

SinoPac Holdings

**Financial Statements for the Period from May 9, 2002
(Date of Establishment) to September 30, 2002**

Together with Independent Accountants' Review Report

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of a Report Originally Issued in Chinese

Independent Accountants' Review Report

October 17, 2002

The Board of Directors and the Stockholders
SinoPac Holdings

We have reviewed the accompanying balance sheet of SinoPac Holdings as of September 30, 2002, and the related statements of income and cash flows for the period from May 9, 2002 (date of establishment) to September 30, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Republic of China statement of auditing standards No. 36 "Review of Financial Statements" except that described in the next paragraph. A review consists primarily of applying analytical procedures to financial data and making inquiries of bank personnel responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an audit opinion.

As stated in Note 6 to the financial statements, the carrying values of the long-term equity investments accounted for by the equity method as of September 30, 2002 amounted to NT\$10,467,241 thousand, the related investment income \$538,561 thousand (of which \$441,541 thousand was stated as income from long-term equity investments for the period from May 9, 2002 to September 30, 2002 and \$97,020 thousand was stated as additional paid-in capital resulting from stock conversion as of May 9, 2002), and additional disclosure of the Company and its affiliates stated in Note 19 to the financial statements are based on the investees' unreviewed financial statements.

Based on our review, except for the effects of such adjustments, if any, as might have been disclosed had we reviewed the financial statements of the investee companies as explained in the preceding paragraph, we are not aware of any material modifications of SinoPac Holdings, in all material respects, that should be made to the financial statements referred to in the first paragraph in order for them to be in conformity with guidelines for securities issuers' financial reporting and accounting principles generally accepted in the Republic of China.

Notice to Readers

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

English Translation of Financial Statements Originally Issued in Chinese

SINOPAC HOLDINGS

BALANCE SHEET

September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Par Value of Capital Stock)

<u>A S S E T S</u>	<u>Amount</u>	<u>%</u>	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>Amount</u>	<u>%</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash (Notes 3 and 15)	\$ 8,475,493	16	Short-term borrowings (Note 8)	\$ 10,000	-
Short-term investments (Notes 2, 4 and 15)	416,703	1	Accounts payables	<u>83,643</u>	-
Bills purchased under agreements to resell (Notes 2, 5 and 15)	652,402	1	Total Current Liabilities	93,643	-
Accounts, interest and other receivables	29,173	-			
Prepaid expenses	<u>4,008</u>	-	EURO-CONVERTIBLE BONDS (Note 9)	8,031,140	15
Total Current Assets	<u>9,577,779</u>	<u>18</u>			
			OTHER LIABILITIES	<u>1,065</u>	-
LONG-TERM EQUITY INVESTMENTS (Notes 2 and 6)	<u>42,633,067</u>	<u>82</u>	Total Liabilities	<u>8,125,848</u>	<u>15</u>
PROPERTIES (Notes 2, 7 and 15)			STOCKHOLDERS' EQUITY (Note 10)		
Cost			Capital stock - \$10 par value, authorized 10,000,000,000 shares and issued		
Leasehold improvement	10,117	-	3,748,126,974 shares as of September 30, 2002	37,481,270	72
Computer equipment	2,066	-	Capital surplus	9,067,958	17
Transportation equipment	4,180	-	Retained earnings	1,016,330	2
Office and other equipment	<u>4,312</u>	-	Unrealized loss on long-term equity investments	(398,029)	(1)
Total cost	20,675	-	Unrealized revaluation loss on long-term equity investments	(42,676)	-
Accumulated depreciation	<u>767</u>	-	Cumulative translation adjustments	340,975	1
Net Properties	<u>19,908</u>	-	Treasury stock - at cost: 250,202,766 shares as of September 30, 2002		
			(Notes 2 and 11)	(3,245,570)	(6)
OTHER ASSETS (Note 2)	<u>115,352</u>	-	Total Stockholders' Equity	<u>44,220,258</u>	<u>85</u>
TOTAL ASSETS	<u>\$52,346,106</u>	<u>100</u>	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$52,346,106</u>	<u>100</u>

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

(With T N Soong & Co review report dated October 17, 2002)

English Translation of Financial Statements Originally Issued in Chinese

SINOPAC HOLDINGS

STATEMENT OF INCOME

For the Period from May 9, 2002 (Date of Establishment) to September 30, 2002 (Note 1)
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>Amount</u>	<u>%</u>
OPERATING REVENUES		
Interest (Notes 2 and 15)	\$ 33,361	2
Income from short-term investments (Note 15)	10,504	1
Income from long-term equity investments (Notes 2 and 6)	<u>1,244,844</u>	<u>97</u>
Total Operating Revenues	<u>1,288,709</u>	<u>100</u>
OPERATING EXPENSES		
Interest (Note 2)	78,129	6
Operating and administrative expenses (Notes 2, 12 and 15)	<u>175,096</u>	<u>14</u>
Total Operating Expenses	<u>253,225</u>	<u>20</u>
OPERATING INCOME	1,035,484	80
NON-OPERATING INCOME - NET	<u>280</u>	<u>-</u>
INCOME BEFORE INCOME TAX	1,035,764	80
INCOME TAX (Notes 2 and 13)	<u>2,101</u>	<u>-</u>
NET INCOME	<u>\$ 1,033,663</u>	<u>80</u>
	<u>Pre-tax</u>	<u>After Tax</u>
EARNINGS PER SHARE (Note 14)		
Basic earnings per share	<u>\$ 0.30</u>	<u>\$ 0.30</u>
Diluted earnings per share	<u>\$ 0.29</u>	<u>\$ 0.28</u>
Pro forma information under assumptions that shares of SinoPac Holdings held by its subsidiaries were not treated as treasury stocks:		
	<u>Pre-tax</u>	<u>After Tax</u>
Basic earnings per share	<u>\$ 0.28</u>	<u>\$ 0.28</u>
Diluted earnings per share	<u>\$ 0.26</u>	<u>\$ 0.26</u>

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

(With T N Soong & Co review report dated October 17, 2002)

English Translation of Financial Statements Originally Issued in Chinese

SINOPAC HOLDINGS

STATEMENT OF CASH FLOWS

For the Period from May 9, 2002 (Date of Establishment) to September 30, 2002 (Note 1)
(Amounts Expressed in Thousands of New Taiwan Dollars)

	<u>Amount</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 1,033,663
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	978
Income from long-term equity investments under equity method	(1,244,844)
Cash dividends received from long-term equity investments under equity method	1,798,372
Increase in accounts, interest and other receivables	(29,173)
Increase in prepaid expenses	(4,008)
Increase in accounts payables	83,643
Increase in other liabilities	<u>1,065</u>
Net Cash Provided by Operating Activities	<u>1,639,696</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of short-term investments for investing purposes	(416,703)
Purchase of bills under agreements to resell	(652,402)
Acquisition of properties	(20,675)
Increase in other assets	(<u>115,563</u>)
Net Cash Used in Investing Activities	(<u>1,205,343</u>)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in short-term borrowings	10,000
Issuance of Euro-convertible bonds	<u>8,031,140</u>
Net Cash Provided by Financing Activities	<u>8,041,140</u>
CASH, END OF PERIOD	<u>\$ 8,475,493</u>
SUPPLEMENTAL INFORMATION	
Interest paid	\$ <u>309</u>
Income taxes paid	\$ <u>1,696</u>
Reclassification of shares held by subsidiary to treasury stock	<u>\$ 2,896,922</u>

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

(With T N Soong & Co review report dated October 17, 2002)

SINOPAC HOLDINGS

NOTES TO FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. ORGANIZATION AND OPERATIONS

SinoPac Holdings (the Company) was established by Bank SinoPac (the Bank), SinoPac Securities Corporation (the "SinoPac Securities", formerly National Securities Co., Ltd., NSC) and SinoPac Securities Co., Ltd. (the "SPS") through the stock conversion on May 9, 2002, pursuant to the Financial Holding Company Law and other related regulations. The Bank, the SinoPac Securities and the SPS exchanged stocks with the Company at ratios of 1:1.0267130836, 1:1.0098971566 and 1:0.7968960296, respectively. Thus, the Bank, the SinoPac Securities and the SPS became the wholly owned subsidiaries of the Company since May 9, 2002.

SinoPac Securities was merged with SPS on July 22, 2002 with SinoPac Securities as the surviving entity after a decision reached by the Board of Directors of the two companies on May 9, 2002. 1.2672884782 shares of the common stocks of SPS were exchanged for each share of common stock of SinoPac Securities.

The Company is engaged in investing and managing the businesses related to the financial institutions.

The Company's shares of stock have been traded on the Taiwan Stock Exchange (TSE) since May 9, 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of the Company, which conform to accounting principles generally accepted in the Republic of China, are summarized below.

Disclosure of pro forma financial statements

The pro forma financial statements for the nine months ended September 30, 2002 and 2001, (shown in Table 6 and Table 7) are disclosed, respectively, pursuant to a directive issued by the Securities and Futures Commission (the "SFC"). The directive covers those companies formed through business combinations or exchange of shares and applicable to the period in which the combination or exchange of share was completed and the immediately succeeding year.

Short-term investments

Short-term investments include investments in short-term bills with maturities over three months, which are recorded at cost (approximates market value).

Cost of short-term investments sold is determined by the specific identification method.

Bills purchased under agreements to resell and bills sold under agreements to repurchase

Sales and purchases of short-term bills under agreements to repurchase or resell for the Company are stated at cost. The difference between the original purchase cost (or sale price) and the contracted resale (or repurchase) amount is recognized as income (loss) from short-term investments.

Long-term equity investments

Pursuant to a directive issued by the Accounting Research and Development Foundation of R.O.C., a financial holding company should treat the net worth of the investees as paid in capital if the holding company is incorporated through the stock conversion. The issued stock by the holding company is accounted for as capital stock, while the excess of the par value is accounted for as additional paid-in capital.

Investments accounted for by the equity method are stated at cost plus (or minus) a proportionate share in net earnings (losses) or changes in the net worth of the investees. Shares in net earnings (losses) are recognized as investment income (loss), and cash dividends received are accounted as reduction in the carrying value of the investments. Stock dividends result only in increase in number of shares and are not recognized as investment income. In cases that stocks of the Company were held by its subsidiaries, the treasury stock method is applied.

Properties

Properties are stated at cost less accumulated depreciation. Major renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred.

Upon sale or disposal of properties, their cost and related accumulated depreciation are removed from the respective accounts. Any resulting gain is credited to current income, while resulting loss is charged to current loss.

Depreciation is calculated by the straight-line method based on estimated service lives which range as follows: Leasehold improvement, 3 years; Computer equipment, 3 years; transportation equipment, 5 years; office and other equipment, 3 to 5 years. For assets still in use beyond their original estimated service lives, further depreciation is calculated on the basis of the estimated additional service lives.

Amortization of issuance cost of euro-convertible bonds

The direct and necessary cost of issuing euro-convertible bonds (included in other assets) is amortized using straight-line method and recognized as issuance expenses (included in operating and administrative expenses) over the period from its issuance date to the expiry date of the put option.

