Holdings Co., Ltd.
Appropriation of earnings for 2023

Unit : NT\$ / share

Items	Amount
Beginning unappropriated retained earnings	4,009,629,222
Profit on disposal of equity instruments carried at FVOCI	1,843,239,884
Remeasurement of defined benefit plans of 2023	(453,228,104)
Net income of 2023	19,764,389,721
Less : Legal reserve	(2,115,440,150)
Add : Special reserve	9,042,496,242
Accumulated earnings available for distribution	32,091,086,815
Distribution Item :	
Cash dividends of common stock (NT\$0.75 per share)	(9,282,329,960)
Stock dividends of common stock (NT\$0.25 per share)	(3,094,109,990)
Total dividends of common stock (NT\$1 per share)	(12,376,439,950)
Ending unappropriated retained earnings	19,714,646,865
Appropriation of earnings according to the Articles : Dividends of preferred stock	1,263,255
Number of common shares outstanding	12,376,439,941

Note 1 : If the following events happened after the board resolution and before distribution date and caused the change of dividend distribution rate, the general shareholders' meeting will be requested to authorize the board of directors to adjust dividend distributed accordingly: (A)buy-back of treasury stock (B)Preferred Stock converts to Common Stock (C)shareholders' renouncement of their right to dividend distribution (D)Other circumstances.

Note 2: In accordance with Article 66-9 of the Income Tax Act, the after-tax profit and other profit items adjusted to the current year's undistributed earnings other than after-tax profit of 2023 shall be applied first for the purpose of the distribution of earnings.

Note 3: According to the Ministry of Economic Affairs Letter Shang-Zi No. 10802432410 dated January 9, 2020, legal reserve shall be set aside as follows based on "the total amount of after-tax net income for the period and items adjusted to the current year's undistributed earnings other than after-tax net income for the period."

Profit on disposal of equity instruments carried at FVOCI	1,843,239,884
Remeasurement of defined benefit plans of 2023	(453,228,104)
Net income of 2023	19,764,389,721
Total amount for setting aside legal reserve	21,154,401,501
Ratio of legal reserve set aside	X 10%
Amount of legal reserve set aside	2,115,440,150

Note 4: According to the Financial Supervisory Commission Letter Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, "A company shall set aside special reserve at an amount equal to other net deductions from other equity for the current year. If subsequently there is any reversal of the net amount of other deductions from equity, the amount of the reversal may be reversed from special reserve and booked for earnings distribution.

Note 5: The Company issued Class A preferred shares on May 15, 2009, based on the Articles of Incorporation, dividends of Class A preferred shares NT\$1,263,255 were recognized as interest expense of 2023.

SinoPac Financial Holdings Company Limited**Articles of Incorporation****CHAPTER ONE GENERAL PROVISIONS****Article 1**

SinoPac Financial Holdings Company Limited (hereinafter the “Company”) is incorporated pursuant to the Financial Holding Company Act, the Company Act, and other laws and regulations.

Article 2

The (Chinese) name of the Company is “永豐金融控股股份有限公司” (literally, Yuen Foong Financial Holdings Company Limited by Shares) and the short form of the name is “永豐金控.” The Company’s English name is “SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED” and the short form of the English name is “SINOPAC HOLDINGS.”

Article 3

The Company is headquartered in Taipei City, Taiwan, R.O.C. The Company may establish domestic and overseas branches upon the resolution of its Board of Directors (hereinafter the “Board”) and approval by the competent authority.

Article 4

Public notice and announcement given by the Company shall be handled in accordance with the Company Act.

CHAPTER TWO SCOPE OF BUSINESS**Article 5**

The Company is engaged in the business categorized as the H801011 financial holding

company industry.

Article 6

The Company's scope of business is as follows:

1. The Company may invest in the following businesses:
 - (1) financial holding;
 - (2) banking;
 - (3) bills finance;
 - (4) credit card;
 - (5) trust;
 - (6) insurance;
 - (7) securities;
 - (8) futures;
 - (9) venture capital;
 - (10) foreign financial institutions which have been approved for investment by the competent authority; and
 - (11) other financial related businesses identified by the competent authority.
2. Management of those invested businesses mentioned in the preceding subparagraphs;
3. The Company may apply to the competent authority for approval of its investment in business other than those listed in the first subparagraph, but may not participate in the business operation of the invested business; and
4. Other relevant businesses approved by the competent authority.

