

**SinoPac Financial Holdings Company
Limited**

**Financial Statements for the
Three Months Ended March 31, 2005 and 2004 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and the Stockholders
SinoPac Financial Holdings Company Limited

We have reviewed the accompanying balance sheets of SinoPac Financial Holdings Company Limited as of March 31, 2005 and 2004, and the related statements of income and cash flows for the three months then ended. 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 reviews. The financial statements of AnShin Card Services Co., Ltd., which are treated as long-term equity investments accounted for by the equity method, were reviewed by the other independent accountants, and our opinion, insofar as it relates to the amounts included for AnShin Card Services Co., Ltd., is based solely on the review report of the other independent accountant. The carrying amount of long-term equity investment were 3.36% (NT\$2,077,101 thousand) and 2.23% (NT\$1,285,689 thousand) of the total assets as of March 31, 2005 and 2004, respectively. And the investment income from long-term equity investment under the equity method were 12.18% (NT\$114,752 thousand) and 4.36% (NT\$76,524 thousand) of the income before income tax for the three months ended March 31, 2005 and 2004, respectively.

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

As stated in Note 5 to the financial statements, the carrying amounts of the long-term equity investments accounted for by the equity method as of March 31, 2005 and 2004 amounted to NT\$1,521,777 thousand and NT\$1,272,643 thousand, respectively, the related investment loss for the three months ended March 31, 2005 and the investment income for the three months ended March 31, 2004 amounted to NT\$3,163 thousand and NT\$2,512 thousand, respectively, and additional disclosure of the Company and part of its investees stated in Note 25 to the financial statements are based on the investees' unreviewed financial statements.

Based on our reviews and the other independent accountants' review report, except for the adjustments in the Company's financial statements that might have been required had the financial statements of SinoPac Financial Holdings Company Limited and its subsidiaries' investees mentioned in the third paragraph been reviewed by independent accountants, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with the Criteria Governing the Preparation of Financial Reports by Financial Holding Companies and accounting principles generally accepted in the Republic of China.

According to the Criteria Governing the Preparation of Financial Reports by Financial Holding Companies, we have also reviewed the consolidated financial statements of SinoPac Financial Holdings Company Limited as of March 31, 2005 and 2004, and for the three months then ended, on which we have issued a qualified review report due to the unreviewed financial statements of SinoPac Financial Holdings Company Limited and its subsidiaries' investees accounted for by the equity method.

April 20, 2005

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 audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

BALANCE SHEETS

MARCH 31, 2005 AND 2004

(In Thousands of New Taiwan Dollars, Except Par Value)

(Reviewed, Not Audited)

ASSETS	2005		2004		LIABILITIES AND STOCKHOLDERS' EQUITY	2005		2004	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 3 and 16)	\$ 1,334,541	2	\$ 5,581,312	10	Short-term borrowings (Note 7)	\$ 450,000	1	\$ 300,000	-
Receivables	20,732	-	15,371	-	Euro-convertible bonds redeemable within one year (Notes 2 and 9)	3,270,620	5	-	-
Receivables - related party (Notes 14 and 16)	1,718,903	3	39,058	-	Payables (Notes 8, 14 and 16)	<u>1,210,774</u>	<u>2</u>	<u>402,506</u>	<u>1</u>
Securities purchased under agreements to resell (Notes 2, 4 and 16)	4,241,187	7	1,070,061	2	Total current liabilities	<u>4,931,394</u>	<u>8</u>	<u>702,506</u>	<u>1</u>
Prepayments and other current assets (Notes 2, 14 and 16)	<u>71,848</u>	-	<u>44,571</u>	-					
Total current assets	<u>7,387,211</u>	<u>12</u>	<u>6,750,373</u>	<u>12</u>	LONG-TERM LIABILITIES				
LONG-TERM EQUITY INVESTMENTS (Notes 2, 5 and 16)					Euro-convertible bonds (Notes 2 and 9)	-	-	7,924,687	14
Equity method	52,622,183	85	50,270,405	87	Accrued pension cost (Notes 2 and 12)	16,125	-	9,946	-
Other	1,745,780	3	461,450	1	Other	<u>106,685</u>	-	<u>2,126</u>	-
Prepaid investments	<u>79,220</u>	-	<u>163,550</u>	-	Total long-term liabilities	<u>122,810</u>	-	<u>7,936,759</u>	<u>14</u>
Total long-term equity investments	<u>54,447,183</u>	<u>88</u>	<u>50,895,405</u>	<u>88</u>	Total liabilities	<u>5,054,204</u>	<u>8</u>	<u>8,639,265</u>	<u>15</u>
PROPERTIES (Notes 2, 6 and 16)					STOCKHOLDERS' EQUITY				
Cost					Capital stock - \$10 par value				
Computer equipment	15,194	-	4,140	-	Authorized (shares in thousands): 10,000,000				
Transportation equipment	4,180	-	4,180	-	Issued (shares in thousands): 4,250,558 and 3,770,954 as of March 31, 2005 and 2004, respectively (Note 10)	42,505,582	69	37,709,535	65
Office and other equipment	6,480	-	5,930	-	Capital surplus (Notes 2 and 10)				
Leasehold improvement	<u>17,459</u>	-	<u>17,419</u>	-	Additional paid-in capital	9,706,475	16	8,067,075	14
Total cost	43,313	-	31,669	-	Treasury stock transactions	705,137	1	172,111	-
Accumulated depreciation	<u>18,290</u>	-	<u>10,308</u>	-	Other	4,050	-	2,411	-
	25,023	-	21,361	-	Retained earnings (Note 10)	6,287,554	10	6,153,040	11
Advances on acquisitions of equipment	<u>8,159</u>	-	-	-	Unrealized loss on long-term equity investments (Notes 2 and 5)	(279,358)	(1)	(180,534)	-
Net properties	<u>33,182</u>	-	<u>21,361</u>	-	Unrealized revaluation loss on long-term equity investments (Notes 2 and 5)	(15,145)	-	(8,418)	-
OTHER ASSETS					Cumulative translation adjustment (Notes 2 and 5)	(255,954)	-	69,827	-
Refundable guarantee deposits	3,335	-	3,616	-	Net loss not recognized as pension cost (Note 5)	(3,049)	-	(927)	-
Bond issuance cost (Note 2)	3,581	-	45,039	-	Treasury stock - at cost (shares in thousands): 136,214 and 216,543 as of March 31, 2005 and 2004, respectively	<u>(1,824,890)</u>	<u>(3)</u>	<u>(2,896,922)</u>	<u>(5)</u>
Deferred income tax assets - noncurrent (Notes 2 and 14)	6,485	-	7,206	-	Total stockholders' equity	<u>56,830,402</u>	<u>92</u>	<u>49,087,198</u>	<u>85</u>
Computer software (Note 2)	<u>3,629</u>	-	<u>3,463</u>	-					
Total other assets	<u>17,030</u>	-	<u>59,324</u>	-					
TOTAL	<u>\$ 61,884,606</u>	<u>100</u>	<u>\$ 57,726,463</u>	<u>100</u>	TOTAL	<u>\$ 61,884,606</u>	<u>100</u>	<u>\$ 57,726,463</u>	<u>100</u>

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

(With Deloitte & Touche review report dated April 20, 2005)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	2005		2004	
	Amount	%	Amount	%
OPERATING REVENUES				
Interest (Notes 2, 16 and 21)	\$ 34,414	3	\$ 29,008	2
Income from long-term equity investments under the equity method (Notes 2 and 5)	1,027,393	96	1,742,477	98
Dividend income (Notes 2, 5 and 16)	10,800	1	4,787	-
Total operating revenues	<u>1,072,607</u>	<u>100</u>	<u>1,776,272</u>	<u>100</u>
OPERATING COSTS AND EXPENSES				
Interest (Notes 2 and 21)	54,296	5	79,276	5
Loss from long-term equity investments under the equity method (Notes 2 and 5)	7,091	1	3,384	-
Operating and administrative expenses (Notes 2, 12, 13 and 16)	<u>67,554</u>	<u>6</u>	<u>60,137</u>	<u>3</u>
Total operating costs and expenses	<u>128,941</u>	<u>12</u>	<u>142,797</u>	<u>8</u>
OPERATING INCOME	943,666	88	1,633,475	92
NONOPERATING INCOME AND GAINS	3,233	-	120,146	7
NONOPERATING EXPENSES AND LOSSES	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCOME BEFORE INCOME TAX	941,899	88	1,753,621	99
INCOME TAX EXPENSES (BENEFIT) (Notes 2 and 14)	<u>(10,496)</u>	<u>(1)</u>	<u>1,808</u>	<u>-</u>
NET INCOME	<u>\$ 952,395</u>	<u>89</u>	<u>\$ 1,751,813</u>	<u>99</u>
EARNINGS PER SHARE (Note 15)				
Basic earnings per share	<u>\$ 0.24</u>	<u>\$ 0.24</u>	<u>\$ 0.47</u>	<u>\$ 0.47</u>
Diluted earnings per share	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.43</u>	<u>\$ 0.43</u>

Pro forma information assuming that shares of SinoPac Financial Holdings Company Limited held by its subsidiaries were not treated as treasury stock:

	2005	2004
INCOME BEFORE INCOME TAX	<u>\$ 994,360</u>	<u>\$ 1,837,846</u>
NET INCOME	<u>\$ 1,004,856</u>	<u>\$ 1,836,038</u>

(Continued)

	<u>2005</u>		<u>2004</u>	
	Pretax	After Tax	Pretax	After Tax
EARNINGS PER SHARE				
Basic earnings per share	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.45</u>	<u>\$ 0.45</u>
Diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.22</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>

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

(With Deloitte & Touche review report dated April 20, 2005)

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 952,395	\$ 1,751,813
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	2,897	2,034
Increase in accrued pension cost	2,216	1,864
Euro-convertible bonds amortization of deferred issuance cost	6,117	9,561
Euro-convertible bonds and accrued interest premium	46,342	74,685
Income from long-term equity investments under the equity method, net	(1,020,302)	(1,739,093)
Decrease in receivables	9,483	18,850
Increase in receivables - related party	(5,567)	-
Decrease (increase) in prepayments and other current assets	(47,236)	1,843
Deferred income taxes	(38,322)	1,804
Increase (decrease) in payables	<u>25,865</u>	<u>(102,453)</u>
Net cash provided by (used in) operating activities	<u>(66,112)</u>	<u>20,908</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in securities purchased under agreements to resell	(1,715,278)	(690,061)
Increase in long-term equity investments	-	(500,000)
Acquisition of properties	(7,131)	(195)
Increase in other assets	<u>-</u>	<u>(745)</u>
Net cash used in investing activities	<u>(1,722,409)</u>	<u>(1,191,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(150,000)	-
Decrease in commercial papers payable	(99,988)	-
Increase (decrease) in other liabilities	<u>(3,535)</u>	<u>1,607</u>
Net cash provided by (used in) financing activities	<u>(253,523)</u>	<u>1,607</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(2,042,044)	(1,168,486)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,456,268	6,902,554
EFFECTS OF EXCHANGE RATE CHANGE ON CASH	<u>(79,683)</u>	<u>(152,756)</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,334,541</u>	<u>\$ 5,581,312</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 13,045</u>	<u>\$ 9,610</u>
Income tax paid	<u>\$ 208</u>	<u>\$ 636</u>

(Continued)

	2005	2004
NONCASH INVESTING AND FINANCING ACTIVITIES		
Euro-convertible bonds converted to common stock	<u>\$ 4,018,104</u>	<u>\$ 384,287</u>
Euro-convertible bonds redeemable within one year	<u>\$ 3,270,620</u>	<u>\$ -</u>
Cash dividends receivable form long-term equity investments under the equity method	<u>\$ 607,096</u>	<u>\$ -</u>

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

(With Deloitte & Touche review report dated April 20, 2005)

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2005 AND 2004

(In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(Reviewed, Not Audited)

1. ORGANIZATION AND OPERATIONS

SinoPac Financial Holdings Company Limited (the “Company”) was formed pursuant to the Financial Holding Company Act and other related regulations on May 9, 2002. Following the incorporation, the Company issued stocks to swap for the shares of Bank SinoPac, National Securities Corporation (NSC), and SinoPac Securities Co., Ltd. (SPS), resulting in all three companies becoming wholly-owned subsidiaries of the Company. The shares of Bank SinoPac and NSC then ceased trading on the Taiwan Stock Exchange (TSE) and GreTai Securities Market (OTC), respectively, while SinoPac Financial Holdings Company Limited became listed on the TSE.