Interest-premium

Put option of the euro-convertible bonds give the bondholders the rights to redeem the bonds at par value plus the interest-premium. Such interest-premium is recognized as liability periodically over the period from its issuance date to maturity date by interest method.

Foreign-currency transactions

The Company records foreign-currency transactions in the respective currencies in which these are denominated. Foreign-currency denominated income and expenses are translated into New Taiwan dollars at month-end spot rates. Foreign-currency assets and liabilities are translated into New Taiwan dollars at closing rates as of the balance sheet dates. Realized and unrealized foreign exchange gains or losses are credited or charged to current income.

Treasury stock

Capital stock acquired is carried at cost and presented as a deduction from stockholders' equity. The treasury stocks acquired are to be reissued to employees. The reissuance of the treasury stocks are accounted for as follows: (a) reissue price higher than the acquisition cost – the excess is credited to paid - in capital on treasury stock; and (b) reissue price less than the acquisition cost – initially charged to paid-in capital on treasury stock with any remaining deficiency charged to retained earnings.

Pursuant to a directive issued by the SFC, the financial institution, which repurchased its own capital stock pursuant to the Securities and Exchange Law, and become a wholly owned subsidiary of a financial holding company resulting in its treasury stocks converted to stocks of the financial holding company, presents the shares in the financial holding company as treasury stock. The financial holding company also presents the shares it issued in exchange for those capital stock as treasury stock. In cases that shares of the financial institutions with the same financial holding company were held among each other prior to the share swap, these shares, after the swap, are stated as equity investments and the financial holding company maintains such accounting treatment up to December 31, 2002. However, the financial holding company should state these shares as treasury stocks starting its 2002 financial statements.

Recognition of interest revenue

Interest revenue from deposit in banks is recognized on the accrual basis.

Income taxes

Interperiod income tax allocation is applied, whereby tax effects of deductible temporary differences and unused investment tax credits are recognized as deferred income tax assets, and these of taxable temporary differences are recognized as deferred income tax liabilities. A valuation allowance is provided for deferred income tax assets that are not certain to be realized.

3. CASH	September 30, <u>2002</u>
Time deposits	\$ 8,443,397
Checking deposits	17,589
Demand deposits	<u>14,507</u>
	<u>\$ 8,475,493</u>

7. PROPERTIES	September 30, <u>2002</u>
Cost	<u>\$20,675</u>
Accumulated depreciation	
Leasehold improvement	453
Computer equipment	112
Office and other equipment	<u>202</u>
	<u>767</u>
Net	<u>\$19,908</u>

8. SHORT-TERM BORROWINGS

The unsecured short-term borrowings from banks as of September 30, 2002 with interest rate of 2.45% will mature in October 2002.

As of September 30, 2002, the Company has unused credit lines totaling \$990,000, which are available for short-term borrowings.

9. EURO-CONVERTIBLE BONDS

The US \$230,000,000 zero coupon convertible bonds (the "Bonds") with US\$1,000 at par was issued in Luxembourg by the Company on July 12, 2002, other offerings regarding the Bonds are as follows:

a. Redemption terms

Unless previously redeemed, purchased and cancelled or converted, the Bonds will be redeemed on the maturity date at the redemption value. The redemption value of the Bonds will be the principal amount with annual yield rate at 4.45%.

- 1) Redemption at the option of the Company: The Bonds may be redeemed at their early redemption amount in whole or in part, at the option of the Company
 - a) After the third anniversary of the issue date, provided that for 20 consecutive trading days, the closing price of the common shares on the TSE into which each Bond is convertible exceeds 130% of the Conversion Price.
 - b) Any time at par if at least 90% in principal amount of the Bonds have already been redeemed, converted, or purchased and cancelled.
 - c) Any time in the event of certain changes in ROC taxation after issue date which oblige the Company to pay such additional amounts of the Bonds.

- 2) Redemption at the option of the bondholders: The Company will, at the option of any bondholder, redeem all or any portion of the Bonds at the accreted value
- a) After the third anniversary of the issue date (the "put option date"). To exercise such right, the bondholders must complete and sign the Relevant Event Redemption Notice prior to the put option date.
 - b) The common shares of the Company ceased to be listed or admitted to trading on TSE.
 - c) There is a change in control (as defined in the Trust Deed) with respect to the Company.

b. Maturity date:

Five years after the issue date. The Bonds were issued on July 12, 2002 and will mature on July 12, 2007.

c. Pledged: Negative

d. Conversion item and conversion period

Except during a closed period or suspension period, the bondholders may, at any time from 30 days after the issuance of the Bonds to the date 20 days prior to the maturity date convert the Bonds into common shares of the Company. Closed period means the period being (a) 60 days prior to a shareholders annual general meeting, (b) 30 days prior to a shareholders extraordinary general meeting or (c) the day prior to the record date for the distribution of dividends or other distributions. In addition, the Bonds may not be converted (a) during a period of not less than 3 business days prior to the ex-dividend date or the ex-rights date and ending on the record date and (b) during the period commencing on the date a shareholders' meeting resolves to declare distributions or approve a rights issue and ending on the relevant record date, such period being a "suspension period". The Company undertakes that it will have sufficient common shares for conversion, following an adjustment to the conversion price.

e. Conversion price

The original conversion price at NT\$17.666 per share (equals US\$0.527 per share at exchange rate of NT\$33.513=US\$1) was determined by the closing price on TSE as of July 8, 2002 (the pricing date) with 21% mark-up. Given that earnings distribution of 209,774,487 common shares of the Company in the form of stock dividends for the year 2002, the conversion price of the bonds was adjusted to NT\$16.651 effected on August 29, 2002, one day after the record date fixed for the above distribution. Thus, 462,914,539 shares of common stock will be expected to be issued in the conversion period computed at the adjusted price.

10. STOCKHOLDERS' EQUITY

a. Capital stock

On June 26, 2002 the stockholders resolved to increase the Company's capital to \$37,481,270 through issuance of stock dividends from paid-in capital in excess of par value totaling \$2,097,745 divided into 209,774 thousand shares. The capital increase had been approved by the SFC and effected on September 3, 2002.

b. Capital surplus

According to the Company Law, the component of capital surplus arising from issuance of shares in excess of par value can be appropriated and transfer to the common stock with the approval of stockholders.

The component of capital surplus arising from long-term equity investment accounted for by equity method can not be distributed for any purpose.

Pursuant to the Financial Holding Company Law and related directives issued by SFC, the distribution of the ex-conversion unappropriated earnings which generated by the financial institutions and became part of capital surplus of the financial holding company through the stock conversion, is excluded from the appropriation restriction of the Securities and Exchange Law.

The subsidiaries' unappropriated retained earnings prior to the stock conversion amounted to \$3,720,981 which was already stated as the Company's additional paid-in capital at the date of establishment. On June 26, 2002, the stockholders resolved to increase capital by \$2,097,745 through issuance of stock dividends from aforementioned additional paid-in capital.

c. Retained earnings

The Company's Articles of Incorporation provide that the annual net income shall first offset against accumulated deficit, if any; 10% of the remainder shall be appropriated as legal reserve until the reserve equals the aggregate par value of the Company's outstanding capital stock. A special reserve may then be appropriated based on regulations. Any remainder thereof shall be appropriated to employees not less than 1%.

The aforementioned appropriation of bonus to employees will be resolved by the board of directors through cash or issuance of new shares. The subject of stock dividends comprehends employees of subsidiaries.

The dividend policy of the Company is influenced by its pursuit of growth and profit. Therefore, the Company needs substantial capital to support those strategies. The stockholders' meeting will resolve to distribute the stock and cash dividends according to the Company's business plan, however, cash dividends shall not be less than 10% of the dividends distributed except for the first three starting business years.

Cash dividends and cash bonus are paid when approved by the stockholders, while the distribution of stock dividends requires the additional approval of the authorities.

The appropriations and the disposition of the remaining net income, as well as other distributions of earnings, are approved by the stockholders in the following year and given effect to in the financial statements of that year.

Under the Company Law, the aforementioned appropriation for legal reserve is made until the reserve equals the aggregate par value of the outstanding capital stock of the Company. This reserve is only used to offset a deficit, or, when its balance reaches 50% of aggregate par value of the outstanding capital stock of the Company, up to 50% thereof can be distributed as stock dividends.

A special reserve is appropriated from the balance of the retained earnings at an amount that is equivalent to the debit balance of accounts in the stockholders' equity section (such as cumulative translations adjustment account, unrealized loss on long-term equity investments and unrealized revaluation loss on long-term equity investments but excluding the balance of treasury stocks) pursuant to a directive issued by the SFC. The balance of the special reserve is adjusted to reflect any changes in the debit balance of the related accounts at the balance sheet dates.

Under the Integrated Income Tax System, non-corporate and ROC-resident stockholders are allowed tax credits for the income tax paid by the Company. Tax credit allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date. Accordingly, the balance of imputed tax credit account amounted to \$273,231 as of September 30, 2002.

11. TREASURY STOCK

<u>Reasons</u>	<u>Shares at Beginning of Period</u>	<u>Shares Increased During the Period</u>	<u>Shares Decreased During the Period</u>	<u>Shares at End of Period</u>
Re-issuance to employees				
Bank SinoPac	41,618	-	41,618	-
SinoPac Securities	53,858	-	20,198	33,660
Shares held by subsidiaries	204,107	12,436	-	216,543

The Company is not allowed under the Securities and Exchange Law to purchase more than 10% of its total shares issued and outstanding capital stock. In addition, the Company may not spend more than the aggregate amount of the retained earnings, additional paid-in capital in excess of par value, capital surplus arising from gains on disposal of properties and donated capital.

The Company may not pledge or hypothecate any purchased capital stock. In addition, the Company may not exercise any shareholders' rights attached to such capital stock.

Bank SinoPac and SinoPac Securities acquired 40,535 thousand and 53,330 thousand shares of their own capital stocks for \$500,354 and \$554,992, respectively. As a result of the share swap (see Note 1), the aforementioned capital stocks have been exchanged for 95,476 thousand shares of the Company. Pursuant to a directive issued by the SFC, the Company treated those shares it issued in exchanged for those Bank SinoPac shares and SinoPac Securities shares as treasury shares. Among these treasury shares, 41,618 thousand and 20,198 thousand shares held by Bank SinoPac and SinoPac Securities, respectively, had been transferred to their employees at NT\$11.84 and NT\$10.826 per share in September 2002.

Bank SinoPac had held 256,127 thousand shares of SPS (which was merged with SinoPac Securities on July 22, 2002) with carrying value of \$2,896,922 prior to the exchange of shares described in Note 1. Those shares have been exchanged for 204,107 thousand shares of the Company and, together with stock dividends of 12,436 thousand shares received, were presented by Bank SinoPac as securities purchased in its financial statements; meanwhile the Company treated such 216,543 thousand shares with carrying value of \$2,896,922 as treasury stock.

Although those shares of the Company held by subsidiaries as investments is presented by the Company as treasury stocks, the subsidiaries are able to exercise the rights of stockholders in respect to these treasury stocks.