Article 7

(Deleted.)

CHAPTER THREE CAPITAL STOCK

Article 8

The total authorized capital of the Company is one hundred eighty billion New Taiwan Dollars (NT\$180,000,000,000), divided into eighteen billion (18,000,000,000) shares (including seventy million (70,000,000) Class A preferred shares) with a par value of Ten New Taiwan Dollars (NT\$10) each. The Board is authorized to issue the unissued shares in batches. Within the shares stated above, five hundred millions (500,000,000) common shares shall be reserved for the purpose of

issuance upon exercise of stock warrants, preferred shares with warrants or corporate bonds with warrants. In each issue of the Company's employee stock warrants, the determination of the amount of shares for the purpose of issuance upon exercise of employee stock warrants of the Company shall follow relevant laws and regulations of competent authority of securities.

Article 8-1

The rights, obligations, and other important terms of Class A preferred shares issued by the Company are as follows:

1. If the Company has any earnings at the end of any given fiscal year, the Company shall use the earnings to cover its accumulated losses in previous fiscal years, pay all taxes pursuant to relevant laws, set aside legal reserve(s) and provide or reserve special reserve(s) in accordance with relevant laws and these Articles of Incorporation before distributing the remaining earnings for accumulated and current dividends for Class A preferred shares.
2. The calculation of the dividend yield of Class A preferred shares is as follows: (1) within the first fifteen years since the issue date of Class A preferred shares, the dividend yield of Class A preferred shares for the first calendar year is calculated based on the fixed rate of one-year period annuity savings of the "Chung Chunghwa Post Co., Ltd." (hereinafter "Chunghwa Post") on the Company's record date for capital increase plus 0.7% per annum, whereas Class A preferred shares' dividend yield of the following year(s) is calculated based on the fixed rate of Chunghwa Post's one-year period annuity savings on the anniversary of the issue date plus 0.7% per annum; and (2) starting from the sixteenth anniversary of the issue date of Class A preferred shares, the dividend yield of Class A preferred shares for the following year is calculated based on the fixed rate of Chunghwa Post's one-year period annuity savings on the anniversary of the issue date plus 1.5% per annum. All payable dividends of Class A preferred shares are calculated based on the issuing price and are paid annually in cash in one lump sum. Dividends of Class A preferred shares may be distributed only after the Company's shareholders have approved the Company's financial statements in their annual general meetings. Following the aforesaid approval, the Board shall set the record date for distribution of the abovementioned dividends. Cash dividends payable for the year of issuance and/or the year of redemption shall

be prorated according to the ratio of the actual number of days Class A preferred shares remain outstanding over the days of the given year. Distribution of cash dividends payable for the year of redemption shall be announced after the annual general meeting of the Company's shareholders in the year following the year of redemption.

3. If, at the end of any given fiscal year, the Company has no earnings or insufficient earnings to fully pay off dividends for Class A preferred shares, or suspends distribution of dividends for Class A preferred shares because it will cause the Company's integrated Capital Adequacy Ratio to fall below the minimum requirement stipulated by the laws and regulations or the competent authorities, the Company shall accumulate the undistributed dividends, together with accumulated dividends undistributed in previous years, and distribute them in a fiscal year when the Company has generated sufficient earnings.
4. In the event of liquidation, dissolution or winding-up of the Company, Class A preferred shareholders shall be given priority to claim on the Company's residual assets over common shareholders. Nonetheless, the amount claimed by Class A preferred shareholders on the basis of the abovementioned priority shall not exceed the sum of Class A preferred shares' issuing price plus respective dividends which have been accumulated but undistributed in previous years.
5. Class A preferred shareholders are not entitled to cast votes or any right to vote on election in shareholders' meetings. However, Class A preferred shareholders are eligible to be elected as Directors and are entitled to vote in Class A preferred shareholders' meetings.
6. Except dividends described in the sub-paragraph 2 of this Article, Class A preferred shareholders are not entitled to receive earning distribution or capital surplus distribution (in the form of cash or capital reserves being reallocated as capital) for common shares.
7. When the Company issues new shares to raise capital, Class A preferred shareholders may be entitled to preemptive rights on the new shares.
8. Commencing from the day following a full three calendar years after the issue date of Class A preferred shares, each Class A preferred shareholder may at any time, except during the lock-in periods described below, submit a request application to the Company to convert a portion or all of the outstanding Class A preferred shares held by the shareholder-applicant on a one for

one basis into common shares: (1) the period for book closure required under the law; (2) the period beginning from 3 business days prior to the date(s) determined by the Board for the public announcement of the book closure period for granting dividends gratis, for distribution of cash dividend, or for rights issue, until the record date for such right; and (3) any other lock-in periods prohibiting conversion of shares required by the law. The rights and obligations of common shares converted from Class A preferred shares are same as that of the Company's common shares.