On July 22, 2002, SPS was merged into NSC with the latter as surviving entity pursuant to resolutions reached by the Boards of both companies, and the merged company was immediately renamed to SinoPac Securities Corporation (SinoPac Securities).

The Company engages in the business of investing and managing of the financial related institutions.

As of March 31, 2005 and 2004, the Company had a total of 48 and 45 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company’s significant accounting policies, which conform to the Criteria Governing the Preparation of Financial Reports by Financial Holding Companies (the “Criteria”) and accounting principles generally accepted in the Republic of China (ROC) are summarized below.

Distinctions between Current and Noncurrent Assets/Liabilities

Assets that are expected to be converted or consumed within one year are classified as current. Obligations that are expected to be liquidated or settled within one year are classified as current. All other assets and liabilities are classified as noncurrent.

Securities Purchased or Sold Under Agreements to Resell or to Repurchase

Sales or purchases of securities under agreements to repurchase or resell for the Company are stated at cost. The difference between the original purchase cost (or selling price) and the contracted resell (or repurchase) amount is recognized as interest income (or interest expense).

Long-term Equity Investments

Under a directive issued by the Accounting Research and Development Foundation of the ROC (the “ARDF of the ROC”), a financial holding company should treat the investees’ net worth as paid-in capital if the holding company is incorporated through shares swap. The par value of stocks issued by the holding company is accounted for as capital stock, while any excess of par value is accounted for as capital surplus.

Long-term equity investment are accounted for by the equity method if the Company have significant influence over the investees. Under this method, investments are stated at cost, plus (or minus) a proportionate share in net earnings (losses) or changes in the investees' net worth. 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 an increase in number of shares and are not recognized as investment income. On the acquisition date, any difference between the acquisition cost and the equity in the investee is amortized on the straight-line basis over 15 years.

Long-term equity investment are accounted for by the cost method if the Company does not have significant influence over the investees. Stock dividends result only in an increase in number of shares and are not recognized as investment income.

Properties

Properties are stated at cost less accumulated depreciation. Cost of major renovation and improvements are capitalized, while repairs and maintenance are expensed when incurred.

Upon sale or disposal of properties, their cost and related accumulated depreciation are removed from the respective accounts. Any resulting gain or loss is accounted for in the current period.

Depreciation computed using the straight-line method over services lives estimated as follows: computer equipment, 3 to 5 years; transportation equipment, 5 years; office and other equipment, 3 to 5 years; leasehold improvement, 3 years. For assets still in use beyond their original services lives, depreciation is calculated over newly estimated useful lives.

Computer Software

Amortization were computed using the straight-line method over 3 to 5 years.

Amortization of Issuance Costs of Euro-convertible Bonds

The direct and necessary costs related to the issuance of Euro-convertible bonds (included in other assets) are amortized by the straight-line method and recognized as issuance expenses (included in operating costs and expenses) over the period from its issuance date to the expiration date of the put option.

Asset Impairment

The Company began applying ROC Statement of Financial Accounting Standards (SFAS) No. 35, "Accounting for asset impairment" since January 1, 2005, which requires that certain assets, including goodwill, long-term investments accounted for the equity method, property and equipment, etc., are subject to an impairment review.

SFAS No. 35 requires the Company reviews long-term investments accounted for the equity method, property and equipment, to look for any indication that the assets may be impaired on each balance sheet date. If there is an indicator that the assets may be impaired, then the Company must calculate the recoverable amount of the assets or the cash generating unit. An impairment loss should be recognized whenever the recoverable amount of the assets or the cash generating unit is below the carrying amount, and this impairment loss is either charged to accumulated impairment or reduces the carrying amount of the assets directly. After the recognition of an impairment loss, the depreciation (amortization) charged to the assets shall be adjusted in future periods by the revised asset carrying amount (net of accumulated impairment), less its salvage value, on a systematic basis over its remaining service life. If asset impairment loss (excluding goodwill) is reversed, the increase in the carrying amount resulting from reversal is credited to current income. However, loss reversal should not be more than the carrying amount (net of depreciation) had the impairment not been recognized.

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstance indicate that goodwill may be impaired. Impairment is recorded if the book value exceeds greater of value in use. After the impairment is recognized, the goodwill should still be amortized periodically. The increase in the recoverable amount of goodwill in the period following the recognition of an impairment loss is likely to be an increase in internally generated goodwill rather than the reversal of the impairment loss recognized for the acquired goodwill. Thus, any reversal of an impairment loss on goodwill is prohibited.

Interest Premium

Euro-convertible bonds with put option can be redeemed according to the offering terms. If the bonds are to be redeemed at their principal amount plus interest premium on final redemption, the interest premium should be accrued over the life of bonds as expenses, and recorded as an adjunctive account of liability in the balance sheet.

Pension

Pension expense is determined based on actuarial calculations.

Euro-Convertible Bonds

Under the book-value method applied for the conversion of euro-convertible bonds, the carrying value, interest premium and the related issuance costs were converted into capital stocks in the amount of face value, while the remaining amount were recorded into capital surplus on the conversion date.

Treasury Stock

Capital share acquired as treasury stock is carried at cost and presented as a separate deduction from stockholders' equity. When the treasury stock is re-issued to the employees, the difference between the reissue price and acquisition cost will be credited or charged to "additional paid-in capital surplus - treasury stock", and the retained earnings if there is deficiency.

Under a directive of the Securities and Futures Committee (SFC, renamed as Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. since July 1, 2004), treasury stock originally owned by a financial institution that later becomes a subsidiary of a financial holding company through the shares swap, should continue to be treated as treasury stock in the subsidiary's books after the swap. But if the subsidiary owns shares of another subsidiary under the same financial holding company, and the shares are later exchanged for the financial holding company's shares, these shares should be treated as investments in subsidiary's books, but as treasury stock in the financial holding company's books starting December 31, 2002.

Following accounting principles generally accepted in ROC, a parent company should treat its shares held by subsidiaries as treasury stocks in preparing financial statements and recognizing investment income or losses. Thus, when the subsidiaries receive the cash dividends declared by the parent company, the parent company should adjust the investment income as the transaction of treasury stock, which are debited to "investment income" and credited to "additional paid-in capital surplus - treasury stock transactions".

Derivative Financial Instruments

a. Cross-currency swaps

For cross-currency swaps intended for hedging purposes, the principal amount are recorded using spot rates at the contract dates. The net interest upon each settlement is recorded as adjustment to the revenue or expense associated with the item being hedged.

b. Currency swaps

Foreign-currency spot-position assets or liabilities arising from currency swaps, which are mainly for managing the Company's foreign-currency positions, are recorded at spot rates when the transactions occur; while corresponding forward-position assets or liabilities are recorded at the contracted forward rates, with receivables netted against the related payables. The interest part of swap points is amortized during the contract period; for contracts outstanding on the balance sheet date, the gains or losses arising from the valuation of swap points, which are valued at the forward rates available for the remaining period of the contracts are credited or charged to current income.

Revenue Recognition

Interest revenue from deposits in banks is recognized on accrual basis. Dividend income from investing in cumulative and nonparticipating preferred stocks is accrued according to the related offering terms.

Income Taxes

Inter-period income tax allocation is applied, whereby tax effects of deductible temporary differences, unused investment tax credits and unused loss carryforward are recognized as deferred income tax assets, and those of taxable temporary differences are recognized as deferred income tax liabilities. Valuation allowance is provided for deferred income tax assets that are not certain to be realized.

Deferred income tax assets and liabilities are classified as current or noncurrent on the basis of the classification of the related assets or liabilities for financial reporting. A deferred income tax asset or liability that can not be related to an asset or liability for financial reporting is classified according to the expected realization date of the temporary difference.

Tax credits for acquisitions of equipment or technology, research and development expenditures and personnel training expenditures are recognized as reduction of current income tax.

Adjustments of prior years' tax liabilities are included in the current year's tax provision.

Income tax (10%) on unappropriated earnings is recorded as income tax in the year when the stockholders resolve the appropriation of the earnings.

The Company and its qualified subsidiaries adopted the linked-tax system starting with the 2003 income tax and 2002 unappropriated earnings tax filings.

Contingencies

A loss is recognized when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. If the amount of the loss cannot be reasonably estimated or the loss is possible, the related information is disclosed in the financial statements.

Foreign-currency Transactions

Foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Gains or losses resulting from the application of different foreign exchange rates when cash in foreign currency is converted into New Taiwan dollars, or when foreign-currency receivables or payable are settled, are credited or charged to income in the period of conversion or settlement. As of the balance sheet date, the balances of foreign-currency assets and liabilities are restated at the prevailing exchange rate (at exchange rate of NT\$31.53=US\$1 and NT\$33.02=US\$1 as of March 31, 2005 and 2004, respectively), and the resulting differences are credited or charged to current income.

Gains or losses resulting from restatement of period-end foreign-currency denominated long-term equity investments accounted for by the equity method are credited or charged to “cumulative translation adjustment” under stockholders’ equity.

Reclassifications

Certain 2004 accounts have been reclassified to conform to the 2005 financial statements presentation.

3. CASH AND CASH EQUIVALENTS

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Time deposits - due in June 2005 and August 2004, with interest rate of 0.85%-1.00% and 0.70%-1.42%, respectively	\$ 1,315,000	\$ 5,542,812
Demand deposits	18,807	19,183
Checking deposits	<u>734</u>	<u>19,317</u>
	<u>\$ 1,334,541</u>	<u>\$ 5,581,312</u>

4. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

Securities purchased under agreements to resell as of March 31, 2005 and 2004 were sold by June 2005 and May 2004 at \$4,246,348 and \$1,070,773, respectively.

5. LONG-TERM EQUITY INVESTMENTS

	<u>March 31</u>			
	<u>2005</u>		<u>2004</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Equity method</u>				
Unlisted companies				
Bank SinoPac	\$ 27,555,603	100.00	\$ 24,139,990	100.00
SinoPac Securities	21,367,045	100.00	23,450,596	100.00
AnShin Card Services	2,077,101	100.00	1,285,689	89.43
SinoPac Venture Capital	963,512	100.00	1,001,453	100.00
SinoPac Securities Investment Trust	295,748	100.00	-	-
SinoPac Call Center	108,877	100.00	104,209	100.00
SinoPac Asset Management International	106,644	100.00	123,687	100.00
SinoPac Life Insurance Agent	88,967	100.00	115,816	100.00
SinoPac Marketing Consulting	46,996	100.00	43,294	100.00
SinoPac Property Insurance Agent	<u>11,690</u>	<u>100.00</u>	<u>5,671</u>	<u>100.00</u>
	<u>52,622,183</u>		<u>50,270,405</u>	

(Continued)

	March 31			
	2005		2004	
	Amount	%	Amount	%
<u>Other</u>				
Cost method - unlisted company				
Li-Seng Develop Company	\$ 125,000	5.00	\$ 125,000	5.00
Debt Instruments Depository and Clearing Co., Ltd., Taiwan	20,000	1.00	20,000	1.00
Preferred stock				
AnShin Card Services	<u>1,600,780</u>	95.28	<u>316,450</u>	65.93
	<u>1,745,780</u>		<u>461,450</u>	
Prepaid investments	<u>79,220</u>		<u>163,550</u>	
	<u>\$ 54,447,183</u>		<u>\$ 50,895,405</u>	

As of March 31, 2005 and 2004, unrealized loss on long-term equity investments (included in the debit balance of stockholders' equity) resulting from market value decline of listed and OTC stocks held by subsidiaries and its investees accounted for by the equity method amounted to \$279,358 and \$180,534, respectively. Also, as of March 31, 2005 and 2004, the Company recognized its equity in the unrealized revaluation loss on long-term equity investments totaling \$15,145 and \$8,418, respectively (included in the debit balance of stockholders' equity) from subsidiaries, and cumulative translation adjustment (under the stockholders' equity) from subsidiaries and investees totaling \$255,954 and \$69,827, respectively.

The Company recognized its equity in the net loss not recognized as pension cost (included in the debit balance of stockholders' equity) totaling \$3,049 and \$927 from SinoPac Securities as of March 31, 2005 and 2004, respectively.