12. OPERATING AND ADMINISTRATIVE EXPENSES

	For the Period from May 9, 2002 to September 30, 2002
Professional service charges	\$ 46,336
Salaries and wages	26,556
Promotion	17,130
Rental	9,828
Others	<u>75,246</u>
	<u>\$ 175,096</u>

13. INCOME TAX

The operating revenues for the period from May 9, 2002 to September 30, 2002 mainly consist of investment income recognized from the subsidiaries, which was tax-exempt in ROC, and generated no related income tax. Accordingly, income tax for the period from May 9, 2002 to September 30, 2002 resulted from interest income on short-term bills.

14. EARNINGS PER SHARE

The numerators and denominators used in computing earnings per shares (EPS) are summarized as follows:

	Numerator (Amounts)		Denominator (Shares in Thousands)	EPS (NT\$)	
	<u>Pre-tax</u>	<u>After-tax</u>		<u>Pre-tax</u>	<u>After-tax</u>
<u>For the period from May 9, 2002 to September 30, 2002</u>					
Basic EPS	\$ 1,035,764	\$ 1,033,663	3,439,992	\$ 0.30	\$ 0.30
Influence on diluted common shares: Euro-convertible bonds	77,818	77,818	462,915		
Diluted EPS	1,113,582	1,111,481	3,902,907	0.29	0.28

(Forward)

	Numerator (Amounts)		Denominator (Shares in Thousands)	EPS (NT\$)	
	<u>Pre-tax</u>	<u>After-tax</u>		<u>Pre-tax</u>	<u>After-tax</u>
<u>Pro forma information under assumptions that shares of the Company held by its subsidiaries were not treated as treasury stock</u>					
Basic EPS	\$ 1,035,764	\$ 1,033,663	3,748,127	\$ 0.28	\$ 0.28
Influence on diluted common shares: Euro-convertible bonds	77,818	77,818	462,915		
Diluted EPS	1,113,582	1,111,481	4,211,042	0.26	0.26

15. RELATED PARTY TRANSACTIONS

Significant transactions with related parties are as follows:

a. Related parties

<u>Name</u>	<u>Nature of Relationship with the Company</u>
Bank SinoPac	Wholly owned subsidiary of the Company
SinoPac Securities	Wholly owned subsidiary of the Company
National Electric Appliance Co., Ltd.	Same chairman
Hong Yue Investment Co.	Supervisor of the Company
Far East National Bank (FENB)	Subsidiary of Bank SinoPac

b. Significant transactions with related parties

1) Cash - deposits in bank

	<u>September 30, 2002</u>	
	<u>Amount</u>	<u>% to Total</u>
Bank SinoPac	\$ 5,844,771	69
FENB	2,620,722	30

2) Securities purchased

<u>Types of transactions</u>	<u>September 30, 2002</u>	
	<u>Cost</u>	<u>Face Value</u>
Commercial paper purchased	\$ 416,703	\$ 420,000
Bills purchased under agreements to resell	\$ 652,402	658,000

For the period from May 9, 2002 to September 30, 2002, income from short-term investments generated from short-term bill transactions with Bank SinoPac were amounted to \$10,504.

3) Interest revenue

	<u>For the Period from May 9, 2002 to September 30, 2002</u>	
	<u>Amount</u>	<u>% to Total</u>
Bank SinoPac	\$ 21,276	63
FENB	12,073	36

c. Lease

The Company leased certain office premises from National Electric Appliance Co., Ltd. for a period from May 2002 to December 2005. Rentals are paid annually at the beginning of each year. Rental paid for the period from May 9, 2002 to September 30, 2002 was \$1,743.

The Company leased certain apartments as employees' dormitory from Hong Yue Investment Co. for a period from May 2002 to May 2005. Rentals are paid monthly. Rental paid for the period from May 9, 2002 to September 30, 2002 was \$1,099.

d. Property purchase contract

In August 2002, the Company entered into contracts with Bank SinoPac and SinoPac Securities to purchase property totaling \$450 and \$6,287, respectively. The company also acquired computer software from SinoPac Securities totaling \$84. These purchase costs had already been paid as of September 30, 2002.

The terms of the transactions with related parties are similar to those with non-related parties.

16. CONTINGENCIES AND COMMITMENTS

The Company leases certain office premises under several contracts for various periods ranging from two to forty-four months, with rentals paid monthly, quarterly or annually. Future rentals are as follows:

<u>Year</u>	<u>Amount</u>
October 1, 2002 to December 31, 2002	\$ 7,424
2003	26,204
2004	20,983
2005	15,132

17. DISCLOSURE OF FINANCIAL INSTRUMENTS

	<u>September 30, 2002</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>
<u>Assets</u>		
Financial assets - with fair values approximating carrying values	\$ 8,504,666	\$ 8,504,666
Short-term investments	416,703	416,703
Bills purchased under agreements to resell	652,402	652,402
Long-term equity investments	42,633,067	42,633,067
Other assets - guarantee deposits	1,679	1,679
<u>Liabilities</u>		
Financial liabilities - with fair values approximating carrying values	84,708	84,708
Short-term borrowings	10,000	10,000
Euro-convertible bonds	8,031,140	8,492,931

Methods and assumptions applied in estimating the fair values of non-derivative financial instruments are as follows:

- a. The carrying values of cash, accounts, interest and other receivables, short-term borrowings, payables and other liabilities, approximate their fair values because of the short maturities of these instruments.
- b. The short-term investments and bills purchased under agreements to resell consist of commercial papers which fair values are estimated at their carrying values since the fair values of commercial papers approximate the carrying values.
- c. The fair values of long-term equity investments for unlisted company stocks are estimated at the underlying net asset values.
- d. The fair values of guarantee deposits are estimated at their carrying values since such deposits do not have specific due dates.
- e. The fair values of euro-convertible bonds are estimated at their market prices listed in Luxembourg.

Certain financial instruments and all nonfinancial instruments are excluded from disclosure of fair value. Accordingly, the aggregate fair values presented above do not represent the underlying value of the Company.

18. CONDENSED BALANCE SHEETS AND STATEMENTS OF INCOME OF SUBSIDIARIES

a. Condensed balance sheets

BANK SINOPAC

BALANCE SHEET

September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars)

<u>Assets</u>	<u>Amount</u>	<u>Liabilities</u>	<u>Amount</u>
Cash	\$ 43,589,663	Call loans and due to banks	\$ 44,674,486
Due from banks	18,147,285	Payables	7,555,094
Due from Central Bank	8,775,912	Deposits and remittances	228,797,568
Securities purchased	32,593,735	Bank debentures	5,000,000
Receivables - net	11,615,737	Other liabilities	<u>3,203,477</u>
Prepaid expenses	241,538	Total liabilities	<u>289,230,625</u>
Loans, discounts and bills purchased - net	182,400,531		
Long-term equity investments	8,847,556	<u>Stockholders' equity</u>	
Properties - net	4,730,540	Capital stock	19,443,976
Other assets	<u>2,745,553</u>	Capital surplus	126,886
		Retained earnings	5,095,062
		Equity adjustments	(208,499)
		Total stockholders' equity	<u>24,457,425</u>
Total assets	<u>\$313,688,050</u>	Total liabilities and stockholders' equity	<u>\$313,688,050</u>

SINOPAC SECURITIES CORPORATION

BALANCE SHEET

September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars)

<u>Assets</u>	<u>Amount</u>	<u>Liabilities</u>	<u>Amount</u>
Current assets	\$ 38,472,660	Current liabilities	\$ 24,586,135
Long-term equity investments	2,736,883	Other liabilities	<u>401,277</u>
Properties - net	2,723,478	Total liabilities	<u>24,987,412</u>
Other assets	2,027,617		
Securities brokerage debit account - net	<u>99,338</u>	<u>Stockholders' equity</u>	
		Capital stock	15,269,020
		Capital surplus	2,321,997
		Retained earnings	3,721,426
		Equity adjustments	(239,879)
		Total stockholders' equity	<u>21,072,564</u>
Total assets	<u>\$ 46,059,976</u>	Total liabilities and stockholders' equity	<u>\$ 46,059,976</u>

b. Condensed statements of income

BANK SINOPAC

STATEMENT OF INCOME

For the Nine Months Ended September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>Amount</u>
Operating revenues	\$ 11,483,882
Operating expenses	<u>9,248,053</u>
Operating income	2,235,829
Non-operating income	58,793
Non-operating expenses	<u>30,529</u>
Income before income tax	<u>2,264,093</u>
Net income	<u>\$ 1,823,464</u>
Pre-tax earnings per share	<u>\$1.19</u>
After tax earnings per share	<u>\$0.96</u>

SINOPAC SECURITIES CORPORATION (FORMERLY NSC)

STATEMENT OF INCOME

For the Nine Months Ended September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>Amount</u>
Operating revenues	\$ 4,733,550
Operating expenses	<u>3,213,288</u>
Operating income	1,520,262
Non-operating income	437,463
Non-operating expenses	<u>262,095</u>
Income before income tax	<u>1,695,630</u>
Net income	<u>\$ 1,374,048</u>
Pre-tax earnings per share	<u>\$1.15</u>
After tax earnings per share	<u>\$0.93</u>

19. ADDITIONAL DISCLOSURES

a. Followings are the additional disclosures required by the SFC for the Company and affiliates:

- 1) Financing provided: Please see Table 1;
- 2) Collateral/guarantee provided: Please see Table 2;
- 3) Marketable securities held: Please see Table 3;
- 4) Marketable securities acquired and disposed of, at costs or prices of at least NT\$100 million or 20% of the issued capital: Please see Table 4;
- 5) Acquisition of individual real estate at costs of at least NT\$100 million or 20% of the issued capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$100 million or 20% of the issued capital: None;
- 7) Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the issued capital: Not applicable;
- 8) Receivables from related parties amounting to NT\$100 million or 20% of the issued capital: None;
- 9) Names, locations, and other information of investees on which the Company exercises significant influence: Please see Table 5;
- 10) Derivative financial transactions: The Company didn't engage in any derivative financial instruments as of September 30, 2002. The derivative financial instruments of the investees are summarized below:

Bank SinoPac

Bank SinoPac is engaged in derivative transactions mainly to accommodate customers' needs and to manage its exposure positions. It also enters into cross currency swap, interest rate swap and asset swap to hedge the effects of foreign exchange or interest rate fluctuations on its foreign-currency net assets. Bank SinoPac's strategy is to hedge most of the market risk exposures using hedging instruments whose changes in market value have a highly negative correlation with the changes in the market of the exposures being hedged; Bank SinoPac also assesses the hedge effectiveness of the instruments periodically.

Bank SinoPac is exposed to credit risk in the event of nonperformance of the counterparties to the contracts. Bank SinoPac enters into contracts with customers that have satisfied the credit approval process and have provided the necessary collateral. The transactions are then made within each customer's credit limits and guarantee deposits may be required, depending on the customer's credit standing. Transactions with other banks are made within the trading limit set for each bank based on that Bank's credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses.