9. Class A preferred shareholders who have converted their shares into common shares prior to the ex-rights/ex-dividend base day of any given year are not entitled, with regard to shares which have been converted into common shares, for dividends distributed for Class A preferred shares for the given year and the years thereafter, but are entitled with priority to receive distribution of accumulated dividend, if any, which has not been distributed in previous years, for the given year and the years thereafter. Moreover, Class A preferred shareholders who have received preferred shares' dividends distributed for the given year are not eligible, with regard to shares which have been converted into common shares, to receive dividends for common shares distributed in the same year.
10. Class A preferred shares are perpetual securities. The Company has the option of using its remaining earnings, proceeds from issue of new shares, or any other ways permitted by the laws and regulations, to redeem Class A preferred shares in whole or in part, no earlier than the day following the fifteenth anniversary of the issue date, at the price of issue price plus undistributed dividends accumulated in previous years and dividends to be distributed for the current year calculated based on the ratio of the actual number of days Class A preferred shares remain outstanding over the days of the given year. The Company shall send a thirty (30) days prior written notice to Class A preferred shareholders before the Company redeems the preferred shares. The Company's redemption notice does not deprive Class A preferred shareholders of their right to convert their preferred shares into common shares before the Company redeems their preferred shares.

Article 8-2

(Deleted.)

Article 9

All shares of the Company shall be duly issued as registered shares and shall have been signed and sealed by the director representing the Company, and be duly certified by the authenticated banks. The Company may opt for not issuing any share certificate for newly issued shares, provided that the Company shall register these book-entry securities with centralized securities depository enterprises.

Article 10

Shareholders shall provide their names, address of their residence or dwelling places, and seal specimens to the Company for record-keeping purpose. The same instruction shall be applied when shareholders change their aforementioned information. Shareholders shall present the same seals as kept in the Company's records when collecting dividends or exercising other rights.

Article 11

All transfers of the Company's shares shall be suspended within sixty (60) days prior to the commencement of each annual general meeting of shareholders, within thirty (30) days prior to the commencement of each extraordinary meeting of shareholders, or within five (5) days prior to the record date determined by the Company for distribution of dividends or other benefits.

Article 12

The Company shall handle its shareholder services in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

CHAPTER FOUR SHAREHOLDERS' MEETING

Article 13

The Company has two types of shareholders' meetings, including general meetings and extraordinary meetings of shareholders. Unless otherwise specified by the laws and regulations, all

shareholders' meetings shall be convened by the Board in accordance with the laws. General meetings of shareholders shall be convened within six (6) months after the end of each fiscal year, whereas an extraordinary meeting of shareholders is convened in accordance with the laws when necessary.

Article 13-1

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

For the preceding two paragraphs, the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Article 14

Unless otherwise provided by the laws, resolutions at a shareholders' meeting shall be adopted by a majority of presenting shareholders representing a majority of the total number of issued and outstanding shares. Except otherwise provided by the laws and regulations, each shareholder shall be entitled to one (1) vote for each share held by such shareholder.

Article 15

A shareholder who is unable to attend a shareholders' meeting may duly execute a proxy letter printed by the Company expressly stating therein the scope of the power authorized in order to appoint a proxy agent to attend the meeting on his behalf. The Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies shall apply to the use of proxies mentioned above. Except for trust business or stock agencies approved by the competent authority, when one person acts as a proxy agent of two or more shareholders, the amount of voting

rights represented by the proxy agent shall not exceed three percent (3%) of the total number of voting rights attached to all issued shares of the Company. Any votes in excess of this three percent (3%) threshold shall not be counted.

Article 16

Representative of institutional shareholders shall not be limited to one person, provided that the voting right of such institutional shareholder shall be determined by the aggregate number of the shares held by such institutional shareholders.