Income (loss) from long-term equity investments under the equity method for the three months ended March 31, 2005 and 2004 were as follows:

	For the Three Months Ended March 31	
	2005	2004
Bank SinoPac	\$ 852,129	\$ 884,883
AnShin Card Services	114,752	76,524
SinoPac Securities	41,590	759,085
SinoPac Life Insurance Agent	12,311	14,375
SinoPac Call Center	3,097	1,701
SinoPac Property Insurance Agent	2,683	1,714
SinoPac Marketing Consulting	831	(687)
SinoPac Asset Management International	(587)	4,195
SinoPac Securities Investment Trust	(671)	-
SinoPac Venture Capital	<u>(5,833)</u>	<u>(2,697)</u>
	<u>\$ 1,020,302</u>	<u>\$ 1,739,093</u>

The aforementioned investment income (loss) accounted for by the equity method for the three months ended March 31, 2005 and 2004 were based on the investees' reviewed financial statements, respectively, except those of SinoPac Call Center, SinoPac Marketing Consulting, SinoPac Asset Management International, SinoPac Securities Investment Trust and SinoPac Venture Capital which were based on the unreviewed financial statements.

The carrying amounts of the investments accounted for by the equity method as of March 31, 2005 and 2004 totaling \$1,521,777 and \$1,272,643, respectively, and the related investment loss of \$3,163 and income of \$2,512, respectively, for the three months then ended, were based on the investees' unreviewed financial statements. Adjustments may have to be made to these investments and investment income (loss) if such financial statements had been reviewed.

Bank SinoPac was issued a qualified reviewed report due to the carrying amounts of its investments accounted for by the equity method as of March 31, 2005 and 2004 totaling \$1,008,729 and \$3,161,100, respectively, and the related investment income \$27,051 and \$24,853, respectively, for the three months then ended, were based on the investees' unreviewed financial statements.

The carrying amounts of SinoPac Securities' investments accounted for by the equity method as of March 31, 2005 and related investment income for the three months then ended, were based on the investees' reviewed financial statements except SinoPac Capital Management Corporation. The Management of SinoPac Securities considered that there should not be material adjustment had the financial statements of SinoPac Capital Management Corporation were reviewed by independent accountant. In addition, SinoPac Securities was issued a qualified review report due to the carrying amounts of its investments accounted for by the equity method as of March 31, 2004 totaling \$4,354,275, and the related investment income totaling \$296,665, for the three months then ended, were based on the investees' unreviewed financial statements.

As of March 31, 2005 and 2004, Bank SinoPac held the Company's 116,565,240 shares and 216,542,894 shares, respectively, with carrying amount at \$1,490,918 and \$2,896,922, respectively, and their market values are \$2,154,126 and \$4,027,698, respectively, based on the daily average closing prices in March 2005 and 2004.

The Company acquired 81,103,709 shares and 64,665,003 shares of common stock issued by AnShin Card Services from Bank SinoPac and ING Heart Investment Co., Ltd. (please see Note 16) in December 2002 and September 2003, respectively, at an acquisition cost of \$181,238 and \$1,030,973, respectively. The Company also acquired 17,092,258 shares and 139,000 shares of common stock issued by AnShin Card Services from other stockholders in June and December 2004, at an acquisition cost of \$204,868 and \$2,085, respectively.

The Company acquired 28,833,600 shares and 19,166,400 shares of preferred stock A issued by AnShin Card Services in October 2002 and September 2003, at an acquisition cost of \$288,336 and \$191,664, respectively. The preferred stock A bears annual interest rate of 4% and will be matured in October 2008 (originally mature in October 2006 and the maturity term had been amended by the stockholders' meeting on March 25, 2003). In May 2004, the Company acquired 150,000,000 shares of preferred stock B issued by AnShin Card Services, at an cost of \$1,500,000. The preferred stock B bears annual interest rate of 2% and will be matured in May 2007. The Company had recognized dividend income from preferred stock totaling \$10,800 and \$4,787 for the three months ended March 31, 2005 and 2004, respectively.

The Company transferred 30,000,000 shares of preferred stock B issued by AnShin Card Services to 30,000,000 shares of common stocks of AnShin Card Services in December 2004.

As of March 31, 2005 and 2004, prepaid investments amount to \$79,220 and \$163,550, respectively, were generated from the preferred stock issued by AnShin Card Services.

The Company acquired 100% ownership, 30,000,000 shares of SinoPac Securities Investment Trust Corporation (originally named as United Investment Trust Corporation) amounted \$298,500 in October 2004.

The pro forma information on operating revenues and net income were \$1,783,228 and \$1,758,769 respectively, and the pro forma basic earnings per share(after tax) was \$0.475 for the three months ended March 31,2004, assuming that the shares of SinoPac Securities Investment Trust were acquired as of January 1, 2004.

The accounts of SinoPac Securities' subsidiaries -SinoPac Asset Management Corp. (B.V.I.) and SinoPac Securities (H.K.) Limited, were not included in the consolidated financial statements for that they are undergoing a dissolution process. And the accounts of the Company's subsidiaries- SinoPac Call Center, SinoPac Marketing Consulting and SinoPac Asset Management International together with Bank SinoPac's subsidiary- SinoPac Financial Consulting Co., Ltd were also not included in the consolidated financial statements because the Company's management consider that those companies were immaterial to the consolidated financial statements.

The Company's two subsidiaries - SinoPac Life Insurance Agent and SinoPac Property Insurance Agent were "Insurance Subsidiaries" as promulgated in the Financial Holding Company Act. Accordingly, the Criteria requires these two subsidiaries to be treated as the consolidated entities.

As of March 31, 2005, unamortized difference between the acquisition cost and the equity in the investee was \$928,192 resulting from the purchase of the common shares of AnShin Card Services.

In assessing whether the aforesaid unamortized difference was impaired, the Company was viewed as a cash generating unit and estimate the recoverable amount by AnShin Card Service's value in use. The key assumption to evaluate the value in use of AnShin Card Service was based on the net cash flows provided by operating activities in next ten years, which was on the assumption of going concern and the basis by using AnShin Card Service's 2004 net income as the basis of cash flows estimates and the net worth as of December 31, 2004 as the estimate of salvage value to calculate the discounted cash flows by using the Company's weighted average funding cost as the discount rate.

After assessing the value in use of AnShin Card Service based on the key assumption, there was no impairment on the unamortized difference between the acquisition cost and the equity in AnShin Card Service on March 31, 2005.

6. PROPERTIES

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Cost	\$ 43,313	\$ 31,669
Accumulated depreciation		
Computer equipment	3,059	1,218
Transportation equipment	1,742	1,045
Office and other equipment	2,709	1,630
Leasehold improvement	<u>10,780</u>	<u>6,415</u>
	<u>18,290</u>	<u>10,308</u>
Advances on acquisitions of equipment	<u>8,159</u>	<u>-</u>
	<u>\$ 33,182</u>	<u>\$ 21,361</u>

7. SHORT-TERM BORROWINGS

As of March 31, 2005 and 2004, the unsecured short-term borrowings from bank bore interest rates of 1.30%-1.55% and 1.30%-1.58%, and the last maturity date were in April 2005 and 2004, respectively.

As of March 31, 2005 and 2004, the Company had unutilized credit lines of \$1,800,000 and \$2,150,000, respectively, which were available for short-term borrowings, the Company had both unutilized credit lines of \$500,000, which were available for commercial papers.

8. PAYABLES

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Tax payables resulting from linked-tax system	\$ 1,008,620	\$ -
Investment payable - current	137,535	264,651
Salaries payable	27,587	2,607
Payables to subsidiaries resulting form linked-tax system	20,299	-
Interest payable	5,468	4,065
Payable due to collection of stock affairs	-	18,169
Other	<u>11,265</u>	<u>113,014</u>
	<u>\$ 1,210,774</u>	<u>\$ 402,506</u>

9. EURO-CONVERTIBLE BONDS

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Euro-convertible bonds	\$ -	\$ 7,355,648
Add interest premium payable	<u>-</u>	<u>569,039</u>
	-	7,924,687
Euro-convertible bonds redeemable within one year	2,925,214	-
Add interest premium payable	<u>345,406</u>	<u>-</u>
	<u>\$ 3,270,620</u>	<u>\$ 7,924,687</u>

The Company had issued US\$230,000,000 of Euro-convertible bonds (the “Bonds”) at par in Luxembourg on July 12, 2002. The Bonds are zero coupon and in the denomination of US\$1,000 each. Other offering terms were 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 plus yield of 4.45% per annum.

- 1) Early redemption at the option of the Company: The Bonds may be redeemed in whole at their early redemption amount including principal and interest premium, at the option of the Company
 - a) Provided that after three years of the issue date, the closing prices of the common shares on the TSE, for 20 consecutive trading days, exceed 130% of the conversion price.
 - b) If at least 90% in principal amount of the Bonds have already been redeemed, converted, or purchased and cancelled.
 - c) In the event of certain changes in ROC taxation 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) At the third year of the issue date (the “put date”) by submitting the Relevant Event Redemption Notice to the Company prior to the put date. The put rights will be expired after the put date.

b) If the common shares of the Company cease to be listed or trading on the TSE.

c) If 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 right and conversion period

Except during a closed period or suspension period, the bondholders may convert the Bonds into common shares of the Company, at any time on or after the 30th day after the issuance date and before the date 20 days prior to the conversion date. Closed period means the period being (a) 60 days prior to an annual general shareholders’ meeting, (b) 30 days prior to a special shareholders’ 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 initial conversion price was set at NT\$17.666 or US\$0.527 per share (at a fixed exchange rate of NT\$33.513=US\$1), which was determined by the closing price of the Company’s share on TSE on July 8, 2002 (the pricing date) with 21% mark-up. Due to the distribution of stock dividends in 2002, the conversion price was adjusted to NT\$16.651 on August 29, 2002, one day after the record date for ex-dividend, and 462,914,539 shares of common stock were expected to be issued, accordingly.

In 2003, the Company issued total of 157,422 units of employee stock option certificates representing 157,422,000 shares of common stock. According to the fixed consideration of NT\$12 per share which was determined by the closing price on July 31, 2003, the issuance date of such stock option, the issuance of 157,422,000 shares had triggered the conversion price adjustment from NT\$16.651 to NT\$16.607 effective on July 31, 2003. As a result of the above adjustment, the conversion price, in respect of the distribution by the Company of a cash dividend in the amount of NT\$0.65 per share for the appropriation of earnings for the period from May 9, 2002 to December 31, 2002, will be further adjusted from NT\$16.607 to NT\$15.768 effective on the record date (being August 1, 2003) set by the board of directors of the Company for the determination of shareholders entitled to receive such cash dividend. Considering such employee stock option certificates and cash dividends adjustments, 488,837,519 shares (at a fixed exchange rate of NT\$33.513=US\$1) of common stock were expected to be issued.

After the distribution of cash dividends at NT\$0.4995 per share, which was appropriated from the 2003 earnings, the conversion price was adjusted to NT\$14.618 on the record date (August 3, 2004).

As of March 31, 2005, the bondholders had converted the Euro-convertible bonds with aggregate face amount of US\$143,919 thousand into 328,150,530 common shares of the Company.

10. STOCKHOLDERS' EQUITY

a. Capital stock

The Company had a total of \$100,000,000 authorized capital divided into 10,000,000,000 shares with par value at NT\$10 per share. The authorized capital can be issued in installments upon resolution of the board of directors. Among such authorized capital, 1,000,000,000 shares had been reserved for issuing stock option certificates, stock warrants associated with preferred stock and stock warrants associated with corporate bonds. The subscription shares issued upon exercising employee stock option certificates were subject to the regulations of the Securities and Futures Bureau (SFB).

As of March 31, 2005, the Company had a capital stock \$42,505,582, divided into 4,250,558,218 common shares. For the three months ended March 31, 2004, the Euro-convertible bonds, amounting to \$2,624,756, had been converted, resulting in an increase of 262,475,583 common shares of the Company and will propose to change authorized capital to SFB in May 2005. In addition, on June 11, 2004, the stockholders resolved to appropriate \$1,742,807 of retained earnings as capital stock by distributing to the shareholders \$1,724,138 in stock dividends and to the employees \$18,669 in stock bonus. The capital stock increase was approved by the SFB and took effect on August 9, 2004.

b. Capital surplus

Under the Company Law, capital surplus from stock issuance in excess of par can be transferred to capital stock if approved by the stockholders.

Capital surplus from long-term equity investments accounted for by the equity method can not be distributed for any purpose.