The contract amounts (or notional amounts), credit risk and fair values of outstanding contracts were as follows:

<u>Financial Instruments</u>	<u>September 30, 2002</u>		
	<u>Contract (Notional) Amount</u>	<u>Credit Risk</u>	<u>Fair Value</u>
For hedging purposes:			
Interest rate swap contracts	\$ 1,561,000	\$ -	\$ -
For the purposes of accommodating customers' needs or managing Bank SinoPac's exposure:			
Forward contracts			
- Buy	16,159,537	235,968	205,446
- Sell	24,084,228	454,237	324,404
Forward rate agreements			
- Buy	89,255,047	-	(376,483)
- Sell	91,000,947	381,055	381,055
Currency swap contracts	95,621,757	1,270,066	(866,201)
Interest rate swap contracts	44,323,015	428,866	(69,449)
Options			
- As buyer	75,595,649	785,500	1,449,724
- As seller	74,975,558	-	1,522,206

The fair value of each contract is determined through quotations from Reuters or Telerate Information System.

As of September 30, 2002, Bank SinoPac entered into asset swap contracts for hedging purpose in which the notional amounts were \$4,656,615. Bank SinoPac entered into these contracts with counterparties that have splendid worldwide ranking and credit rating, thus, no significant credit risk is expected.

Bank SinoPac has entered into certain derivative contracts in which the notional amounts are used solely as a basis for calculating the amounts receivable and payable under the contracts. Thus, the notional amount does not represent the potential cash inflows or outflows. The possibility that derivative financial instruments held or issued by Bank SinoPac can not be sold at reasonable prices is minimal; accordingly, no significant cash demand is expected.

The gains and losses on derivative financial instruments for the nine months ended September 30, 2002 are as follows:

	<u>Account</u>	<u>For the Nine Months Ended September 30, 2002</u>
For hedging purposes:		
Cross currency swap contracts		
- Realized	Interest revenue	\$ 31,690
	Interest expense	(14,425)
For the purposes of accommodating customers' needs or managing Bank SinoPac's exposure:		
Forward contracts		
- Realized	Foreign exchange gain	73,219
- Unrealized	Foreign exchange gain	593,764
Forward rate agreements		
- Realized	Income from derivative financial transactions	3,887
- Unrealized	Loss from derivative financial transactions	(2,974)
Currency swap contracts		
- Realized	Interest revenue	273,447
	Interest expense	(296,678)
Interest rate swap contracts		
- Realized	Interest revenue	423,949
	Interest expense	(459,747)
- Unrealized	Income from derivative financial transactions	7,817
Options contracts		
- Realized	Income from derivative financial transactions and foreign exchange loss - net	120,344
- Unrealized	Loss from derivative financial transactions	(63,766)
Interest rate futures contracts		
- Realized	Loss from derivative financial transactions	(2,988)

SinoPac Securities Corporation

a) Warrants

i. The objective of issuing warrants and strategies to achieve such objective:

SinoPac Securities issued warrants for trading purpose. However, SinoPac Securities holds securities to hedge market risk related to warrants issued. The changes in the market values of the underlying securities correspond to the changes in the fair value of the warrants issued. The effectiveness of the hedging activities as well as the sufficiency of the hedging security is closely monitored.

ii. Credit risk. SinoPac Securities is not exposed to credit risk because the premium has been received in the issuance of warrants.

iii. Market risk

The market risk on warrants issued principally arose from the changes in market prices of its underlying securities. SinoPac Securities manages the market risk by adopting dynamic hedging strategy and taking different position of warrants and underlying securities.

- iv. Liquidity risk, risk of cash flows and the uncertainty as to the amount and timing of future cash requirement.

Warrants will expire in November 2002 and January 2003. Except for the cash inflows and outflows arising from hedging, no additional cash is needed.

- v. Leverage of the instrument as of September 30, 2002.

September 30, 2002							
Date of Issuance	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance	
National Securities - 10	October 29, 2001	E.Sun Holding Co., Ltd.	20,000,000	\$ 1.1	\$ 22,000	\$ 19.20	11.6
National Securities - 11	January 7, 2002	United Micro Electronics Co.	19,000,000	11.2	212,800	62.40	4.6
Less: Gain on change in market value of warrants liabilities as of September 30, 2002					(227,150)		
							<u>\$ 7,650</u>

b) Interest rate swap

- i. SinoPac Securities has entered into interest rate swap (IRS) contracts with banks for hedging and trading purposes. For hedging purpose, the IRS contracts are entered into hedging the SinoPac Securities's interest rate exposure on fixed rate net asset position. SinoPac Securities has selected hedging instruments having negative correlation with fair value of the hedged items and periodically evaluates the effectiveness of these instruments; interest rate exchange with a transaction nature is based on SinoPac Securities's judgement on the fluctuation of interest rate and make a interest exchange contract with the purpose of profiting from interest rate differences.
- ii. The information on the outstanding IRS contracts are as follows:

	September 30, 2002		
	Nominal Amount	Fair Value	Credit Risk
For trading purpose	<u>\$1,800,000</u>	<u>(\$34,286)</u>	<u>\$ 9,333</u>

The counterparties to the foregoing swap contracts are reputable banks. Accordingly, SinoPac Securities does not expect significant exposure to credit risks.

- iii. Market risk

SinoPac Securities has used Value-at-Risks (VAR), based on statistical analysis of market data and foreign industrial standards, for evaluating market risks of the IRS contracts for trading purposes. As of September 30, 2002, the VAR was \$388.

No significant effect will result from interest rate fluctuations since all interest rate swaps are to hedge SinoPac Securities's interest rate exposure; therefore, market risk are minimal.

iv. Cash flows and demands

Net interest, equal to the notional amount of the interest rate swap contracts multiplied by the difference in the interest rate bases, received or paid upon each settlement date, is not material. The notional amounts are not exchanged on the final settlement date. Therefore, the cash demand is not significant.

- v. The net interest revenue recognized by SinoPac Securities under the swap contracts for hedging purposes for the nine months ended September 30, 2002 was \$507. The net interest expense recognized for trading purposes for the period ended September 30, 2002 was \$35,645.

c) Stock index futures and options

- i. Derivative instruments in hands, the objectives of holding such instruments, and the strategies for achieving such objectives

SinoPac Securities uses stock index futures and options contracts for trading and hedging purposes. The stock index futures and options contracts for trading purposes increase the investment instruments, aggressively develop various services and heighten working capital efficiency. Furthermore, the stock index futures and options contracts for hedging purposes is hedged the market risks of listed securities. SinoPac Securities has selected hedging instruments as high correlation with price of hedged items and periodically evaluates the effectiveness of the instrument. The stock index futures and options exchanged by SinoPac Securities for the nine months ended September 30, 2002 are for the trading purpose.

- ii. The notional amount, fair value and credit risk of outstanding contracts were as follows:

	<u>September 30, 2002</u>	
	<u>Notional</u>	<u>Fair</u>
	<u>Amount</u>	<u>Value</u>
Stock index futures	\$ 8,113	\$ 8,040
Stock options		
- Buy	4,169	4,385
- Sell	7,131	8,801

The fair value of each stock index futures and options contracts is computed at the closing price published by TAIEX as of the balance sheet date.

The SinoPac Securities is exposed to credit risk in the event of nonperformance by the counterparties to the contracts on maturity. SinoPac Securities enters into contracts with Taiwan Futures Exchange, thus the credit risk is not significant.

iii. Market risk

Market risk is the fluctuation of market price for stock index futures and options. SinoPac Securities has appropriate risk control management and has set up stop loss points to monitor price fluctuation and holding position. When the balance of the trading margin account is lower than the maintenance margin, SinoPac Securities will recognize a loss by either settling the deal or putting in the additional deposits to the initial margin level. Complying with their hedge purpose, the market risk will offset with that of listed securities and the market risk to SinoPac Securities, taken as a whole, is not significant.

iv. Liquidity risk, risk of cash flows and the uncertainty as to the amounts and timing of future cash required.

The additional margin will be paid only if the balance of the trading margin account is lower than the maintenance margin. Therefore, the demand of future cash flow is not significant.

v. Gain (loss) from transactions of stock index futures and options

As of September 30, 2002, future margin incurred on transactions involving stock index futures and options amounting to \$42,498 (recorded as "other current assets - future guarantee deposits") and the fair values of margin paid for call options and received from put options (recorded as "other current assets and other current liabilities) amounting to \$4,385 and \$8,801, respectively. The related realized loss for the nine months ended September 30, 2002 was \$4,486.

b. Information related to investment in Mainland China: None.

c. Supplementary information of pro forma comparative financial statements: Please see Tables 6 and 7.

SINOPAC HOLDINGS AND INVESTEES
 FINANCING PROVIDED
 For the Nine Months Ended September 30, 2002
 (Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Financing Name	Counter-Party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
											Item	Value		
6	Intellisys Corp.	Intellisoft Corporation	Receipts under custody and payment on behalf of others	\$3,222	\$3,222	-	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$20,000 (Note)	\$57,590 (Note)

Note: The stockholders of Intellisys Corp. have approved that the limit on total financing amounts is up to 30% of the net asset value of Intellisys corp., and the limit on individual financing amounts is up to \$20,000.

SINOPAC HOLDINGS AND INVESTEES

COLLATERAL/GUARANTEE PROVIDED TO OTHER PARTIES

For the Nine Months Ended September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Collaterals/Guarantees Provider	Counterparty		Limits on Individual Collateral or Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Carrying Value (As of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Guarantee to Net Asset Value of the Latest Financial Statement (Note 4)	Maximum Collateral/Guarantee Amounts Allowable
		Name	Nature of Relationship						
1	SinoPac Securities Corporation	SinoPac Securities (Asia) Ltd.	Grandson Company of 100% of shareholding	\$ 4,214,513 (Note 2)	\$ 1,571,400 (US\$ 45,000 thousand)	\$ -	\$ -	\$ -	\$ 4,214,513 (Note 2)
2	SinoPac Leasing Corporation	Grand Capital International Limited	Subsidiary	(Note 3)	2,133,685	2,133,685	-	120%	(Note 4)
		Wal Tech International Corporation	Affiliate company	(Note 3)	522,500	522,500	450,000	29%	(Note 4)

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: According to SinoPac Securities Corporation's rules related to collateral, both the total amount of collateral and specified collateral provided to single party can't exceed 20% of the net asset value of SinoPac Securities Corporation.

Note 3: Except for no limitation applied on any subsidiaries of SinoPac Leasing Corporation, the limit on individual collateral or guarantee amounts is up to 200% of the net asset value (Note 5) of SinoPac Leasing Corporation. As of September 30, 2002, the limit amount was \$3,565,583 thousand.

Note 4: Except for no limitation applied on any subsidiaries of SinoPac Leasing Corporation, the maximum amount of collateral or guarantee amounts allowance is up to 500% of the net asset value (Note 5) of SinoPac Leasing Corporation. As of September 30, 2002, the maximum allowance was \$8,913,958 thousand.

Note 5: The net asset value of SinoPac Leasing Corporation was based on the unreviewed financial statements as of September 30, 2002.