When the representatives mentioned in the preceding paragraph have two or more persons, they shall exercise their voting rights jointly.

With respect to the qualifications, scope, methods of exercise, operating procedures and other matters for compliance with respect to exercising voting power separately in the preceding paragraph, the Company shall follow the relevant laws and regulations prescribed by the competent authority in charge of securities affairs.

CHAPTER FIVE DIRECTORS

Article 17

The Company shall have a Board comprising seven (7) to eleven (11) members. The number of the Directors to be elected within the above range is set by the Board. The Company adopts the candidate nomination system for election of the Directors. Directors shall be elected from among the list of candidates for Directors by shareholders in their meetings in accordance with the laws.

Among the number of the Directors prescribed in the preceding paragraph, the number of Independent Directors shall be no less than three (3) and also no less than one-third of the total number of the Directors. With respect to professional qualifications, restrictions on retention of shares and concurrent positions held, assessment of independence, method of nomination and election, and other relevant requirements to be complied with for Independent Directors, the Company shall follow the relevant laws and regulations prescribed by the competent authority in charge of securities affairs.

Article 17-1

Starting from the fifth (5th) Board, the Company shall establish an Audit Committee composing of all Independent Directors and not be fewer than three persons in number. One Committee member shall be the convener and at least one Committee member shall specialize in accounting or finance. The responsibilities, organizational rules, and other relevant requirements to be complied with for the Audit Committee, the Company shall follow the relevant laws and regulations, as well as those stipulated in these Articles of Incorporation.

Article 17-2

The Company shall establish a Compensation Committee in accordance with the laws and may establish other various kinds of functional committees as well. The organizational rules for each committee shall be formulated and approved by the Board.

Article 18

The percentage of all outstanding shares retained by all Directors combined shall not be less than the specific percentage required by the competent authority in charge of securities affairs.

Article 19

All Directors serve a three-year term and may be re-elected. If new Directors have not been promptly elected upon expiration of the term of current Directors, the term of current Directors shall be extended until new Directors are elected and take office.

Article 20

The Chairperson of the Company shall be elected from among the Directors and by a majority vote of the Directors present at a Board meeting attended by at least two-thirds (2/3) of the Directors. When necessary, the Company may have a Deputy Chairperson elected likewise.

Article 21

The Chairperson shall be the convener of shareholders' meetings and Board meetings, and the official representative of the Company. In the event the Chairperson is absent or unable to perform his duties for cause, the Deputy Chairperson, if any, shall act on behalf of the Chairperson. If there is no Deputy Chairperson or if the Deputy Chairperson is absent or unable to perform his duties for cause, the Chairperson shall designate a Director to act on his behalf. In the absence of the aforementioned designation, the Directors may elect one Director from among all of them to act on behalf of the Chairperson.

Article 22

Unless otherwise stipulated by the laws and regulations, Board meetings shall be convened by the Chairperson. Moreover, unless otherwise stipulated by the laws or these Articles of Incorporation, resolutions of the Board shall be adopted by a majority of the Directors present at a Board meeting with a majority attendance by the Directors.

Directors shall personally attend Board meetings. In the event that a Director is unable to attend a Board meeting for cause, the Director may duly execute a proxy letter indicating the scope of authorization as stated in the reasons for calling a Board meeting in order to appoint another Director as a proxy agent to attend Board meeting on his behalf. Nevertheless, each aforementioned Director-proxy agent may be appointed by only one other Director.

Article 23

The powers and duties of the Board are as follows:

1. Review and approval of the Company's business and financial policies;
2. Approval of the Company's budget and proposing final account results;
3. Proposing amendments to the Articles of Incorporation;
4. Review and approval of the Company's organizational rules;
5. Review and approval of the Company's policies and guidelines of corporate governance;
6. Review and approval of the Company's major rules;
7. Proposing the Company's capital increase and approval of the issuance of the Company's shares;

8. Proposing the distribution plans for earnings;
9. Resolution on the issuance of the Company's corporate bonds;
10. Resolution on plans for redeeming shares of the Company;
11. Approval of appointment and dismissal of the Company's officers and other employees with equivalent position levels, and their respective compensation;
12. Approval of or proposing the acquisition or disposition of assets;
13. Approval of and editing/drafting important contracts to be entered with third parties;
14. Approval of the appointment, dismissal, and compensation of the certified public accountants auditing and certifying financial statements;
15. Appointing Directors and Supervisors of subsidiaries owned by the Company;
16. Approval of compensation guidelines for traveling allowance and attendance fees for the Directors and consultants;
17. Approval of the distribution ratio of compensation for the Directors;
18. Approval of the distribution form and ratio of compensation for employees; and
19. Other powers and duties vested in the Board pursuant to the laws and regulations, or authorized by the meetings of shareholders.