Under the Financial Holding Company Act and related SFC directives, if the capital surplus obtained by a financial holding company through the shares swap comes from its subsidiaries' unappropriated retained earnings after legal and special reserves, the surplus is excluded from the restriction as prescribed in the Securities and Exchange Law.

The subsidiaries' unappropriated retained earnings before the shares swap amounted to \$3,720,981 which the Company accounted for as capital surplus at the date of establishment. In their June 26, 2002 first provisional meeting, the stockholders resolved to capitalize \$2,097,745 of this capital surplus by distributing 209,774,487 shares of stock dividends. In addition, under the appropriation of earnings for the period from May 9, 2002 to December 31, 2002 resolved by the stockholders, \$1,141,236 of the aforesaid capital surplus derived from the subsidiaries' retained earnings was appropriated as cash dividend.

c. Earnings distribution and dividend policy

The Company's Articles of Incorporation provide that annual net income should be appropriated after deducting any accumulated losses and taxes, providing legal and special reserves, and offering employee bonus which should not be less than 1% of the balance. The board of directors will then propose to the stockholders' meeting for appropriation of the reminder and retained earnings from previous year.

Employee bonus can be distributed either in cash or in stock. If it's in stock, the beneficiaries can also include the employees of subsidiaries. The rules of distribution need to be resolved by the board of directors.

To pursue growth and thus to increase profitability, the Company will retain cash for capital needs. The dividend policy is to distribute most dividends in stock. The cash dividends will be declared only when there is excess of cash. However, except for the first three years after the Company started, cash dividends shall not be less than 10% of total dividend declared.

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

The appropriation, as well as other distribution of earnings shall be resolved by the stockholders in the following year and reflect in the financial statements of that year.

On March 24, 2005 and February 23, 2004, the board of directors resolved the appropriation of earnings for the year ended December 31, 2004 and 2003, respectively, as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share (NT\$)</u>	
	<u>For the Years Ended</u>		<u>For the Years Ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Legal reserve	\$ 462,347	\$ 421,053		
Special reserve	398,125	55,726		
Bonus to employees - cash	37,630	18,669		
Bonus to employees - stock	-	18,669		
Remuneration to directors and supervisors - cash	54,000	54,000		
Cash dividends	3,723,200	1,874,063	\$0.88	\$0.4995
Stock dividends	-	1,724,138	-	0.4596
	<u>\$ 4,675,302</u>	<u>\$ 4,166,318</u>		

The appropriation of 2003 earning had been resolved by the stockholder's meeting on June 11, 2004. The appropriation of 2004 earnings will be resolved by the stockholder's meeting in 2005. The information on the related earnings appropriation can be viewed at Taiwan Stock Exchange Corporation Market Observation Post System (M.O.P.S.) website.

Under the Company Law, legal reserve should be appropriated until the reserve equals the aggregate amount of the Company's outstanding capital stock. This reserve can only be used to offset a deficit, when the reserve reaches 50% of the aggregate amount of the Company's outstanding capital stock, up to 50% thereof may be transferred to capital.

Under a SFC's directive, a special reserve should be at an amount equal to the debit balance of accounts in the stockholders' equity section (such as unrealized loss on long-term equity investments, unrealized revaluation loss on long-term equity investments and cumulative translation adjustments, but excluding treasury stock). The balance of the special reserve is adjusted to reflect any changes in the debit balance of the related accounts on the balance sheet dates. Except for the amount reversed due to the reduction in the total debit balance, the special reserve shall not be appropriated.

The SFC has issued a directive to prevent a company from excessive earnings distribution, which will damage the Company's capital structure as well as stockholders' interest. Thus, if a parent company's shares held by subsidiaries decline in market value, the parent company should appropriate a special reserve at an amount equal to the decline in market value multiplied by equity. If the market value recovers, the reserve can be reversed to the extent provided (please see Note 5).

Under the Integrated Income Tax System, non-corporate ROC-resident stockholders are allowed tax credits for the income tax paid by the Company. Tax credits allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date.

d. Employee stock option certificates

On April 7, 2003, the board of directors of the Company resolved to award issuing the employee stock option certificates, in a total consideration of 224,888 units, to attract and retain its professional employees, to centralize and strengthen their affiliation, and to create the greatest profit for the Company and its shareholders. Each unit of stock option certificate represents subscription right of 1,000 shares of common stock. Upon exercise of options under this plan, 224,888,000 new shares of common stock will be issued. The employee stock option plan had been approved by the SFB on July 16, 2003 and, at the chairman's approval, the Company launched the first 157,422 units of such stock option on July 31, 2003, which entitled the subscribers to acquire 157,422,000 shares of common stock. Related terms and conditions for issuing and exercising stock option are as follows:

1) Conditions of eligibility for subscription rights:

This stock option plan is limited to full-time employees of the Company and its subsidiaries (both local and overseas) that are over 50% owned by the Company. Of those qualified employees, actual amount of options granted will be based on considerations of the individual's seniority, grade, performance, overall contribution, or other special rewards upon receipt of the board of directors' approval. Each individual may not be granted more than 10% of the option certificates at each issuance. Also, for each individual, the acquired numbers of shares during each fiscal year may not exceed 1% of the total numbers of shares issued at the end of such fiscal year.

2) Exercise price:

The chairman had ratified July 31, 2003 as the first date of the award of the stock option and NT\$12 as the exercise price per share, which was based on the market closing price of the common share on the date of the award of the option.

3) Terms and vesting of the rights:

- a) Two years after the option certificates have been granted, less than or equal to 50% of the total granted options may be vested; three years after, another 10% may be vested; four years after, a further 20% may be vested; five years after, the remaining 20% of the total granted options may be vested.
- b) The term of stock option certificates is seven years. No transfer, collateral, negotiability, or any other methods of disposal are allowed during this period, except to inheritors in case of death of eligible employees of stock options.
- c) The Company reserves the right to cancel the option certificates which have been granted but not vested when the eligible employees fail to meet the performance requirements, or committed a significant mistake against the corporate regulations.

4) Type of shares obtained upon exercise: The Company's common stock

5) All rights and options are surrendered on the expiration date of the certificates.

6) Procedures for handling surrendered stock option certificate:

For the surrendered rights of the stock option, the Company will withdraw and cancel the certificates.

7) Method for performance of contract: Issuance of new shares.

8) Adjustment of exercise price:

- a) After issuance of stock option certificates, in case of changes in number of the Company's outstanding common shares (such as resulting from a rights offering, capitalization of retained earnings, capitalization of capital reserve, merger, stock split, share offering for GDR issuance, etc.), exercise price per share will be adjusted only according to the following formula (rounded to NT\$0.01).

Adjusted exercise price = Exercise price before adjustment × {Number of shares issued + [(Payment per new share × Number of new shares)/Exercise price before adjustment]} / (Number of shares issued + Number of new shares)

- i. The aforementioned term, "number of shares issued" means the total number of common shares issued and the certificates of payment for exercising stock options, but not including the certificates of bond conversion.
 - ii. The payment will be zero if the "payment per new share" is obtained from distribution of bonus shares or stock split.
 - iii. In the case of a merger of the Company with another entity, "payment per new share" will be the average of the daily closing prices for the 30 consecutive trading days of the Company's common share, commencing 45 trading days before the record date of the merger.
 - iv. No adjustment to exercise price will be made if the "adjusted exercise price" is higher than the "exercise price before adjustment".
- b) After the issuance of stock option certificates, the exercise price will be adjusted accordingly if the Company is to distribute cash dividend.

9) Rights and obligations after exercising options:

Certificates of payment of shares for exercise of stock option delivered by the Company will bear the same rights and obligations as the Company's common shares.

On December 17, 2003, the board of directors (hereinafter "the Board") resolved to launch the residual 67,466 units of stock option certificates to specified superintendents in the Group with the proportion of the first issuance. The conditions of eligibility for subscription rights in the second issuance are limited to superintendents with special contribution. The chairman had ratified the award of the stock option as of December 30, 2003, at the exercise price per share of NT\$17.2, which was based on the market closing price of the common share on the date of the award of the option.

After the appropriation of the 2003 earnings, the exercise prices of the first option issuance for 157,422 units and the second option issuance for 67,466 units were adjusted from NT\$12.00 to NT\$11.14 and from NT\$17.20 to NT\$15.96, respectively.

11. TREASURY STOCK

(Expressed in Thousands)

Reasons	Shares at the Beginning of Period	Shares Increase During the Period	Shares Decrease During the Period	Shares at the End of Period
<u>For the three months ended March 31, 2005</u>				
Reissuance to employees				
- SinoPac Financial Holdings Company Limited	19,649	-	-	19,649
Shares held by subsidiaries	116,565	-	-	116,565
<u>For the three months ended March 31, 2004</u>				
Shares held by subsidiaries	216,543	-	-	216,543

Under the Securities and Exchange Law, the Company should not acquire treasury stock in excess of 10% of its total shares outstanding. In addition, the Company should not spend more than the aggregate amount of the retained earnings, paid-in capital in excess of par value, and realized capital surplus arising from gains on disposal of properties and donated capital. The Company should not use treasury stock to secure any of its obligations and to exercise any shareholders' rights on those stocks.

The Company's capital stock held by subsidiaries is treated as treasury stock; thus, the subsidiaries may not exercise stockholders' rights on the treasury stock excluding those of which bought by the subsidiaries before the share swap that was made to establish the Company. Under the Financial Holding Company Act, the Company's shares held by the subsidiaries may only own the stockholders' right on earnings appropriation, as well as the capitalization by legal reserve or capital surplus.

In the year ended December 31, 2004, the Company acquired 19,649,000 shares of its outstanding stocks with \$333,972. The Company intends to reissue these stocks to its employees in the next three years at one time or in installments from May 24, 2004.

Before the share swap date, Bank SinoPac and SinoPac Securities acquired 40,535,000 shares and 53,857,815 shares of treasury stock for \$500,354 and \$554,992, respectively. As a result of the share swap, the aforementioned capital stocks had been exchanged for 95,475,631 shares of the Company. The Company treated those shares as treasury stock under the SFC's directive. Of the above treasury stock, 41,617,816 shares held by Bank SinoPac had been reissued to its employees at NT\$11.84 per share in 2002; 20,197,943 shares and 33,659,872 shares held by SinoPac Securities had been reissued to its employees at NT\$10.826 and NT\$10.976 in September 2002 and November 2003, respectively.

Bank SinoPac had held 256,127,108 shares of SPS (which was merged with SinoPac Securities on July 22, 2002) with carrying value of \$2,896,922 prior to the shares swap. Those shares had been swapped for 204,106,675 shares of the Company, together with stock dividends of 12,436,219 shares from capital surplus for the period from May 9 to December 31, 2002 and 9,952,536 shares from earnings received for the year ended December 31, 2003, were presented as securities purchased in Bank SinoPac's book, while the Company treated such 226,495,430 shares.

To deal with the Company's shares held by Bank SinoPac, the Board of the Company resolved to sell two-thirds of these shares, a total of 144,361,929 shares, through the securities exchange market on October 22, 2003. In doing so, Bank SinoPac sold 109,929,965 shares with cost of \$1,406,004 on the securities exchange market in 2004. As of March 31, 2005 and 2004, Bank SinoPac had held 116,565,240 and 216,542,894 shares of the Company, with carrying value of \$1,490,918 and \$2,896,922 (included in securities purchased), respectively. Pursuant to the generally accepted accounting principles in ROC, the Company had reclassified securities purchased mentioned above to treasury stock.

To inspire the employees, the Board also decided to transfer the remaining one third of the shares held by Bank SinoPac to the employees. On August 27, 2004, the Board resolved the transfer method, as allowed under the Financial Holding Company Act and the directives of the Bureau of Monetary Affairs and authorized the chairperson transfer the remaining shares before May 8, 2005. The transfer price has been set as the closing price on August 27, 2004. The chairperson may adjust the transfer method based on actual circumstances.

Pursuant to the Financial Holding Company Act, the aforementioned treasury stock held by Bank SinoPac (i) may be reissued to the employees of the Company or the Company's subsidiaries within three years, (ii) may be used for equity conversion, or (iii) may be sold on a stock exchange or over-the-counter market. In the event that such shares are not timely reissued or sold, such shares should be cancelled and decrease the Company's capital stock, in addition, the alteration registration should be completed.