SINOPAC HOLDINGS AND INVESTEEES
MARKETABLE SECURITIES HELD
September 30, 2002
(Amounts Expressed in Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2002				Note
				Shares/Units/Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Holdings	<u>Stock</u>							
	Bank SinoPac	Subsidiary	Long-term equity investments	1,944,398	\$21,560,503	100.00%	\$21,560,503	Note 5
	SinoPac Securities Corporation	Subsidiary	Long-term equity investments	1,526,902 (Note 8)	21,072,564	100.00%	21,072,564	Note 5
Bank SinoPac	<u>Stock</u>							
	SinoPac Bancorp	Subsidiary	Long-term equity investments	20	4,922,100	100.00%	4,922,100	Note 4
	Rocorp Holding S.A.	An investee accounted for by the equity method	Long-term equity investments	0.11	3,531	33.33%	3,531	Note 6
	SinoPac Leasing Corporation	Subsidiary	Long-term equity investments	149,652	1,995,887	99.77%	1,778,661	Note 4
	SinoPac Capital Limited	Subsidiary	Long-term equity investments	229,998	944,469	99.99%	944,469	Note 4
	SinoPac Financial Consulting Co., Ltd.	Subsidiary	Long-term equity investments	194	3,578	97.00%	3,578	Note 4
	Aetna Sinopac Credit Card Co., Ltd.	An affiliate	Long-term equity investments	81,104	200,011	49.76%	200,011	Note 4
	SinoPac Life Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	194	54,426	97.00%	54,426	Note 4
	SinoPac Property Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	194	3,372	97.00%	3,372	Note 4
	Ruentex Industries Ltd. (formerly Ruentex Textile Co., Ltd.)	Supervisor of Bank SinoPac and an investee accounted for by the cost method	Long-term equity investments	11,452	165,486	1.45%	172,930	Note 2
	CTB Financial Holding Company	An investee accounted for by the cost method	Long-term equity investments	3,998	110,732 (Note 3)	0.12%	56,430	Note 2
	Vate Technology Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	496	6,272 (Note 3)	0.25%	1,225	Note 2
	China Television Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	12,468	364,539 (Note 3)	3.40%	91,047	Note 2
	Global Securities Finance Corp.	An investee accounted for by the cost method	Long-term equity investments	11,719	100,000	1.56%	130,759	Note 4
	Z-Com, Inc.	An investee accounted for by the cost method	Long-term equity investments	1,040	13,230	1.58%	12,031	Note 4
	Taipei Forex Inc.	An investee accounted for by the cost method	Long-term equity investments	80	800	0.40%	1,072	Note 4
	Taiwan International Merchantile Exchange Corp.	An investee accounted for by the cost method	Long-term equity investments	899	8,990	0.45%	9,868	Note 4
	Taiwan Leader Advanced Technology Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,103	16,554	1.07%	15,041	Note 4
	Apack Technology Inc.	An investee accounted for by the cost method	Long-term equity investments	1,694	14,476	1.31%	14,499	Note 4
	Fuh-Hwa Investment Trust Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	2,400	24,000	7.77%	30,439	Note 4
	Financial Information Services Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	4,550	45,500	1.14%	61,363	Note 4
	Taiwan Asset Management Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	0.28%	50,575	Note 4
	Taiwan Financial Asset Service Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	2.94%	50,667	Note 4
	Prudence Venture Investment Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	2.50%	49,859	Note 4
	Mondex Taiwan Inc.	An investee accounted for by the cost method	Long-term equity investments	2,000	25,000	6.92%	19,089	Note 4
SinoPac Bancorp	<u>Stock</u>							
	Far East National Bank	Subsidiary	Long-term equity investments	175	4,791,895	100.00%	4,791,895	Note 4
Far East National Bank	<u>Stock</u>							
	Far East Capital Corporation	Subsidiary	Long-term equity investments	350	83,511	100.00%	83,511	Note 4
	FENB Securities, Inc.	Subsidiary	Long-term equity investments	3	13,624	100.00%	13,624	Note 4
	FENB Loan Corp.	Subsidiary	Long-term equity investments	0.1	9	100.00%	9	Note 4
	FENB Film Corp.	Subsidiary	Long-term equity investments	0.1	(25,394)	100.00%	(25,394)	Note 4
	Federal Reserve Bank	An investee accounted for by the cost method	Long-term equity investments	62	107,598	-	107,598	Note 6
	Federal Home Loan Bank	An investee accounted for by the cost method	Long-term equity investments	100	349,180	-	349,180	Note 6
	Southern California Business Development Corporation (SCBDC)	An investee accounted for by the cost method	Long-term equity investments	40	1,397	-	1,397	Note 6
	California Economic Development Lending Initiative (CEDLI)	An investee accounted for by the cost method	Long-term equity investments	50	1,746	-	1,746	Note 6

(Forward)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2002				Note
				Shares/Units/Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Far East Capital Corporation	<u>Fund</u>							
	Genesis L.A. Real Estate Fund LLC	-	Long-term investments	-	\$ 24,494	-	\$ 24,494	Note 6
	California Tax Credit Fund LLC	-	Long-term investments	-	29,593	-	29,593	Note 6
	Bay Area Smart Growth Fund LLC	-	Long-term investments	-	9,953	-	9,953	Note 6
	<u>Stock (common stock)</u>							
	Metropolis Digital	An investee accounted for by the cost method	Long-term equity investments	1,257	8,781	8.00%	8,781	Note 6
	Hollywood International Financial Inc.	An investee accounted for by the cost method	Long-term equity investments	0.3	11	15.10%	11	Note 6
	PCRS Capital Partners, LLC	An investee accounted for by the cost method	Long-term equity investments	-	2,193	4.00%	2,193	Note 6
	TVIA, Inc.	An investee accounted for by the cost method	Long-term equity investments	33	8,729	0.20%	663	Note 7
	Softknot Corporation	An investee accounted for by the cost method	Long-term equity investments	9	2	-	2	Note 6
	<u>Stock (preferred stock)</u>							
	AgraQuest, Inc.	An investee accounted for by the cost method	Long-term equity investments	100	8,206	0.80%	8,206	Note 6
	iPhysician Net, Inc.	An investee accounted for by the cost method	Long-term equity investments	115	14,194	0.30%	14,194	Note 6
	Silicon Motion, Inc.	An investee accounted for by the cost method	Long-term equity investments	61	8,730	0.20%	8,730	Note 6
	Softknot Corporation	An investee accounted for by the cost method	Long-term equity investments	250	6,984	2.00%	6,984	Note 6
Zone Reactor, Inc.	An investee accounted for by the cost method	Long-term equity investments	300	2,095	1.50%	2,095	Note 6	
SinoPac Leasing Corporation	<u>Stock</u>							
	Grand Capital International Limited	Subsidiary	Long-term equity investments	29,900	1,314,201	100.00%	1,314,201	Note 4
	Bank of Overseas Chinese	An investee accounted for by the cost method	Long-term equity investments	5,482	78,538 (Note 3)	0.33%	12,721	Note 2
	Chain Yarn Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,969	38,444	1.90%	21,209	Note 4
	Tekcon Electronics Corp.	An investee accounted for by the cost method	Long-term equity investments	832	20,768	1.51%	7,358	Note 4
	Global Securities Finance Corp.	An investee accounted for by the cost method	Long-term equity investments	1,423	15,664	0.19%	15,926	Note 4
	Z-Com, Inc.	An investee accounted for by the cost method	Long-term equity investments	300	6,600	0.50%	3,819	Note 4
	Walton Advanced Engineering, Inc. (formerly Walsin Advanced Electronics Ltd.)	An investee accounted for by the cost method	Long-term equity investments	1,528	23,616	0.50%	14,433	Note 4
	Telexpress Corp.	An investee accounted for by the cost method	Long-term equity investments	525	7,835	5.00%	5,619	Note 4
	Grand Capital International Limited	<u>Venture fund</u>						
World Wide Multimedia L.P.		-	Long-term investments	0.005	87,295	16.67%	83,067	Note 4
<u>Stock (preferred stock)</u>								
Silicon Motion, Inc.		An investee accounted for by the cost method	Long-term equity investments	86	10,475	0.35%	10,475	Note 6
@Network, Inc.		An investee accounted for by the cost method	Long-term equity investments	106	10,475	0.49%	10,475	Note 6
Best 3C. Com, Inc.		An investee accounted for by the cost method	Long-term equity investments	600	15,713	1.85%	15,713	Note 6
e21 Corp.		An investee accounted for by the cost method	Long-term equity investments	200	10,475	0.79%	10,475	Note 6
Netvista (B.V.I.) Holding Company, Ltd.		An investee accounted for by the cost method	Long-term equity investments	600	10,475	3.30%	10,475	Note 6
Ciphergen Biosystems, Inc.		An investee accounted for by the cost method	Long-term equity investments	45	9,976	0.17%	9,976	Note 6
SinoPac Capital Limited		<u>Stock</u>						
	SinoPac Capital (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	4,450	138,770	100.00%	138,770	Note 4
	Shanghai Land Holding Ltd.	-	Short-term investments	2,850	81,603	0.09%	83,594	Note 2
	<u>Convertible bill</u>							
	Silicon Magic Corporation	-	Short-term investments	-	104,783	-	104,783	Note 6
Harbin Brewery Group Limited	-	Short-term investments	-	34,920	-	44,769	Note 2	
SinoPac Capital (B.V.I.) Ltd.	<u>Stock</u>							
	Cyberpac Holding Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	0.002	(83,839)	100.00%	(83,839)	Note 4
	Allstar Venture Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	0.002	(127,087)	100.00%	(127,087)	Note 4
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Subsidiary	Long-term equity investments	4,800	33,544	60.00%	33,544	Note 4
Pinnacle Investment Management Ltd.	Subsidiary	Long-term equity investments	200	4,293	99.9995%	4,293	Note 4	