Article 24

(Deleted.)

Article 25

(Deleted.)

Article 26

Officers of the Company, or directors, supervisors, or officers of the Company's subsidiaries may be invited by the Board to attend Board meetings, but are not entitled to any right to vote.

Article 27

(Deleted.)

Article 28

The Directors of the Company may concurrently be the Directors and Supervisors of the Company's subsidiaries.

Article 28-1

Compensation for the Chairperson, the Deputy Chairperson, and the Directors is authorized and determined by the Board in light of the compensation standard in the industry.

CHAPTER SIX MANAGERIAL PERSONNEL

Article 29

The Company shall have one President. The appointment, dismissal, and compensation of the President shall be proposed by the Chairperson to the Board, and approved by a resolution adopted by a majority of the Directors present at a Board meeting with a majority attendance by the Directors.

Article 30

The following matters shall be presented by the President to the Board for approval or proposed by the Board to a shareholders' meeting for resolution and implementation:

1. Business plans;
2. Various major rules;
3. Establishment, change, and revocation of the Company's various divisions;
4. Establishing various committees, and proposing various business guidelines and policies of the Company;
5. Rental, purchase, sale or construction of real estate for the Company's own use;
6. Preparation of budgets and presentation of final accounts;
7. Execution of important contracts; and
8. Other matters required to be presented to the Board or presented by the Board to a shareholders' meeting for resolution or review.

Article 31

The following matters shall be decided and executed by the President, or executed by subordinate employees designated by the President:

1. Management of the Company's business according to the business plans and policies approved by the Board, and execution of documents necessary for the Company's day-to-day business operation;
2. Enactment of rules of lesser significance;
3. Handling matters designated by the Board and matters mandated by law;
4. Supervising and instructing subordinate employees to carry out their assigned duties;
5. Enforcement of the budget plans; and
6. Handling other matters authorized by the Board.

Article 32

In the event that the President is unable to perform his duties for cause, the Chairperson shall appoint one of the Executive Vice Presidents, whose appointment to be approved by the Board, to act on behalf of the President.

Article 33

The Company shall have Executive Vice Presidents, Senior Vice Presidents, Assistant Vice Presidents, and a number of staff members of equivalent rankings. The appointment, dismissal, and compensation of these managerial personnel shall be presented by the President to the Board and approved by a resolution adopted by majority of the Board present at a Board meeting with a majority attendance by the Directors. The appointment, dismissal, and compensation of other staff members shall be approved by the President.

Article 34

The Company shall have one Chief Audit Executive (hereinafter the "CAE") supervising the Company's internal audit activities in accordance with the resolutions of the Board. The appointment, dismissal, and transfer of the CAE shall be consented by a supermajority (i.e., more

than two-thirds) of all Directors and also be approved by the competent authority.

CHAPTER SEVEN ACCOUNTING

Article 35

The fiscal year of this Company shall run from January 1 to December 31 of each year. The Board shall prepare the following documents and present to a general meeting of shareholders in accordance with procedures required by law for ratification:

1. Operation Reports;
2. Balance Sheets; and
3. Proposals for distribution of earnings or replenishment of losses.

Article 36

If the Company has any earnings at the end of any given fiscal year, the Company shall allocate more than zero point 1 per-mille (0.1‰) of the remaining earnings distributable as employees' compensation and not exceeding 1 percent (1%) of the remaining earnings distributable as compensation for the Directors. However, the Company's accumulated losses, if any, shall have been covered.

Compensation for the Directors is paid in cash, whereas compensation for employees may be paid in either cash or stock shares of the Company. Employees eligible to receive stock bonus may include employees of the Company's subsidiaries who meet certain criteria set forth by the Board.