12. PENSION

The Company has a defined benefit pension plan for all regular employees. The Company makes monthly amounts contributions, in the range of 2% to 15% of employee salaries, to a pension fund, which is administrated by the employee's pension plan supervisors committee.

Following were summaries of certain pension information:

	For the Three Months Ended	
	March 31	
	2005	2004
a. Change in pension fund		
Balance, January 1	\$ 3,869	\$ 2,142
Contributions	<u>456</u>	<u>519</u>
Balance, March 31	<u>\$ 4,325</u>	<u>\$ 2,661</u>
b. Change in accrued pension cost		
Balance, January 1	\$ 14,365	\$ 8,601
Provision	2,216	1,864
Contributions	<u>(456)</u>	<u>(519)</u>
Balance, March 31	<u>\$ 16,125</u>	<u>\$ 9,946</u>

For the three months ended March 31, 2005 and 2004, pension expense amounted to \$2,216 and \$1,864, respectively.

13. PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended March 31	
	2005	2004
Personnel expenses		
Salaries and wages	\$ 26,663	\$ 19,548
Pension	2,216	1,864
Labor insurance and national health insurance	516	443
Other	272	93
Depreciation	2,490	1,774
Amortization	407	260

14. INCOME TAX

Under a directive issued by the MOF, a financial holding company and its domestic subsidiaries that held over 90% of shares issued by the financial holding company for 12 months within the same tax year, may choose to adopt the linked-tax system for income tax filings.

The Company adopted the linked-tax system for income tax of 2003 and unappropriated earnings tax of 2002 filings with its qualified subsidiaries, including Bank SinoPac, SinoPac Securities and SinoPac Call Center Co., Ltd. (collectively, the Group).

The Company expected to adopt the linked-tax system for income tax of 2004 and unappropriated earnings tax of 2003 filings with all its qualified subsidiaries.

The principle adopted by the Group for the allocation of linked-tax system is to reduce the income tax liabilities of the Group and to maximize the synergy of the Group. The accounting treatment applied by the Group to the income tax is to adjust in the Company's book the difference between the combined current/deferred taxes and the total of each Group member's current/deferred. Related payables and receivables were recorded in each of the Group members' books.

- a. Reconciliation of tax on pretax income at statutory rate and current income tax payable:

	For the Three Months Ended March 31	
	2005	2004
Tax on pretax income at 25% statutory rate	\$ 235,465	\$ 438,395
Add (deduct) tax effects of:		
Tax-exempt income	(2,700)	(1,197)
Permanent difference	(254,867)	(434,582)
Temporary difference	49,909	5,959
Loss carryforward	-	(8,575)
Investment tax credit	(6)	-
Current income tax payable	<u>\$ 27,801</u>	<u>\$ -</u>

- b. The components of income tax expenses (benefit) were as follows:

Current income tax payable	\$ 27,801	\$ -
Separation taxes on short-term bills interest revenue	25	4
Changes upon deferred income tax	<u>(38,322)</u>	<u>1,804</u>
	<u>\$ (10,496)</u>	<u>\$ 1,808</u>

c. Deferred income tax assets (liabilities) consisted of the tax effects of the following:

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Current		
Deferred income tax assets (liabilities)		
Deferred interest premium of Euro-convertible bonds	\$ 218,711	\$ 149,075
Loss carryforward	76,621	68,055
Deferred organization costs	2,265	2,265
Income tax credit	-	495
Unrealized foreign exchange loss (gain)	<u>9,217</u>	<u>(12,482)</u>
Deferred income tax assets	306,814	207,408
Less Allowance for deferred income tax assets	<u>250,302</u>	<u>180,665</u>
	56,512	26,743
Effect upon adoption of the linked-tax system	<u>(45,030)</u>	<u>-</u>
	<u>\$ 11,482</u>	<u>\$ 26,743</u>
Noncurrent		
Deferred income tax assets		
Deferred pension cost	\$ 4,031	\$ 2,487
Deferred organization costs	<u>2,454</u>	<u>4,719</u>
Deferred income tax assets	<u>\$ 6,485</u>	<u>\$ 7,206</u>

d. The Company adopted the linked-tax system for income tax of 2003 and unappropriated earnings tax of 2002 filing with its subsidiaries. As of March 31, 2005 and 2004, the receivables of the Company resulting from the linked-tax system to its subsidiaries were \$1,045,916 and \$13,449, respectively. As of March 31, 2005 the payables of the Company resulting from the linked-tax system to its subsidiaries were \$20,299.

The balances of the imputation credit account as of March 31, 2005 and 2004 were \$4,454 and \$1,796, respectively. The projected imputed tax credit ratio for earnings in 2004 is 0.10%, which is computed from the projected ICA balance on the earnings appropriation date. The actual creditable tax ratios for the 2003 earnings was 8.11%.

The tax credit allocable to stockholders are based on the balance of ICA on the dividend distribution date. Thus, the 2004 projected creditable tax ratio may vary from the actual ratio. The Company's foreign shareholders are not entitled to the tax credit described in the preceding paragraph except those related to 10% taxes on unappropriated earnings actually paid by the Company. Such taxes can be used to reduce the amount of the final withholding taxes on dividends paid to such foreign shareholders.

As of March 31, 2005, income tax returns by the period from May 9, 2002 to December 31, 2002 had been examined by the tax authorities.

15. EARNINGS PER SHARE

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

	<u>Numerator (Amounts)</u>		<u>Denominator (Shares in Thousands)</u>	<u>EPS (NT\$)</u>	
	<u>Pretax</u>	<u>After Tax</u>		<u>Pretax</u>	<u>After Tax</u>
<u>For the three months ended March 31, 2005</u>					
Basic EPS	\$ 941,899	\$ 952,395	3,970,768	<u>\$ 0.24</u>	<u>\$ 0.24</u>
Influence on diluted common shares:					
Employee stock option certificates	-	-	72,221		
Euro-convertible bonds	<u>52,461</u>	<u>52,461</u>	<u>340,925</u>		
Diluted EPS	<u>\$ 994,360</u>	<u>\$ 1,004,856</u>	<u>4,383,914</u>	<u>\$ 0.23</u>	<u>\$ 0.23</u>
<u>For the three months ended March 31, 2004</u>					
Basic EPS	\$ 1,753,621	\$ 1,751,813	3,699,122	<u>\$ 0.47</u>	<u>\$ 0.47</u>
Influence on diluted common shares:					
Employee stock option certificates	-	-	58,709		
Euro-convertible bonds	<u>84,225</u>	<u>84,225</u>	<u>506,078</u>		
Diluted EPS	<u>\$ 1,837,846</u>	<u>\$ 1,836,038</u>	<u>4,263,909</u>	<u>\$ 0.43</u>	<u>\$ 0.43</u>

Pro forma information assuming that the Company's shares held by its subsidiaries were not treated as treasury stock:

	<u>Numerator (Amounts)</u>		<u>Denominator (Shares in Thousands)</u>	<u>EPS (NT\$)</u>	
	<u>Pretax</u>	<u>After Tax</u>		<u>Pretax</u>	<u>After Tax</u>
<u>For the three months ended March 31, 2005</u>					
Basic EPS	\$ 941,899	\$ 952,395	4,087,333	<u>\$ 0.23</u>	<u>\$ 0.23</u>
Influence on diluted common shares:					
Employee stock option certificates	-	-	72,221		
Euro-convertible bonds	<u>52,461</u>	<u>52,461</u>	<u>340,925</u>		
Diluted EPS	<u>\$ 994,360</u>	<u>\$ 1,004,856</u>	<u>4,500,479</u>	<u>\$ 0.22</u>	<u>\$ 0.22</u>
<u>For the three months ended March 31, 2004</u>					
Basic EPS	\$ 1,753,621	\$ 1,751,813	3,925,617	<u>\$ 0.45</u>	<u>\$ 0.45</u>
Influence on diluted common shares:					
Employee stock option certificates	-	-	58,709		
Euro-convertible bonds	<u>84,225</u>	<u>84,225</u>	<u>506,078</u>		
Diluted EPS	<u>\$ 1,837,846</u>	<u>\$ 1,836,038</u>	<u>4,490,404</u>	<u>\$ 0.41</u>	<u>\$ 0.41</u>

16. RELATED-PARTY TRANSACTIONS

In addition to disclosed in other footnotes, relationships with the Company and significant transactions between the Company and related parties, including transactions of amounts over NT\$100 million with its subsidiaries, were summarized as follows:

a. Related parties

Name	Relationship with the Company
Bank SinoPac	Subsidiary
SinoPac Securities	Subsidiary
AnShin Card Services Co., Ltd. (AnShin Card Services)	Subsidiary
SinoPac Leasing Corporation (SinoPac Leasing)	Subsidiary of Bank SinoPac
National Electric Appliance Co., Ltd.	Same chairperson
Hong Yue Investment Co. (Hong Yue Investment)	Supervisor of the Company
Far East National Bank (FENB)	Overseas affiliate of Bank SinoPac
Ruentex Interior Design Inc. (Ruentex Interior Design)	Related party in substance (Ruentex Interior Design Inc. was not a related party since the third quarter in 2004)
Other	Related parties under the control of the Company and with no transactions with the Company, please see Table 7

b. Significant transactions between the Company and related parties

1) Cash and cash equivalents - bank deposits

	March 31			
	2005		2004	
	Amount	% of Account Balance	Amount	% of Account Balance
Bank SinoPac	\$ 834,144	63	\$ 3,638,659	65
FENB	-	-	1,542,476	28

2) Securities transactions under agreements to resell

Type of Transaction		March 31, 2005	
		Face Amount	Cost
Bank SinoPac	Bonds purchased under agreements to resell	\$ 614,400	\$ 701,246
SinoPac Securities	Bonds purchased under agreements to resell	541,400	600,000
Type of Transaction		March 31, 2004	
		Face Amount	Cost
SinoPac Securities	Bonds purchased under agreements to resell	\$ 270,500	\$ 300,000
Bank SinoPac	Bonds purchased under agreements to resell	61,800	70,000

For the three months ended March 31, 2005 and 2004, interest revenue generated from the aforementioned securities transactions with Bank SinoPac amounted to \$1,401 and \$186, respectively. For the three months ended March 31, 2005 and 2004, interest revenue generated from the aforesaid securities transactions with SinoPac Securities amounted to \$550 and \$144, respectively.

3) Receivables from related parties - interest receivable

	<u>March 31</u>			
	<u>2005</u>		<u>2004</u>	
	Amount	% of Account Balance	Amount	% of Account Balance
Bank SinoPac	\$ 422	1	\$ 2,562	7
SinoPac Securities	96	-	14	-
FENB	-	-	2,496	6

4) Receivables from related parties - receivable on preferred stock dividends

	<u>March 31</u>			
	<u>2005</u>		<u>2004</u>	
	Amount	% of Account Balance	Amount	% of Account Balance
AnShin Card Services	\$ 64,242	4	\$ 20,537	53

5) Receivables from related parties - tax receivables resulting from linked-tax system

The Company and its subsidiaries adopted the linked-tax system for income tax and unappropriated earnings tax filings. The receivable of the Company resulting from the linked-tax system to its subsidiaries were \$1,045,916 and \$13,449 as of March 31, 2005 and 2004, respectively.

6) Receivable from related parties - receivable on cash dividends

	<u>March 31, 2005</u>	
	Amount	% of Account Balance
SinoPac Securities	\$ 607,096	35

7) Prepaid expenses and other current assets - temporary debits

	<u>March 31, 2005</u>	
	Amount	% of Account Balance
Others	\$ 49,243	69

8) Payables to related parties - tax payables resulting form linked-tax system

The Company and its subsidiaries adopted the linked-tax system for income tax and unappropriated earnings tax filings. The payables of the Company resulting form the linked-tax system to its subsidiaries were \$20,299 on March 31, 2005.

9) Interest revenue from bank deposits

	For the Three Months Ended March 31			
	2005		2004	
	Amount	% of Account Balance	Amount	% of Account Balance
Bank SinoPac	\$ 9,504	32	\$ 9,728	34
FENB	6,004	17	5,240	18

10) Dividend income

	For the Three Months Ended March 31			
	2005		2004	
	Amount	% of Account Balance	Amount	% of Account Balance
AnShin Card Services	\$ 10,800	100	\$ 4,787	100

11) Professional service charges

Professional service charges paid to SinoPac Securities amounted to \$1,148 and \$1,179 for the three months ended March 31, 2005 and 2004, respectively.