(Forward)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2002				Note
				Shares/Units/Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Cyberpac Holding Ltd. (B.V.I.)	<u>Venture fund</u> 3V Source One LP	-	Long-term investments	2,000	\$ 71,349	71.43%	\$ 61,922	Note 4
	<u>Stock</u> Wal Tech International Corporation	Subsidiary	Long-term equity investments	12,497	73,846	99.98%	68,210	Note 4
	BSP Venture Management (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	50	1,168	100.00%	1,168	Note 4
	Telexpress Corp.	An investee accounted for by the equity method	Long-term equity investments	3,900	54,340	34.21%	36,334	Note 4
	Hollywood International Finance Inc.	An investee accounted for by the cost method	Long-term equity investments	0.098	3	4.90%	3	Note 4
Allstar Venture Ltd. (B.V.I.)	<u>Venture fund</u> InveStar Excelsus Venture Capital (Int'l) Inc., LDC	-	Long-term investments	2,220	85,303	6.91%	80,173	Note 5
	UOB	-	Long-term investments	26	77,914	8.62%	69,111	Note 4
	MDS Life Sciences Technology Fund	-	Long-term investments	50	116,895	2.67%	10,860	Note 5
	Bio Asia Investment, LLC/BDF II	-	Long-term investments	-	36,404	2.30%	36,404	Note 6
	NAVF II	-	Long-term investments	-	46,982	2.07%	46,982	Note 6
	<u>Stock (common stock)</u> Ardent Pharmaceutica, Inc.	An investee accounted for by the cost method	Long-term equity investments	143	17,848	0.58%	17,848	Note 6
	TVIA, Inc.	An investee accounted for by the cost method	Long-term equity investments	167	10,254	0.76%	10,254	Note 6
	Dicon Fiberoptics, Inc.	An investee accounted for by the cost method	Long-term equity investments	221	34,912	0.20%	34,912	Note 6
	<u>Stock (preferred stock)</u> Sunol Molecular Corp.	An investee accounted for by the cost method	Long-term equity investments	100	17,623	0.92%	17,623	Note 6
	Phytoceutica, Inc.	An investee accounted for by the cost method	Long-term equity investments	200	18,012	1.10%	18,012	Note 6
	Selective Genetics, Inc.	An investee accounted for by the cost method	Long-term equity investments	50	10,840	0.54%	10,840	Note 6
	Immusol, Inc.	An investee accounted for by the cost method	Long-term equity investments	75	10,709	0.16%	10,709	Note 6
	Virtual Silicon Technology, Inc.	An investee accounted for by the cost method	Long-term equity investments	120	10,700	0.31%	10,700	Note 6
	BioAgri Corp.	An investee accounted for by the cost method	Long-term equity investments	63	10,475	0.90%	10,475	Note 6
	Divio, Inc.	An investee accounted for by the cost method	Long-term equity investments	125	17,526	0.76%	17,526	Note 6
Wal Tech International Corporation	<u>Stock</u> Intellisys Corp.	Subsidiary	Long-term equity investments	10,326	245,837	62.58%	119,189	Note 4
	Multiwin Asset Management Co., Ltd.	An investee accounted for by the equity method	Long-term equity investments	1,800	9,713	30.00%	9,659	Note 4
	Monmon Medza Technology Co., Ltd.	An investee accounted for by the equity method	Long-term equity investments	598	4,222	32.39%	4,216	Note 4
	Fu Po Electronics Corporation	An investee accounted for by the cost method	Long-term equity investments	1,650	29,700	1.50%	15,407	Note 4
	Webi & Neti Internet Services Inc.	An investee accounted for by the cost method	Long-term equity investments	63	625	2.63%	1,160	Note 4
	YesMobile Ltd.	An investee accounted for by the cost method	Long-term equity investments	400	12,000	2.00%	2,792	Note 4
	SynTest Technologies, Inc., Taiwan	An investee accounted for by the cost method	Long-term equity investments	79	10,598	0.35%	811	Note 4
	Taiwan Leader Advanced Technology Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,575	15,000	1.53%	21,508	Note 4
	Ruentex Resources Integration Co., Ltd. (formerly Runhorn Pretech Engineering Co., Ltd.)	A subsidiary of Bank SinoPac's supervisor and an investee accounted for by the cost method	Long-term equity investments	2,039	20,900	3.56%	7,419	Note 4
	Media Reality Technologies, Inc.	An investee accounted for by the cost method	Long-term equity investments	800	13,598	1.78%	8,124	Note 5
	Advanced Power Electronics Corp.	An investee accounted for by the cost method	Long-term equity investments	660	14,520	1.32%	8,647	Note 4
	Nanya PCB Corporation	An investee accounted for by the cost method	Long-term equity investments	1,460	93,080	0.31%	26,259	Note 4
	ENE Technology Inc.	An investee accounted for by the cost method	Long-term equity investments	715	29,996	3.27%	2,668	Note 4
SonicEdge Industries Corporation	An investee accounted for by the cost method	Long-term equity investments	580	14,500	3.00%	3,494	Note 4	
Maximum Venture I, Inc., Taiwan	An investee accounted for by the cost method	Long-term equity investments	7,000	70,350	8.33%	70,350	Note 6	
Intellisys Corp.	<u>Beneficiary certificate</u> KGI Pioneer Fund	-	Short-term investments	200	2,000 (Note 3)	-	1,728	Note 7
	Apollo Nobel Fund	-	Short-term investments	10	100 (Note 3)	-	48	Note 7

(Forward)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2002				Note
				Shares/Units/Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Intellisoft Corporation	<u>Stock</u> Orion Financial Tech. Ltd. Intellisoft Corporation	An investee accounted for by the cost method Subsidiary	Long-term equity investments Long-term equity investments	81 500	\$ 525 13,448	5.06% 100.00%	\$ 533 13,269	Note 4 Note 4
	<u>Stock</u> Intellisys Shanghai Corporation	Subsidiary	Long-term equity investments	-	9,461	100.00%	9,461	Note 6
SinoPac Life Insurance Agent Co., Ltd.	<u>Beneficiary certificate</u> Fuh-hwa Yu-Li Fund Fuh-hwa Bond Fund	- -	Short-term investments Short-term investments	1,328 164	15,000 2,000	- -	15,181 2,022	Note 7 Note 7
	<u>Beneficiary certificate</u> CP Bond Fund ABN AMRO Bond Fund Cap	- -	Short-term investments Short-term investments	104 71	1,500 1,000	- -	1,517 1,006	Note 7 Note 7
SinoPac Securities Corporation	<u>Stock</u> SinoPac Futures Corp. (formerly National Futures Corp.)	Subsidiary	Long-term equity investments	35,348	387,866	88.37%	387,866	Note 4
	SinoPac Securities (Cayman) Holdings Ltd. (formerly NSC (Cayman) Holdings Ltd.)	Subsidiary	Long-term equity investments	22,100	910,523	100.00%	910,523	Note 4
	SinoPac Capital Management Corp. (formerly Wan Sheng Securities Investment Consulting Co., Ltd.)	Subsidiary	Long-term equity investments	20,887	208,361	99.46%	207,695	Note 4
	SinoPac Asset Management Corp. (B.V.I.)	Subsidiary	Long-term equity investments	16,000	634,268	100.00%	634,268	Note 4
	SinoPac Futures Co., Ltd.	Subsidiary	Long-term equity investments	19,994	198,849	99.97%	198,849	Note 4
	Honpang Venture Capital Corp.	An investee accounted for by the cost method	Long-term equity investments	8,000	80,000	10.00%	80,000	Note 6
	Shengtung Venture Capital Corporation	An investee accounted for by the cost method	Long-term equity investments	6,500	65,000	10.00%	65,000	Note 6
	Communicator II Venture Holding Ltd.	An investee accounted for by the cost method	Long-term equity investments	5,500	55,000	10.00%	55,000	Note 6
	Parawin Venture Capital Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	5.00%	50,000	Note 6
	Top Taiwan III Venture Capital Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	5.00%	50,000	Note 6
	Fu-Ban Securities Finance Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	2,945	29,037	0.50%	29,037	Note 6
	Global Securities Finance Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	2,628	23,561	0.35%	23,561	Note 6
	Chiachen Chiayi Venture Capital Corporation	An investee accounted for by the cost method	Long-term equity investments	2,000	20,000	10.00%	20,000	Note 6
	Taiwan Securities Central Depository Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,515	12,858	0.63%	12,858	Note 6
	Taiwan Future Exchange Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,120	11,560	0.56%	11,560	Note 6
	<u>Beneficiary certificate</u> Jf (Taiwan) New America Trust	-	Short-term investments	2,000	20,070	-	17,500	Note 7
	US High-Tech Fund	-	Short-term investments	1,504	15,049	-	10,647	Note 7
	ING Global Brands	-	Short-term investments	2,000	20,060	-	19,180	Note 7
	Prudential Financial Global Bio-Health Fund	-	Short-term investments	2,000	20,050	-	20,660	Note 7
	The Global Fund	-	Short-term investments	4,000	40,000	-	40,000	Note 7
Abnamro Global Leader Fund	-	Short-term investments	2,000	20,000	-	19,500	Note 7	
UBS Treasury Global Technology Biotech Fund	-	Short-term investments	1,000	10,000	-	9,990	Note 7	
Bsitc World Technology Fund	-	Short-term investments	1,000	10,000	-	10,000	Note 7	
E. Sun Deng Feng Fund	-	Short-term investments	1,000	10,000	-	8,220	Note 7	
NT And High Yield Fund	-	Short-term investments	6,594	99,000	-	102,489	Note 7	
Sinkong Chi-Shun Fund	-	Short-term investments	3,746	50,347	-	51,594	Note 7	
The Wan Tai Bond Fund	-	Short-term investments	46,550	597,283	-	611,909	Note 7	
Fubon Ju-I II fund	-	Short-term investments	13,702	200,000	-	204,305	Note 7	
Sinkong Chi-Shin Fund	-	Short-term investments	11,410	150,000	-	153,313	Note 7	
Asia Pacific Bond Fund	-	Short-term investments	42,486	500,705	-	506,145	Note 7	
Sheng Hua 5599 Bond Fund	-	Short-term investments	19,509	200,000	-	204,073	Note 7	
President Home Run Bond Fund	-	Short-term investments	34,298	446,600	-	450,024	Note 7	
Sheng Hua 2008 Chinese Enterprises	-	Short-term investments	2,257	20,790	-	16,253	Note 7	
Ta Chong Bond Fund	-	Short-term investments	8,328	100,514	-	101,367	Note 7	