The distribution ratio of compensation for Directors, and the distribution form and ratio of employees' compensation shall be approved by a resolution adopted by a majority of the Directors present at a Board meeting with a supermajority attendance by the Directors.

The calculation basis of compensation for employees and the Directors is the Company's net earnings in the given fiscal year (i.e., pre-tax income taking off compensation distributable for employees and the Directors from the balance of the current period) offsetting the Company's accumulated losses.

Article 36-1

The Company has adopted a residual dividend policy in order to expand its operational scale and enhance its profit earning capacity.

If the Company has any earnings at the end of any given fiscal year, the Company shall use the earnings to cover its accumulated losses in previous fiscal years, pay all taxes pursuant to relevant laws, set aside legal reserve(s), and provide or reserve special reserve(s) in accordance with relevant laws, and distribute the remaining earnings for accumulated and current dividends for Class A preferred shares. And then the balance (hereinafter as annual surplus) shall be added with those undistributed surplus at the beginning of the period as the distributable base. The Company shall allocate not less than 30% of annual surplus for the dividends of common shares. The Board shall propose a distribution plan and present it to a meeting of shareholders for approval.

If the amount of the Company's legal reserve mentioned in the preceding paragraph has reached the amount of the Company's paid-in capital, the Company may be exempted from constantly setting aside legal reserve. With respect to the cumulative net amount of other deductions from equity in a preceding period(s), the company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

Given the Company's plans for its operation, the Company has adopted distributing stock dividend while preserving capital needed for the Company as its principal policy of dividend distribution. The remainder may be distributed in cash, provided that cash dividend shall not be less than ten percent (10%) of the total dividend distributable for that given fiscal year.

CHAPTER EIGHT SUPPLEMENTARY PROVISIONS

Article 37

The Company's organizational rules, business policies, and other rules and guidelines shall be separately drafted in accordance with the power and responsibilities prescribed in these Articles of Incorporation.

Article 38

Matters not covered in these Articles of Incorporation shall be governed by the Financial Holding Company Act, the Company Act, and other relevant laws and regulations.

Article 39

These Articles of Incorporation were adopted on November 19, 2001. Amendments to the Articles of Incorporation are as follows: the 1st amendment on June 27th, 2003; the 2nd amendment on June 11th, 2004; the 3rd amendment on August 26th, 2005; the 4th amendment on June 9th, 2006; the 5th amendment on June 11th, 2007; the 6th amendment on June 6th, 2008; the 7th amendment on June 19th, 2009; the 8th amendment on December 11th, 2009; the 9th amendment on June 18th, 2010; the 10th amendment on June 15th, 2012; the 11th amendment on June 12th, 2014; the 12th amendment on June 12th, 2015; the 13th amendment on June 17th, 2016; the 14th amendment on July 20th, 2021; and the 15th amendment on May 27th, 2022 ; and the 16th amendment on May 24th, 2023.

SinoPac Financial Holdings Company Limited
Rules of Procedure for Shareholders' Meetings

Article 1

The rules of procedures for shareholders' meetings of SinoPac Financial Holdings Company Limited (hereinafter the "Company"), except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules of Procedure for Shareholders' Meetings (hereinafter the "Rules").

Article 2

Call notices for general shareholders' meetings of this Company shall be given to shareholders at least thirty (30) days prior to the date of the meetings; Call notices for extraordinary shareholders' meetings of this Company shall be given to shareholders at least fifteen (15) days prior to the date of the meetings.

Article 3

When convening a shareholders' meeting, this Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus number of shares whose voting rights are exercised by correspondence or electronically.

Article 4

Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.

Article 5

The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 6

If a shareholders' meeting is convened by the Board of Directors (hereinafter the "Board"), the meeting shall be chaired by the Chairperson of the Board (hereinafter the "Chairperson"). When the Chairperson is on leave or unable to perform his duties for cause, the Deputy Chairperson of the Board (hereinafter the "Deputy Chairperson") shall chair the meeting on behalf of the Chairperson. If there is no Deputy Chairperson or the Deputy Chairperson is on leave or unable to perform his duties for cause, the Chairperson shall appoint one of the Directors to chair the meeting on behalf of the Chairperson. Where the Chairperson does not appoint anyone to act on his behalf, the Directors

shall elect one person from among themselves to chair the meeting on behalf of the Chairperson.

If a shareholders' meeting is convened by a party with power to convene but other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select one meeting chair from among themselves.