Professional service charges paid to Bank SinoPac amounted to \$265 for the three months ended March 31, 2005.

12) Lease

The Company leased certain office premises from National Electric Appliance Co., Ltd. for a period from May 2002 to December 2005. Rentals were paid annually at the beginning of each year. Rentals paid for the three months ended March 31, 2005 and 2004 were \$561 and \$568, respectively. Prepaid rentals as of March 31, 2005 and 2004 were \$235 and \$238, respectively.

The Company leased certain apartments as employees' dormitory from Hong Yue Investment Co., Ltd. for a period from May 2002 to May 2005 with monthly rental payments. Rental expense for the three months ended March 31, 2005 and 2004 were both \$881.

The Company leased certain office premises from SinoPac Leasing for a period ranging from January 2005 to December 2019 with monthly rental payments. Rental expense for the three months ended March 31, 2005 and rental payable as of March 31, 2005 were both \$2,270.

The Company leased certain office premises from SinoPac Securities for a period ranging from February 2004 to March 2004. Rental paid for the three months ended March 31, 2004 was \$82.

13) Asset transactions

The Company acquired 81,103,709 shares of common stock of AnShin Card Services from Bank SinoPac in December 2002 at an acquisition cost of \$181,238, which had already been paid before December 31, 2002. Unamortized deferred income totaling \$66,056 was recognized by the Company when the transaction occurred, and was amortized on the basis of the remaining amortization period obtained from Bank SinoPac. The Company recognized the aforesaid investment income totaling both \$6,781 for the three months ended March 31, 2005 and 2004, respectively.

In March 2004, the Company has entered into contracts with Ruentex Interior Design Inc. for interior decoration of its office totaling \$138, which has already been paid.

For transactions with related parties, the terms are similar to those transacted with unrelated parties.

c. Related-party transactions of subsidiaries at amounts over NT\$100 million were as follows:

1) Bank SinoPac

<u>Name</u>	<u>Relationship with Bank SinoPac</u>
SinoPac Financial Holdings Company Limited	Parent company
SinoPac Securities	Subsidiary of SinoPac Financial Holdings Company Limited
SinoPac Leasing Corporation (SPL)	Subsidiary of Bank SinoPac
Grand Capital International Limited (Grand Capital)	Subsidiary of SPL
Wal Tech International Corporation (Wal Tech International)	Affiliate of Bank SinoPac
Far East National Bank (FENB)	Overseas affiliate of Bank SinoPac
Other	Bank SinoPac's directors, supervisors, managers and their relatives, department chiefs, the investees accounted for by the equity method and subsidiaries of Bank SinoPac, etc.
Other	Related parties under the control of Bank SinoPac and with no transactions with Bank SinoPac.

a) Loans

Period	Ending Balance	% of Total	Interest Rate	Interest Revenue	% of Total
For the three months ended March 31, 2005	\$ 2,392,517	0.88%	1.35%-12.60%	\$ 12,296	0.36%
For the three months ended March 31, 2004	2,166,305	0.96%	1.31%-12.30%	13,069	0.55%

b) Deposits

Period	Ending Balance	% of Total	Interest Rate	Interest Expense	% of Total
For the three months ended March 31, 2005					
SinoPac Financial Holdings Company Limited	\$ 834,144	0.25%	0%-1.00%	\$ 9,504	0.49%
Other	4,280,812	1.28%	0%-7.00%	3,020	0.16%
For the three months ended March 31, 2004					
SinoPac Financial Holdings Company Limited	3,638,659	1.11%	0%-1.13%	9,728	0.78%
Other	5,698,934	1.74%	0%-6.475%	14,815	1.19%

c) Due from banks and other receivables

	<u>Ending Balance</u>		<u>% of Total</u>	
	<u>March 31</u>		<u>For the Three</u>	
	<u>2005</u>	<u>2004</u>	<u>Months Ended</u>	<u>March 31</u>
			<u>2005</u>	<u>2004</u>
Due from banks - FENB	\$ 103,401	\$ 394,076	0.33%	4.04%
Other receivables	222,664	213,420	0.88%	0.74%

d) Guarantees and securities purchased

Bank SinoPac had provided guarantees on commercial papers issued by Wal Tech International and SinoPac Securities. The aggregate face amounts of commercial papers were as follows:

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
SinoPac Securities	\$ 35,000	\$ 45,000
Wal Tech International	-	96,000
	<u>\$ 35,000</u>	<u>\$ 141,000</u>

Guarantees and credits on Wal Tech International were collateralized by the following assets provided by SPL, Wal Tech International and Grand Capital:

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Properties - carrying amount	<u>\$ 1,111,762</u>	<u>\$ 1,538,161</u>

In addition, guarantees and credits on SinoPac Securities were collateralized by the following assets provided by SinoPac Securities as follows:

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Properties and properties held for lease - carrying amount	\$ 1,181,314	\$ 1,191,706
Certificates of deposit	<u>410,000</u>	<u>1,260,000</u>
	<u>\$ 1,591,314</u>	<u>\$ 2,451,706</u>

e) Short-term bills and bonds sold under agreements to repurchase

	<u>Face Amount</u>		<u>Cost</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
SinoPac Financial Holdings Company Limited				
Short-term bills and bonds sold under agreements to repurchase	\$ 614,400	\$ 61,800	\$ 701,246	\$ 70,000
Others				
Short-term bills and bonds sold under agreements to repurchase	11,000	118,900	10,944	118,521

f) Receivables

As of March 31, 2005 and 2004, Bank SinoPac's estimated receivable resulting from the adoption of linked-tax system amounted to \$97,082 and \$175,060. As of March 31, 2005, Bank SinoPac's estimated payable to the Company and subsidiaries resulting from the adoption of linked-tax system amounted to \$358,168.

g) Asset transactions

For the three months ended March 31, 2004, Bank SinoPac purchased convertible bonds amounting to \$247,900, which had been paid before March 31, 2004, from SinoPac Securities.

For transactions between Bank SinoPac and related parties, the terms are similar to those transacted with unrelated parties except for the preferential interest rates offered to employees for savings up to prescribed limits.

Under the Banking Law, except for government and consumer loans, credits extended by Bank SinoPac to any related party should be fully secured, and the credit terms for related parties should be similar to those for unrelated parties.

2) SinoPac Securities

<u>Name</u>	<u>Relationship with SinoPac Securities</u>
SinoPac Financial Holdings Company Limited Bank SinoPac	Parent company Subsidiary of SinoPac Financial Holdings Company Limited
SinoPac Futures Corporation (SinoPac Futures)	Subsidiary of SinoPac Securities

a) Bonds sold under agreements to repurchase

	<u>March 31, 2005</u>	
	<u>Face Amount</u>	<u>Cost</u>
SinoPac Financial Holdings Company Limited	<u>\$ 541,400</u>	<u>\$ 600,000</u>
	<u>March 31, 2004</u>	
	<u>Face Amount</u>	<u>Cost</u>
SinoPac Financial Holdings Company Limited	<u>\$ 270,500</u>	<u>\$ 300,000</u>

b) Bank deposits (including exchange clearing receivables)

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Bank SinoPac	<u>\$ 150,614</u>	<u>\$ 254,474</u>

c) Operating securities

Bank SinoPac	<u>\$ 108,989</u>	<u>\$ 102,876</u>
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d) Time deposits pledged - current

Bank SinoPac	<u>\$ 410,000</u>	<u>\$ 1,260,000</u>
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e) Short-term borrowings and pledged assets

As of March 31, 2005 and 2004, SinoPac Securities had short-term borrowings from Bank SinoPac amounted to \$500,000 and \$600,000, respectively. Properties, properties held for lease and time deposits amounted to \$1,091,862, \$89,452 and \$410,000 as of March 31, 2005, respectively; and properties, properties held for lease and time deposits amounted to \$1,121,434, \$70,272 and \$1,260,000 as of March 31, 2004, respectively, were pledged as collateral of credit lines for issuance of commercial papers, borrowings, overdrafts and .

f) Futures trading margins

As of March 31, 2005 and 2004, SinoPac Securities provided \$466,418 and \$536,211 as futures trading margins to SinoPac Futures to engage in futures dealing business.

g) For the three months ended March 31, 2004, SinoPac Securities had sold its convertible bonds at cost to Bank SinoPac for a total consideration of \$247,900, which had been received before March 31, 2004.

For the transactions between SinoPac Securities and related parties, the terms are similar to those transacted with unrelated parties.

3) AnShin Card Services

<u>Name</u>	<u>Relationship with AnShin Card Services</u>
Bank SinoPac	Subsidiary of SinoPac Financial Holdings Company Limited

Deposits

As of March 31, 2005, AnShin Card service's deposits in Bank SinoPac was as follows:

	<u>For the Three Months Ended March 31, 2005</u>		
	<u>Maximum Balance</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
Demand deposits	\$ <u>933,732</u>	\$ <u>15,339</u>	<u>0.3%</u>

4) FENB

<u>Name</u>	<u>Relationship with FENB</u>
SinoPac Financial Holdings Company Limited	Parent company of Bank SinoPac
Bank SinoPac	Parent company

	<u>March 31</u>	
	<u>2005</u>	<u>2004</u>
Deposits - SinoPac Financial Holdings Company Limited	\$ <u>-</u>	\$ <u>1,542,476</u>
Due to Banks - Bank SinoPac	\$ <u>103,401</u>	\$ <u>394,076</u>

5) SPL

<u>Name</u>	<u>Relationship with SPL</u>	<u>March 31</u>	
		<u>2005</u>	<u>2004</u>
Bank SinoPac	Parent company		
Borrowings from Bank SinoPac		<u>\$ 595,717</u>	<u>\$ 581,500</u>

6) Grand Capital

<u>Name</u>	<u>Relationship with Grand Capital</u>	<u>March 31</u>	
		<u>2005</u>	<u>2004</u>
Bank SinoPac	Parent company of SPL (parent company of Grand Capital)		
Borrowings from Bank SinoPac		<u>\$ 263,032</u>	<u>\$ 401,356</u>

7) Wal Tech International

<u>Name</u>	<u>Relationship with Wal Tech International</u>	<u>March 31</u>	
		<u>2005</u>	<u>2004</u>
Bank SinoPac	Affiliate		
Borrowings from Bank SinoPac		<u>\$ 315,500</u>	<u>\$ 200,500</u>

As of March 31, 2004, commercial papers guaranteed by Bank SinoPac amounted to \$96,000.

8) SinoPac Capital Limited (overseas subsidiary of Bank SinoPac)

<u>Name</u>	<u>Relationship with SinoPac Capital Limited</u>
SinoPac Capital (B.V.I.) Ltd.	Subsidiary

As of March 31, 2005 and 2004, SinoPac Capital Limited had short-term borrowings from its subsidiary, SinoPac Capital (B.V.I.) Ltd. amounting to \$168,908 and \$66,046, respectively.

9) SinoPac Asia Limited (overseas affiliate of SinoPac Securities)

<u>Name</u>	<u>Relationship with SinoPac Asia Limited</u>
SinoPac Asset Management Corp., Ltd. (B.V.I.)	Parent company
SinoPac Securities (Asia) Ltd.	Affiliate

As of March 31, 2004, SinoPac Asia Limited engaged in the transaction of bonds sold under agreements to repurchase amounting to \$202,431, with its parent company, SinoPac Asset Management Corp. (B.V.I.).

In addition, SinoPac Asia Limited engaged in the transaction of bonds sold under agreements to repurchase amounting to \$258,567, with its affiliate company, SinoPac Securities (Asia) Ltd. on March 31, 2004.

17. SIGNIFICANT CONTINGENCIES AND COMMITMENTS

- a. Significant contingencies and commitments of the Company, in addition to financial instruments disclosed in Note 21, are summarized as follows:

1) Lease contract

Under different operating lease agreements, the Company leased certain office premises for various periods ranging from one month to fourteen years and ten months, with rentals paid monthly, quarterly or annually. Rentals for the future are summarized as follows:

Year	Amount
April 1 to December 31, 2005	\$ 16,434
2006	14,359
2007	14,359
2008	14,359
2009	14,359

Rentals for the years beyond 2010 amount to \$143,586, the present value of which is about \$124,008 as discounted at Bank SinoPac's one-year time deposit rate of 1.69%.

2) Interior decoration contract

The Company had entered into contracts to do interior decoration of its premises for \$33,728, of which \$7,660 had already been paid as of March 31, 2005.