(Forward)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2002				Note
				Shares/Units/Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
	Sheng Hua 6666 Balance Fund	-	Short-term investments	5,000	\$ 50,000	-	\$ 50,000	Note 7
	Prudential Financial Return Fund	-	Short-term investments	29,948	405,087	-	409,622	Note 7
	Cathay Bond Fund	-	Short-term investments	46,274	500,000	-	501,943	Note 7
	Abnamro Select Bond Fund	-	Short-term investments	9,388	100,000	-	100,000	Note 7
	Ta Chong Gallop Bond Fund	-	Short-term investments	5,908	60,000	-	60,128	Note 7
	Dresdner Bond DAM Fund	-	Short-term investments	7,375	80,000	-	80,018	Note 7
	Diamond Bond Fund	-	Short-term investments	8,409	90,000	-	90,193	Note 7
	Ta Chong Enterpriser Fund	-	Short-term investments	692	10,000	-	7,580	Note 7
	Sinkong Great China Fund	-	Short-term investments	2,000	20,020	-	17,200	Note 7
	Sheng Hua 2000 High Tech Fund	-	Short-term investments	2,389	15,410	-	11,680	Note 7
	Chung Hsing Taiwan Fund	-	Short-term investments	3,000	30,030	-	26,460	Note 7
	Water Land Vision Fund	-	Short-term investments	5,000	50,000	-	48,600	Note 7
	Cathay Technology Fund	-	Short-term investments	3,000	30,030	-	27,180	Note 7
	Fuh-Hwa Small Capital Fund	-	Short-term investments	3,892	39,735	-	37,709	Note 7
	Union Taiwan Knowledge Fund	-	Short-term investments	1,000	10,000	-	9,560	Note 7
	President Jump Fund	-	Short-term investments	2,000	20,060	-	19,100	Note 7
	Capital Asset Allocation Fund	-	Short-term investments	870	10,025	-	8,103	Note 7
	Grand Cathay Balance Fund	-	Short-term investments	3,000	30,660	-	29,460	Note 7
SinoPac Futures Corp.	<u>Stock</u> Taiwan International Merchantile Exchange Corp.	An investee accounted for by the cost method	Long-term equity investments	500	5,000	0.25%	5,000	Note 6
SinoPac Securities (Cayman) Holdings Ltd.	<u>Stock</u> SinoPac Securities (Europe) Ltd. (formerly NSC Securities (Europe) Limited)	Subsidiary	Long-term equity investments	1,000	48,469	100.00%	48,469	Note 4
	SinoPac Securities (Asia) Ltd. (formerly NSC Securities (Asia) Ltd.)	Subsidiary	Long-term equity investments	10	563,225	100.00%	563,225	Note 4
	SinoPac Futures (Asia) Ltd. (formerly NSC Futures (Asia) Ltd.)	Subsidiary	Long-term equity investments	10,000	81,818	100.00%	81,818	Note 4
	SinoPac Capital (Asia) Ltd. (formerly NSC Capital (Asia) Ltd.)	Subsidiary	Long-term equity investments	30,000	137,236	100.00%	137,236	Note 4
	NSC Asia Ltd.	Subsidiary	Long-term equity investments	1	105	100.00%	105	Note 4
	NSC Securities (U.S.A.) Ltd.	Subsidiary	Long-term equity investments	1,360	36,806	75.00%	36,806	Note 4
	NITC Asset Management (Asia) Ltd.	An affiliate	Long-term equity investments	1.5	14,038	34.00%	14,038	Note 4
SinoPac Securities (Asia) Ltd.	<u>Stock</u> SinoPac Securities (Asia) Nominees Ltd. (formerly NSC Securities (Asia) Nominees Ltd.)	Subsidiary	Long-term equity investments	0.002	0.009	100.00%	0.009	Note 4
	SinoPac (Asia) Nominees Ltd. (formerly NSC (Asia) Nominees Ltd.)	Subsidiary	Long-term equity investments	0.002	0.009	100.00%	0.009	Note 4
SinoPac Capital Management Corp.	<u>Beneficiary certificate</u> NITC Bond Fund	-	Short-term investments	33	5,000	-	5,020	Note 7
	NITC Taiwan Bond Fund	-	Short-term investments	751	7,500	-	5,375	Note 7
	NITC High-Tech Fund	-	Short-term investments	3,727	48,173	-	49,054	Note 7
SinoPac Asset Management Corp. (B.V.I.)	<u>Stock</u> SinoPac Securities (H.K.) Limited	Subsidiary	Long-term equity investments	25,000	124,036	100.00%	124,036	Note 4
	SinoPac Asia Limited (formerly SP Asset Management Corp., Ltd.)	Subsidiary	Long-term equity investments	6,000	288,020	100.00%	288,020	Note 4
SinoPac Futures Co., Ltd.	<u>Stock</u> Taiwan International Merchantile Exchange Corp.	An investee accounted for by the cost method	Long-term equity investments	1	10	-	10	Note 6

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: Market prices of listed and over-the-counter stocks were determined by average daily closing prices for the last month of the accounting period.

Note 3: The amounts were before deducting related unrealized losses.

Note 4: Net asset values were based on the investees' unaudited or unreviewed financial statements for the latest period.

Note 5: Net asset values were based on the investees' audited or reviewed financial statements for the latest period.

Note 6: Net asset values were based on the carrying values.

Note 7: Market prices were determined by the closing prices of the last day of the accounting period.

Note 8: The shares included 33,660 thousand shares of treasury stock.

SINOPAC HOLDINGS AND INVESTEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
For the Nine Months Ended September 30, 2002
(Amounts Expressed in Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Account of Financial Statement	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units/ Face Value (In Thousand)	Amount	Shares/ Units/ Face Value (In Thousand)	Amount (Note 3)	Shares/ Units/ Face Value (In Thousand)	Amount	Carrying Value (Note 6)	Gain (Loss) on Disposal	Shares/ Units/ Face Value (In Thousand)	Amount
SinoPac Holdings (Note 1)	<u>Stock</u> Bank SinoPac	Long-term equity investments	-	-	-	\$ -	1,944,398 (Note 2)	\$ 25,038,443 (Note 4)	-	\$ -	\$ 3,477,940 (Note 7)	\$ -	1,944,398	\$ 21,560,503
	SinoPac Securities Corporation	Long-term equity investments	-	-	-	-	1,526,902 (Note 2)	21,716,694 (Note 5)	-	-	644,130	-	1,526,902 (Note 2)	21,072,564
	SinoPac Securities Co., Ltd.	Long-term equity investments	-	-	-	-	317,916	3,595,117	317,916	-	3,595,117 (Note 8)	-	-	-
Bank SinoPac	<u>Stock</u> SinoPac Bancorp	Long-term equity investments	-	-	20	4,425,056	-	497,044	-	-	-	-	20	4,922,100
SinoPac Bancorp	<u>Stock</u> Far East National Bank	Long-term equity investments	-	-	170	4,367,729	5	424,166	-	-	-	-	175	4,791,895
Wal Tech International Corporation	<u>Stock</u> Intellisys Corp.	Long-term equity investments	Gin An Investment, Ltd., Ruentex Industries Ltd., et al.	Affiliate	2,970	138,027	7,356	107,810	-	-	-	-	10,326	245,837

Note 1: The Company is established by Bank SinoPac, SinoPac Securities Corporation (formerly NSC) and SinoPac Securities Co., Ltd. through the stock conversion.

Note 2: Treasury stocks were included in the shares.

Note 3: Mainly consist of the beginning investment amount transferred from each subsidiary's net asset value through the stock conversion on May 9, 2002 amounting to \$23,976,716, \$17,971,400 and \$3,595,117, respectively.

Note 4: Except for Note 3, the amount also consists of investment income recognized under the equity method for the period from May 9, 2002 to September 30, 2002 amounting to \$1,061,727.

Note 5: Except for Note 3, the amount also consists of the amount of \$3,469,100 transferred from long-term equity investments on SinoPac Securities Co., Ltd. as described in Note 8 and investment income recognized under the equity method of \$276,194 for the period from May 9, 2002 to September 30, 2002.

Note 6: Consist of investment loss recognized under the equity method for the period from May 9, 2002 to September 30, 2002, cash dividends, unrealized loss on long-term equity investments, unrealized revaluation loss on long-term equity investments and cumulative translation adjustments.

Note 7: The amount included the carrying value of treasury stock held by Bank SinoPac amounting to \$2,896,922.

Note 8: Consist of the book value of long-term equity investments on SinoPac Securities Co., Ltd. totaling \$3,469,100 (of which investment loss amounting to \$93,077 recognized for the period from May 9, 2002 to July 21, 2002 had been included through consolidation).

SINOPAC HOLDINGS AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

For the Nine Months Ended September 30, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2002			Net Income (Loss) of the Investee (Note 1)	Recognized Gains (Loss) on Investment (Note 1)	Note
				September 30, 2002 (Note 1)	December 31, 2001 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Value (Note 1)			
SinoPac Holdings	Bank SinoPac	Taipei	Commercial bank	\$ 23,976,716	\$ -	1,944,398	100.00	\$ 21,560,503	\$ 1,823,464	\$ 1,061,727	Note 2
	SinoPac Securities Corporation	Taipei	Brokerage, dealing and underwriting of securities	17,971,400	-	1,526,902	100.00	21,072,564	1,374,048	276,194	Note 2
	SinoPac Securities Co., Ltd.	Taipei	Brokerage, dealing and underwriting of securities	3,595,117	-	-	-	-	-	(93,077)	Note 3
Bank SinoPac	SinoPac Bancorp	California	Stock holding Company	3,328,915	2,979,015	20	100.00	4,922,100	156,069	156,069	Note 4
	Rocorp Holding S.A.	Luxembourg	Stock holding Company	3,531	3,531	0.11	33.33	3,531	-	-	Note 4
	SinoPac Leasing Corporation	Taipei	Engaged in leasing of aircraft and machinery equipment	999,940	999,940	149,652	99.77	1,995,887	136,427	133,912	Note 4
	SinoPac Capital Limited	Hong Kong	Lending and financing	1,001,108	1,001,108	229,998	99.99	944,469	(1,768)	(1,768)	Note 4
	SinoPac Financial Consulting Co., Ltd.	Taipei	Investment advisory and business management advisory	1,940	1,940	194	97.00	3,578	875	848	Note 4
	SinoPac Securities Co., Ltd.	Taipei	Brokerage, dealing, and underwriting of securities	-	2,944,784	-	-	-	-	172,386	Note 18
	Aetna Sinopac Credit Card Co., Ltd.	Taipei	Credit card business	811,037	811,037	81,104	49.76	200,011	(286,488)	(142,323)	Note 4
	SinoPac Life Insurance Agent Co., Ltd.	Taipei	Life insurance agent	1,940	1,940	194	97.00	54,426	54,032	52,409	Note 4
SinoPac Property Insurance Agent Co., Ltd.	Taipei	Property insurance agent	1,940	1,940	194	97.00	3,372	1,371	1,323	Note 4	
SinoPac Bancorp	Far East National Bank	California	Commercial bank	3,761,173	3,586,583	175	100.00	4,791,895	235,728	-	Note 5
Far East National Bank	Far East Capital Corporation	California	Investment bank	122,213	122,213	350	100.00	83,511	2,610	-	Note 6
	FENB Securities, Inc.	California	Brokerage of securities	873	873	3	100.00	13,624	6,802	-	Note 6
	FENB Loan Corp.	California	Asset management corporation	35	35	0.1	100.00	9	(26)	-	Note 6
	FENB Film Corp.	California	Motion picture assets management	35	35	0.1	100.00	(25,394)	(26)	-	Note 6
SinoPac Leasing Corporation	Grand Capital International Limited	British Virgin Islands	Oversea trading, leasing, lending and financing	914,066	914,066	29,900	100.00	1,314,201	84,513	-	Note 7
SinoPac Capital Limited	SinoPac Capital (B.V.I.) Ltd.	British Virgin Islands	Financial advisory	155,385	155,385	4,450	100.00	138,770	(23,059)	-	Note 8
SinoPac Capital (B.V.I.) Ltd.	Cyberpac Holding Ltd. (B.V.I.)	British Virgin Islands	Investment and advisory business	0.07	0.07	0.002	100.00	(83,839)	(41,239)	-	Note 9
	Allstar Venture Ltd. (B.V.I.)	British Virgin Islands	Investment corporation	0.07	0.07	0.002	100.00	(127,087)	(25,925)	-	Note 9
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Hong Kong	Asset management corporation	44,769	44,769	4,800	60.00	33,544	1,099	-	Note 9
	Pinnacle Investment Management Ltd.	Hong Kong	Asset management corporation	6,984	6,984	200	99.9995	4,293	(1,271)	-	Note 9
Cyberpac Holding Ltd. (B.V.I.)	Wal Tech International Corporation	Taipei	Leasing, international trading, and sale of machinery equipment	135,092	57,160	12,497	99.98	73,846	(30,824)	-	Note 10
	BSP Venture Management (B.V.I.) Ltd.	British Virgin Islands	Investment management corporation	1,746	1,746	50	100.00	1,168	(15)	-	Note 10
	Telexpress Corp.	Cayman Islands	Investment corporation	54,472	54,472	3,900	34.21	54,340	4,122	-	Note 10
Wal Tech International Corporation	Intellisys Corp.	Taipei	Computer and peripheral system integration engineering, software development and design	258,836	148,500	10,326	62.58	245,837	3,508	-	Note 11
	Mutiwin Asset Management Co., Ltd.	Taipei	Asset management corporation	18,000	18,000	1,800	30.00	9,713	(1,057)	-	Note 11
	Monmon Medza Technology	Taipei	Software products retail and distribution service	5,980	5,980	598	32.39	4,222	(5,579)	-	Note 11