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

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Article 7

This Company may appoint attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 8

This Company shall record the entire proceedings of shareholders' meeting by video or audio, and the recorded materials shall be retained for at least one year.

Article 9

The chair shall call the meeting to order at the appointed meeting time, and disclose the number of shares without voting rights and the attendance of shareholders simultaneously. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the

shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by any parties, other than the Board, with the power to convene.

Before the completion of discussion of all proposals/items on the meeting agenda (including extraordinary motions), set forth in accordance with the two preceding paragraphs, the chair shall not announce the adjournment of the meeting without a resolution of adjournment is adopted by the shareholders' meeting.

Shareholders shall not elect a new meeting chair and continue holding the shareholders' meeting at the same venue or elsewhere after the meeting is adjourned.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 12

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If a shareholder's speech violates the rule specified in the preceding paragraph or exceeds the scope of the agenda items, the chair may terminate the shareholder's speech.

Article 13

When a juristic person is appointed to attend a shareholders' meeting as proxy, the juristic person may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same

proposal.

Article 14

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

Article 15

When the chair is of the opinion that a proposal has been discussed sufficiently and is ready to put for a vote, the chair may announce the discussion closed and call for a vote, and schedule sufficient time for voting.

Article 16

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Company. The results of the voting shall be announced on-site at the meeting and be recorded accordingly.

Article 17

When a meeting is in progress, the chair may, at his discretion, set time for intermission and announce a break based on time considerations. When shareholders could not finish their discussion on all proposals in one meeting, shareholders may adopt a resolution to resume the meeting within the next five days without further notice or public announcement.

Article 18

A shareholder shall be entitled to one vote for each share held, except when the shares are issued with certain restrictions or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent (3%) of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

Article 18-1

When this Company holds a shareholders' meeting, it shall adopt exercise voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore advisable that the Company should avoid the submission of extraordinary motions and amendment to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Company before 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (hereinafter the "MOPS").

Article 19

Proposals submitted by shareholders shall not be in violation of the Financial Holding Company Act, the Company Act, or any other relevant laws and regulations.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included

in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

There shall be no discussion or resolution on any matters that is not a proposal submitted to the shareholders' meetings.

Article 20

Business operations of the Company shall be executed pursuant to the resolutions to be adopted by the Board, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting as required by the laws, regulations, or the Company's Articles of Incorporation.

Article 21

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights of each candidate(including unelected candidates) in the event of an election of directors ,and shall be retained for the duration of the existence of this Company.

Article 22

The chair may direct proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) are helping maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

Article 23

The Company shall follow the “Guidelines for Online Filing of Public Information by Public Companies” established by the competent authority and act accordingly when dealing with shareholders’ meetings information required to be announced to the public.

When dealing with the shareholders’ meetings resolutions required to be filed or announced to the public according to the regulations of the competent authority, the Company shall act in accordance with those regulations. The Company shall also publish the meeting minutes of shareholders’ meetings on its website.

Article 24

These Rules and any amendments hereto, shall be implemented after adoption by shareholders’ meetings.

Article 25

These Rules were adopted on November 19, 2001. Amendments to these Rules are as follows: the 1st amendment on June 27th, 2003; the 2nd amendment on June 15th, 2012; the 3rd amendment on June 12th, 2014; and the 4th amendment on May 28th, 2021.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

Shareholding of Directors

Book closure date: April. 9, 2024

Position	Name	Shareholding (shares)	Percentage
Chairman	Shi-kuan CHEN (Representative of Hsinex International Corp.)	196,355,389	1.59%
Independent Director	Wei-ta PAN	0	-
Independent Director	Huey-jen SU	0	-
Independent Director	Wen-ling MA	0	-
Director	Stanley CHU (Representative of Hsinex International Corp.)	196,355,389	1.59%
Director	Chi-hsing YEH (Representative of Xing Yuan Co., Ltd.)	154,336,353	1.25%
Director	Wei-thyr TSAO (Representative of Xing Yuan Co., Ltd.)	154,336,353	1.25%
Number of the shares held by all directors: 350,691,742 shares (2.84%)			
Minimum number of directors' shareholding required by the FSC: 160,000,000 shares			

Note: As the Company has established the Audit Committee, the minimum shareholding requirements for supervisors shall not apply.