- b. Significant contingencies and commitments of subsidiaries

Bank SinoPac

1) Lease contract

Bank SinoPac leased certain office premises under several contracts for various periods ranging from one to seven years, with rentals paid monthly, quarterly or semiannually. Rentals for the next five years are as follows:

Year	Amount
April 1 to December 31, 2005	\$ 176,822
2006	211,297
2007	168,030
2008	116,527
2009	85,142

Rentals for the years beyond 2010 amount to \$657,901, the present value of which is about \$567,989 as discounted at Bank SinoPac's one-year time deposit rate of 1.69% on April 1, 2005.

2) Equipment purchase contract

Bank SinoPac had entered into contracts to buy computer hardware and software for \$182,161 of which \$47,287 had already been paid as of March 31, 2005.

3) Interior decoration contract

Bank SinoPac has entered into interior decoration contracts for \$199,087, of which \$147,085 has already been paid as of March 31, 2005.

The Company represented some of its subsidiaries, including Bank SinoPac, entered into interior design contracts of Zhonglun buildings. According to the contracts, Bank SinoPac should pay for \$203,450.

4) Short-term bills and bonds sold under agreements to repurchase

As of March 31, 2005, short-term bills and bonds with a total face amount of \$12,175,732, were sold under agreements to repurchase at \$13,021,324 between April 2005 and January 2006.

5) Short-term bills and bonds purchased under agreements to resell

As of March 31, 2005, short-term bills and bonds with a total face amount of \$17,291,400 were purchased under agreements to resell at \$17,890,112 between April 2005 and January 2006.

6) The Securities and Futures Investors Protection Center (SFIPC) is believed by investors to be filing a lawsuit against Bank SinoPac for helping Procomp Informatics Ltd. to window dress its financial statements. The SFIPC claims for compensation in the amount of \$630,562 and provisional seizure against Bank SinoPac, but Bank SinoPac has not received any prosecutions yet. As a matter of fact, Bank SinoPac did not help Procomp Informatics Ltd. to window dress the financial statements and replied honestly the confirmation to the certified public accountants. According to Bank SinoPac attorney's opinion, Bank SinoPac does not need to compensate the investors for the damage.

SinoPac Securities

1) On behalf of the investors of Cheng-Yi Food Co. (CYF) with respect to its initial public offering (IPO), the Securities and Futures Institute (SFI) filed a civil case against CYF and the major and sub-underwriters (SinoPac Securities being a sub-underwriter in the IPO) of CYF. The damages claimed by SFI amounted to \$71,018 plus 5% interest. SinoPac Securities' legal counsel believes that SinoPac Securities cannot be held liable for damages incurred by the investors since its role as sub-underwriter to the CYF IPO is limited only to the distribution of CYF shares and it did not advised CYF on matters related to the IPO.

2) Mr. Chang sued SinoPac Securities and its two former employees, Mr. Lin and Mr. Huang, for embezzlement. Mr. Chang claimed from SinoPac Securities damages of \$32,215 plus 5% interest. After the trial at the high court of second instance on June 30, 2004, the high court determined that SinoPac Securities should assume the related liability of \$28,828 plus 5% interest and pay compensation. After the trial at the supreme court on November 30, 2004, the supreme court determined that the case be returned to the high court to rejudge the case. In the opinion of SinoPac Securities' management and legal counsel, clarification should be made that the damage claimed by Mr. Chang was not connected to SinoPac Securities' brokerage affairs because Mr. Chang had authorized Mr. Lin to deal with money remittance for stock payment for a long time. In addition, SinoPac Securities claimed that Mr. Chang also committed an unpremeditated crime. Nevertheless, on the basis of the conservative principle, SinoPac Securities estimated a loss of \$29,000 in 2003, recorded as other payables in the financial statements.

- 3) A plaintiff, Mr. Chen, sued Mr. Chen, a former employee of SinoPac Securities' Yuan Lin branch, for fraud. Plaintiff Mr. Chen also sued SinoPac Securities as a codefendant and demanded that SinoPac Securities pay damages of \$12,999 plus 5% interest. After the trial at the district court of second instance on December 31, 2003, the district court concluded that SinoPac Securities should assume the related compensation of \$7,799 plus 5% interest. In the opinion of SinoPac Securities' management, since plaintiff Mr. Chen was not SinoPac Securities' client and the defendant Mr. Chen did not have brokerage transactions with the plaintiff, SinoPac Securities could claim miscarriage of justice and thus filed an appeal with the supreme court. Nevertheless, on the basis of the conservative principle, SinoPac Securities estimated a loss of \$8,500 in 2003, recorded as other payables in the financial statements.
- 4) The one-to-seven-year agreements on the lease of the head office and branch premises can be renewed within six months before expiry. The deposits for these leases amounted to \$67,811, recognized as refundable guarantee deposits, will be refunded without interest when the leases expire. Rentals for the next five years are as follows:

Year	Amount	Payment Frequency
April 1 to December 31, 2005	\$ 137,590	Monthly or quarterly
2006	148,904	Monthly or quarterly
2007	111,914	Monthly or quarterly
2008	55,042	Monthly or quarterly
2009	33,865	Monthly or quarterly
The years beyond 2010	189,240	Monthly or quarterly

Rentals for the three months ended March 31, 2005 and 2004 were \$53,701 and \$41,853, respectively.

AnShin Card Services

- 1) As of March 31, 2005, AnShin Card Services leased certain office premises and parking spaces. The lease term partaken of the Company's office premises will ends on January 20, 2020 and rentals for the future payments under the lease contracts amount to \$66,417. Other lease term will ends on November 15, 2006 and rentals for the future payments under the lease contracts amount to \$37,978.
- 2) As of March 31, 2005, AnShin Card Services has obtained stand-by letter of credit amounted to \$15,234 for clearing collection payable to foreign credit card companies.

SinoPac Marketing Consulting

SinoPac Marketing Consulting leased certain office premises for the period until May 31, 2007, with rentals paid monthly. Rentals for the future are as follows:

Year	Amount
April 1 to December 31, 2005	\$ 1,618
2006	1,943
2007	749

SinoPac Asset Management International

SinoPac Asset Management International leased certain office premises for the period until June 30, 2005, with rentals paid quarterly. Rentals for the future are as follows:

Year	Amount
April 1 to June 30, 2005	\$ 532

SinoPac Venture Capital

SinoPac Venture Capital had entered into a management contract with SinoPac Asset Management International, with service fees paid quarterly. Service fees for the future are as follows:

Year	Amount
April 1 to December 31, 2005	\$ 15,000
2006	20,000
2007	20,000
2008	20,000
2009	20,000

SinoPac Call Center

SinoPac Call Center leased certain office premises for the period until October 31, 2006, with rentals paid monthly. Rentals for the future are as follows:

Year	Amount
April 1 to December 31, 2005	\$ 2,079
2006	1,080

SinoPac Call Center had entered into contracts to buy computer hardware and software for \$7,484, of which has not been paid as of March 31, 2005.

SinoPac Securities Investment Trust

SinoPac Securities Investment Trust leased certain office premises for the period until January 31, 2007, with rentals paid monthly. Rentals for the future are as follows:

Year	Amount
April 1 to December 31, 2005	\$ 5,396
2006	2,702
2007	30

SinoPac Securities Investment Trust had entered into contracts to buy computer hardware and software for \$6,000, of which \$3,000 has not been paid as March 31, 2005.

18. CAPITAL ADEQUACY RATIO

Under the Financial Holding Company Act and related regulations, a financial holding company should maintain a consolidated capital adequacy ratio (CAR) of at least 100%. Thus, if a financial holding company's consolidated CAR falls below 100%, the authorities may prohibit it from declaring cash dividends or distributing other properties. In certain conditions, the authorities may impose other penalties on the company. As of December 31, 2004 and 2003, consolidated CARs of the Company were 128% and 154%, respectively.

The Banking Law and related regulations require a bank to maintain a CAR of at least 8%. If a bank's CAR falls below 8%, the authorities may impose certain restrictions on cash dividends that the bank can declare or, in certain conditions, prohibit it from declaring any cash dividend. As of December 31, 2004 and 2003, Bank SinoPac's standalone CARs were 12.64% and 12.39%, respectively, the consolidated CARs were 11.25% and 10.50%, respectively.

The Rules Governing Securities Firms require a securities company to maintain a CAR of at least 150%. If a securities company's CAR falls below 150%, the authorities may impose certain restrictions on the company's operations. As of December 31, 2004 and 2003, SinoPac Securities' CARs were 391% and 425%, respectively.

19. SPECIFIC RISK FROM FUTURES DEALING AND FINANCIAL RATIOS, LIMITATIONS AND EXECUTION OF FUTURES COMMISSION MERCHANTS SUBSIDIARY

SinoPac Securities pays margin deposits when entering into futures contracts. SinoPac Securities also pays the margin deposits for short options contracts. The margin account of SinoPac Securities is reevaluated on the basis of the market prices of the outstanding futures and options contracts. If the margin is less than the maintenance level, SinoPac Securities should either deposit additional margin or make a presettlement to recognize the loss.

For SinoPac Securities Dealing department, there were 250 and 594 futures contracts outstanding as of March 31, 2005 and 2004, respectively; and 12,371 and 5,655 options contracts outstanding as of March 31, 2005 and 2004, respectively. Guarantee deposits paid amounted to \$466,418 and \$536,211 as of March 31, 2005 and 2004, respectively.

For SinoPac Futures Dealing department, there were 147 and 338 futures contracts outstanding as of March 31, 2005 and 2004, respectively; and 2,301 and 1,663 options contracts outstanding as of March 31, 2005 and 2004, respectively. Margin deposits paid and received for futures and options contracts amounted to \$132,940 and \$7,550 as of March 31, 2005, respectively; and margin deposits paid and received for options contracts amounted to \$263,734 and \$14,470 as of March 31, 2004, respectively.

As of December 31, 2004 and 2003, the financial ratios of SinoPac Futures, computed according to the provisions of the Rules Governing Futures Commission Merchants, were as follows:

Calculation Formula	Benchmark	Financial Ratios (%)	
		December 31	
		2004	2003
a. $\frac{\text{Equities}}{\text{Total liabilities deducted futures client equity, futures trading loss reserve and default reserve}}$	≥ 1	1,093	1,095

(Continued)

Calculation Formula	Benchmark	Financial Ratios (%)	
		December 31	
		2004	2003
b. $\frac{\text{Current assets}}{\text{Current liabilities}}$	≥ 1	118	128
c. $\frac{\text{Equities}}{\text{Capital stock}}$	$\geq 60\%$ $\geq 40\%$	214	622
d. $\frac{\text{Adjusted net capital}}{\text{Client and proprietary account}}$	$\geq 20\%$ $\geq 15\%$	108	91

20. PUBLIC ANNOUNCEMENTS PRESCRIBED IN FINANCIAL HOLDING COMPANY ACT, ARTICLE 46

Information regarding the credit extensions, guarantees or other transactions engaged by the Company and its subsidiaries to the same person, the same related person or the same affiliate as of December 31, 2004 was summarized as follows:

(In Millions of New Taiwan Dollars, %)

Name	December 31, 2004	
	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% of Financial Holding Company's Net Worth
To the same person:		
Client A	\$ 17,746	34.17%
Client B	9,679	18.64%
Client C	7,063	13.60%
Client D	2,892	5.57%
To the same affiliate:		
Cathay Financial Holdings and its affiliates	18,547	35.72%
Taiwan Semiconductor Manufacturing Company Limited and its affiliates	10,403	20.03%
Shin Kong Financial Holding Co., Ltd. and its affiliates	8,877	17.10%
Long Star Asia - Pacific, Ltd. and its affiliates	3,697	7.12%
Mega Financial Holding Company and its affiliates	3,619	6.97%

Pursuant to Article 46 of Financial Holding Company Act, the above information announced by the Company was summarized and calculated by the relevant accounts or transaction balances as of December 31, 2004 provided by the Company and its subsidiaries.

21. DISCLOSURE OF FINANCIAL INSTRUMENTS

a. Derivative financial instruments

The Company enters into cross-currency swaps to hedge the exposures of foreign exchange or interest rate fluctuations on its foreign-currency net liabilities. The Company'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. The Company also reassesses the hedge effectiveness of these instruments periodically. The Company enters into currency swap contracts mainly for managing its exposure positions of foreign currency.