(Forward)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2002			Net Income (Loss) of the Investee (Note 1)	Recognized Gains (Loss) on Investment (Note 1)	Note
				September 30, 2002 (Note 1)	December 31, 2001 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Value (Note 1)			
Intellisys Corp.	Intellisoft Corporation	Western Samoa	Stock holding company	\$ 17,459	\$ 17,459	500	100.00	\$ 13,448	(\$ 1,869)	(\$ 1,869)	Note 12
Intellisoft Corporation	Intellisys Shanghai Corporation	Shanghai	Computer and peripheral system integration engineering, software development and design	10,475	-	-	100.00	9,461	(960)	(1,000)	Note 13
SinoPac Securities Corporation	SinoPac Futures Corp.	Taipei	Brokerage of futures contracts	353,480	353,480	35,348	88.37	387,866	24,720	19,770	Note 14
	SinoPac Securities (Cayman) Holdings Ltd.	Cayman Islands, British West Indies	Investment holding company	733,226	733,226	22,100	100.00	910,523	58,657	58,657	Note 14
	SinoPac Capital Management Corp.	Taipei	Investment consulting	144,864	122,643	20,887	99.46	208,361	(14,287)	(14,331)	Note 14
	SinoPac Asset Management Corp. (B.V.I.)	British Virgin Islands	Securities brokerage and investment advisory	524,857	524,857	16,000	100.00	634,268	103,402	103,402	Note 14
	SinoPac Futures Co., Ltd.	Taipei	Brokerage of Futures	199,940	199,940	19,994	99.97	198,849	(1,769)	(1,793)	Note 14
SinoPac Securities (Cayman) Holdings Ltd.	SinoPac Securities (Europe) Ltd.	London, UK	European agent business	52,866	52,866	1,000	100.00	48,469	2,930	-	Note 15
	SinoPac Securities (Asia) Ltd.	Hong Kong	Hong Kong stock brokerage	451,874	451,874	10	100.00	563,225	54,942	-	Note 15
	SinoPac Futures (Asia) Ltd.	Hong Kong	Futures brokerage business	42,076	42,076	10,000	100.00	81,818	793	-	Note 15
	NSC Asia Ltd.	British Virgin Islands	Derivatives instruments business	134,853	134,853	30,000	100.00	137,236	1,620	-	Note 15
	NITC Asia Management (Asia) Ltd.	Hong Kong	Asset management and investment consulting	25,979	25,979	1	100.00	105	(241)	-	Note 15
	NSC Securities (U.S.A.) Ltd.	California	Collecting and analyzing financial market information	5,517	5,517	1,360	34.00	14,038	3,723	-	Note 15
	SinoPac Capital (Asia) Ltd.	Hong Kong	IPO underwriting business	52,377	8,730	1.5	75.00	36,806	(5,343)	-	Note 15
SinoPac Securities (Asia) Ltd.	SinoPac Securities (Asia) Nominees Ltd.	Hong Kong	Hong Kong stock trust business	0.009	0.009	0.002	100.00	0.009	-	-	Note 16
	SinoPac (Asia) Nominees Ltd.	Hong Kong	Nominee trust account for oversea stock holdings	0.009	0.009	0.002	100.00	0.009	-	-	Note 16
SinoPac Asset Management Corp. (B.V.I.)	SinoPac Securities (H.K.) Limited	Hong Kong	Securities brokerage, investment advisory, fund management and security business	111,912	111,912	25,000	100.00	124,036	25,429	-	Note 17
	SP Asset Management Co., Ltd. (formerly SP Asset Management Corp., Ltd.)	British Virgin Islands	Securities brokerage, investment advisory and consulting business	209,508	209,508	6,000	100.00	288,020	86,998	-	Note 17

Note 1: Except for foreign-currency denominated income and expenses were translated to New Taiwan dollars at the average exchange rate for the nine months ended September 30, 2002, other foreign-currency amounts were translated at the exchange rate as of the balance sheet date.

Note 2: The Company recognized the investment income for the period from May 9 to September 30, 2002.

Note 3: Given that as a result of merging of SinoPac Securities Corporation and SinoPac Securities Co., Ltd. (SPS) as of July 22, 2002, the Company recognized the investment income accounted for by the equity method from SPS for the period from May 9, 2002 to July 21, 2002.

Note 4: An investee of Bank SinoPac and the investment information of percentage of ownership and the carrying value is related to Bank SinoPac.

Note 5: A subsidiary of SinoPac Bancorp, and the investment information of percentage of ownership and the carrying value is related to SinoPac Bancorp.

Note 6: A subsidiary of Far East National Bank, and the investment information of percentage of ownership and the carrying value is related to Far East National Bank.

Note 7: A subsidiary of SinoPac Leasing Corporation, and the investment information of percentage of ownership and the carrying value is related to SinoPac Leasing Corporation.

Note 8: A subsidiary of SinoPac Capital Limited, and the investment information of percentage of ownership and the carrying value is related to SinoPac Capital Limited.

Note 9: A subsidiary of SinoPac Capital (B.V.I.) Ltd., and the investment information of percentage of ownership and the carrying value is related to SinoPac Capital (B.V.I.) Ltd.

Note 10: A subsidiary of Cyberpac Holding Ltd., and the investment information of percentage of ownership and the carrying value is related to Cyberpac Holding Ltd.

Note 11: An investee of Wal Tech International Corporation, and the investment information of percentage of ownership and the carrying value is related to Wal Tech International Corporation.

Note 12: A subsidiary of Intellisys Corp., and the investment information of percentage of ownership and the carrying value is related to Intellisys Corp.

Note 13: A subsidiary of Intellisoft Corporation and the investment information of percentage of ownership and the carrying value is related to Intellisoft Corporation.

Note 14: A subsidiary of SinoPac Securities Corporation, and the investment information of percentage of ownership and the carrying value is related to SinoPac Securities Corporation.

Note 15: An investee of SinoPac Securities (Cayman) Holdings Ltd., and the investment information of percentage of ownership and the carrying value is related to SinoPac Securities (Cayman) Holdings Ltd.

Note 16: A subsidiary of SinoPac Securities (Asia) Ltd., and the investment information of percentage of ownership and the carrying value is related to SinoPac Securities (Asia) Ltd.

Note 17: A subsidiary of SinoPac Asset Management Corp. (B.V.I.), and the investment information of percentage of ownership and the carrying value is related to SinoPac Asset Management Corp. (B.V.I.).

Note 18: The Bank recognized the investment income accounted for by the equity method from SPS for the period from January 1, 2002 to May 8, 2002.

SINOPAC HOLDINGS

PRO FORMA BALANCE SHEETS

September 30, 2002 and 2001

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Par Value of Capital Stock)

ASSETS	2002		2001		LIABILITIES AND STOCKHOLDERS' EQUITY	2002		2001	
	Amount	%	Amount	%		Amount	%	Amount	%
CASH	\$ 9,108,845	17	\$ 294,853	1	LIABILITIES				
SHORT-TERM INVESTMENTS	416,703	1	-	-	Accounts payable	\$ 235,981	1	\$ 125,542	-
BILLS PURCHASED UNDER AGREEMENTS TO RESELL	652,402	1	-	-	Euro-convertible bonds	8,031,140	15	-	-
INTEREST RECEIVABLES	37,026	-	1,474	-	Total Liabilities	8,267,121	16	125,542	-
LONG-TERM EQUITY INVESTMENTS	42,648,085	81	40,810,392	99	STOCKHOLDERS' EQUITY				
PROPERTIES	20,027	-	24,401	-	Capital stock - \$10 par value, authorized 10,000,000 thousand shares; issued 3,748,127 thousand shares as of September 30, 2002 and 3,538,353 thousand shares as of September 30, 2001	37,481,270	70	35,383,524	86
OTHER ASSETS	110,027	-	-	-	Capital surplus	5,038,875	9	7,132,193	17
					Retained earnings				
					Legal reserve	255,345	1	-	-
					Unappropriated	4,702,920	9	2,101,103	5
					Unrealized loss on long-term equity investments	(398,029)	(1)	(352,104)	(1)
					Unrealized revaluation loss on long-term equity investments	(42,676)	-	-	-
					Cumulative translation adjustments	340,975	1	269,310	1
					Treasury stock - at cost: 250,203 thousand shares as of September 30, 2002 and 321,071 thousand shares as of September 30, 2001	(2,652,686)	(5)	(3,528,448)	(8)
					Total Stockholders' Equity	44,725,994	84	41,005,578	100
TOTAL ASSETS	\$52,993,115	100	\$41,131,120	100	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$52,993,115	100	\$41,131,120	100

Basic assumptions of pro forma balance sheets

1. Assuming the Company was established as of January 1, 2001.
2. Long-term equity investments are estimated by recognizing the investment income of the subsidiaries accounted for by the equity method.
3. Cash is estimated by subsidiaries' cash dividend distribution and the Company's working capital demands.

TABLE 7

SINOPAC HOLDINGS

PRO FORMA STATEMENTS OF INCOME

For the Nine Months Ended September 30, 2002 and 2001

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2002		2001	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OPERATING REVENUES				
Income from long-term equity investments - net	\$ 3,025,126	100	\$ 2,347,563	100
OPERATING EXPENSES				
Interest	77,818	3	-	-
Operating and administrative expenses	<u>268,805</u>	<u>9</u>	<u>247,935</u>	<u>11</u>
Total Operating Expenses	<u>346,623</u>	<u>12</u>	<u>247,935</u>	<u>11</u>
OPERATING INCOME	2,678,503	88	2,099,628	89
NON-OPERATING INCOME	<u>55,175</u>	<u>2</u>	<u>1,475</u>	<u>-</u>
INCOME BEFORE INCOME TAX	2,733,678	90	2,101,103	89
INCOME TAX	-	-	-	-
NET INCOME	<u>\$ 2,733,678</u>	<u>90</u>	<u>\$ 2,101,103</u>	<u>89</u>
	<u>Pre-tax</u>	<u>After Tax</u>	<u>Pre-tax</u>	<u>After Tax</u>
EARNINGS PER SHARE				
Based on weighted average shares outstanding:				
3,439,992 thousand shares in 2002 and 3,217,282				
thousand shares in 2001	<u>\$ 0.79</u>	<u>\$ 0.79</u>	<u>\$ 0.65</u>	<u>\$ 0.65</u>

Basic assumptions of pro forma statements of income

1. Assuming the Company was established as of January 1, 2001.
2. Income from long-term equity investments are estimated by recognizing subsidiaries' current income.
3. General and administrative expenses are primarily estimated based on the employees' salaries and the future salary increasing adjustments.
4. Non-operating income is the primarily estimated based on interest revenue from deposit with average interest rate is 1.5% and 2%, respectively, for the nine months ended September 30, 2002 and 2001.