The Company is exposed to credit risk in the event of default on contracts by counter-parties. Since the Company made transactions only with financial institutions with good worldwide rankings, accordingly, no significant credit risk is expected.

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

Financial Instruments	March 31					
	2005			2004		
	Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value
For hedging purpose:						
Cross-currency swap contracts	\$ 2,260,530	\$ -	\$ (211,033)	\$ 2,260,530	\$ -	\$ (95,618)
For the purpose of managing the Company's exposures:						
Currency swap contracts	\$ 85,874	\$ -	\$ (364)	\$ -	\$ -	\$ -

The fair values are based on the valuation models, assumptions and certain financial information from reliable sources provided by the counter-parties. This valuation may not reflect the market value at which any transaction could be executed.

The gains (losses) on derivative financial instruments for the three months ended March 31, 2005 and 2004 were as follows:

Account	For the Three Months Ended March 31	
	2005	2004
For hedging purpose:		
Cross-currency swap contracts		
Realized		
Interest revenue	\$ 12,499	\$ 13,008
Interest expense	(6,420)	(4,486)
For the purpose of managing the Company's exposures:		
Currency swap contracts		
Realized		
Interest expense	(1,424)	-
Unrealized		
Foreign exchange loss	(364)	-

b. Fair values of nonderivative financial instruments

	March 31			
	2005		2004	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets - with fair values approximating carrying amounts	\$ 3,074,176	\$ 3,074,176	\$ 5,632,666	\$ 5,632,666
Securities purchased under agreements to resell	4,241,187	4,241,187	1,070,061	1,070,061
Long-term equity investments	54,447,183	54,447,183	50,895,405	50,895,405
Refundable guarantee deposits	3,335	3,335	3,616	3,616
<u>Liabilities</u>				
Financial liabilities - with fair values approximating carrying amounts	196,164	196,164	383,387	383,387
Short-term borrowings	450,000	450,000	300,000	300,000
Euro-convertible bonds (Euro- convertible bonds redeemable within one year)	3,270,620	3,443,557	7,924,687	9,056,762
Guarantee deposits and margins received	-	-	2,126	2,126

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

- 1) The carrying amounts of cash and cash equivalents, receivables (exclude tax receivable), receivables - related party, securities purchased under agreements to resell, short-term borrowings, payables (exclude tax payable) and investments payable, approximate their fair values because of the short maturities of these instruments.
- 2) The fair values of long-term equity investments for unlisted stocks are estimated at the carrying amounts since there is no market value for unlisted stocks.
- 3) The fair values of refundable guarantee deposits and guarantee deposits and margins received are estimated at their carrying amounts since such deposits do not have specific due dates.
- 4) The fair value of Euro-convertible bonds and Euro-convertible bonds redeemable within one year are estimated at their market prices listed in Luxembourg.

The fair values of certain financial instruments and all nonfinancial instruments are excluded from disclosure requirement. Accordingly, the aggregate fair values presented above do not necessarily represent the total values of the Company.

22. CONDENSED BALANCE SHEETS AND STATEMENTS OF INCOME OF BANK, SECURITIES, AND INSURANCE SUBSIDIARIES

a. Condensed balance sheets

Bank SinoPac					
Balance Sheets					
March 31, 2005 and 2004					
(In Thousands of New Taiwan Dollars)					
Assets	2005	2004	Liabilities	2005	2004
Cash and cash equivalents	\$ 6,971,209	\$ 5,972,684	Call loans and due to banks	\$ 23,326,456	\$ 45,818,098
Due from Central Bank and banks	36,861,014	20,169,301	Securities sold under agreements to repurchase	13,009,112	11,841,112
Securities purchased, net	67,760,428	155,004,028	Accounts, interest and other payables	11,223,341	17,060,448
Accounts, interest and other receivables, net	25,395,595	28,654,133	Acceptances payable	3,157,375	2,584,003
Acceptances	3,157,375	2,584,003	Deposits and remittances	334,236,826	328,336,223
Securities purchased under agreements to resell	17,878,926	5,497,061	Bank debentures	32,800,000	25,000,000
Prepayments	410,569	261,477	Other liabilities	<u>3,145,045</u>	<u>3,329,032</u>
Loans, discounts and bills purchased, net	272,084,511	222,955,907	Total liabilities	<u>420,898,155</u>	<u>433,968,916</u>
Long-term investments, net	10,125,697	9,173,789	Stockholders' equity		
Properties, net	4,903,241	4,861,430	Capital stock	19,443,976	19,443,976
Other assets	<u>4,398,370</u>	<u>5,958,677</u>	Capital surplus	126,968	125,208
			Retained earnings	9,805,870	7,643,562
			Equity adjustments	<u>(328,034)</u>	<u>(89,172)</u>
			Total stockholders' equity	<u>29,048,780</u>	<u>27,123,574</u>
Total	<u>\$ 449,946,935</u>	<u>\$ 461,092,490</u>	Total	<u>\$ 449,946,935</u>	<u>\$ 461,092,490</u>

SinoPac Securities Corporation					
Balance Sheets					
March 31, 2005 and 2004					
(In Thousands of New Taiwan Dollars)					
Assets	2005	2004	Liabilities	2005	2004
Current assets	\$ 33,157,758	\$ 50,082,185	Current liabilities	\$ 20,283,522	\$ 34,047,863
Long-term investments	5,547,857	5,000,552	Long-term interest bearing liabilities	2,000,000	2,750,000
Properties, net	2,640,633	2,679,499	Other liabilities	<u>482,949</u>	<u>763,989</u>
Other assets	2,721,047	3,004,610	Total liabilities	<u>22,766,471</u>	<u>37,561,852</u>
Securities brokerage debit account, net	<u>66,220</u>	<u>294,287</u>	Stockholders' equity		
			Capital stock	15,269,020	15,269,020
			Capital surplus	2,342,425	2,342,425
			Retained earnings	3,944,131	5,909,522
			Equity adjustments	<u>(188,532)</u>	<u>(21,686)</u>
			Total stockholders' equity	<u>21,367,044</u>	<u>23,499,281</u>
Total	<u>\$ 44,133,515</u>	<u>\$ 61,061,133</u>	Total	<u>\$ 44,133,515</u>	<u>\$ 61,061,133</u>

SinoPac Life Insurance Agent Co., Ltd.

**Balance Sheets
March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars)**

Assets	2005	2004	Liabilities	2005	2004
Current assets	\$ 129,818	\$ 172,696	Current liabilities	\$ 44,145	\$ 59,398
Properties, net	965	665			
Other assets	<u>2,330</u>	<u>2,755</u>	Stockholders' equity		
			Capital stock	3,000	2,000
			Retained earnings	<u>85,968</u>	<u>114,718</u>
			Total stockholders' equity	<u>88,968</u>	<u>116,718</u>
Total	<u>\$ 133,113</u>	<u>\$ 176,116</u>	Total	<u>\$ 133,113</u>	<u>\$ 176,116</u>

SinoPac Property Insurance Agent Co., Ltd.

**Balance Sheets
March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars)**

Assets	2005	2004	Liabilities	2005	2004
Current assets	\$ 14,791	\$ 6,446	Current liabilities	\$ 3,701	\$ 1,360
Other assets	<u>600</u>	<u>600</u>			
			Stockholders' equity		
			Capital stock	3,000	2,000
			Retained earnings	<u>8,690</u>	<u>3,686</u>
			Total stockholders' equity	<u>11,690</u>	<u>5,686</u>
Total	<u>\$ 15,391</u>	<u>\$ 7,046</u>	Total	<u>\$ 15,391</u>	<u>\$ 7,046</u>

b. Condensed statements of income

Bank SinoPac

**Statements of Income
For the Three Months Ended March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2005	2004
Operating revenues	\$ 5,025,246	\$ 4,639,164
Operating costs and expenses	<u>4,039,264</u>	<u>3,630,850</u>
Operating income	985,982	1,008,314
Nonoperating income and gains	55,025	83,018
Nonoperating expenses and losses	<u>4,705</u>	<u>7,273</u>
Income before income tax	<u>1,036,302</u>	<u>1,084,059</u>
Net income	<u>\$ 845,347</u>	<u>\$ 935,379</u>
Pretax earnings per share	<u>\$ 0.53</u>	<u>\$ 0.56</u>
After tax earnings per share	<u>\$ 0.43</u>	<u>\$ 0.48</u>

SinoPac Securities Corporation

Statements of Income
For the Three Months Ended March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2005	2004
Operating revenues	\$ 1,073,414	\$ 2,249,945
Operating costs and expenses	<u>918,902</u>	<u>1,409,765</u>
Operating income	154,512	840,180
Nonoperating income and gains	144,837	354,777
Nonoperating expenses and losses	<u>31,839</u>	<u>53,663</u>
Income before income tax	<u>267,510</u>	<u>1,141,294</u>
Net income	<u>\$ 78,035</u>	<u>\$ 807,771</u>
Pretax earnings per share	<u>\$ 0.18</u>	<u>\$ 0.75</u>
After tax earnings per share	<u>\$ 0.05</u>	<u>\$ 0.53</u>

SinoPac Life Insurance Agent Co., Ltd.

Statements of Income
For the Three Months Ended March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2005	2004
Operating revenues	\$ 62,660	\$ 45,753
Operating costs and expenses	<u>46,292</u>	<u>25,440</u>
Operating income	16,368	20,313
Nonoperating income and gains	<u>42</u>	<u>44</u>
Income before income tax	<u>16,410</u>	<u>20,357</u>
Net income	<u>\$ 12,311</u>	<u>\$ 15,278</u>
Pretax earnings per share	<u>\$ 54.70</u>	<u>\$ 101.78</u>
After tax earnings per share	<u>\$ 41.04</u>	<u>\$ 76.39</u>

SinoPac Property Insurance Agent Co., Ltd.

**Statements of Income
For the Three Months Ended March 31, 2005 and 2004
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2005	2004
Operating revenues	\$ 4,506	\$ 3,251
Operating costs and expenses	<u>964</u>	<u>961</u>
Operating income	3,542	2,290
Nonoperating income and gains	<u>22</u>	<u>2</u>
Income before income tax	<u>3,564</u>	<u>2,292</u>
 Net income	 <u>\$ 2,683</u>	 <u>\$ 1,729</u>
 Pretax earnings per share	 <u>\$ 11.88</u>	 <u>\$ 11.46</u>
After tax earnings per share	<u>\$ 8.94</u>	<u>\$ 8.65</u>

23. CROSS SELLING INFORMATION

Bank SinoPac has contracted with SinoPac Securities for the sharing of operating equipment and premises and the allocation of expenses. The related information was summarized as follows:

Item	Bank SinoPac	SinoPac Securities	Total	Terms of Allocation
For the three months ended <u>March 31, 2005</u>				
Rental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	On discussion
For the three months ended <u>March 31, 2004</u>				
Rentals	\$ 815	\$ 55	\$ 870	On the basis of actual square measures used.
Utilities	60	51	111	On the basis of actual measures used.
Other	73	47	120	Expenses are allocated on the basis of actual measures used except for administrative expenses.
	<u>\$ 948</u>	<u>\$ 153</u>	<u>\$ 1,101</u>	

In February 2003, SinoPac Life Insurance Agent and SinoPac Property Insurance Agent contracted with Bank SinoPac and SinoPac Securities, respectively, to regulate the rules of their cross selling activities and promotions as well as the allocation of expenses and the sharing of operating equipment and premises. For the three months ended March 31, 2004, SinoPac Property Insurance Agent paid Bank SinoPac and SinoPac Securities \$477 and \$2 as service charges, respectively.

For the three months ended March 31, 2005, SinoPac Life Insurance Agent paid Bank SinoPac and SinoPac Securities \$6,724 and \$12 as incentive bonuses, respectively. As of March 31, 2005, the related payables amounted to \$5,735 and \$9, respectively. For the three months ended March 31, 2004, the related payables to Bank SinoPac and SinoPac Securities amounted to \$3,010 and \$596 as service charges, respectively. As of March 31, 2004, the related payables amounted to \$2,172 and \$21, respectively.

In March 2003, SinoPac Life Insurance Agent contracted with AnShin Card Services to regulate the rules of their cross selling activities and promotions as well as the allocation of expenses. For the three months ended March 31, 2005 and 2004, SinoPac Life Insurance Agent accrued related expenses amounting to \$13,896 and \$8,751, respectively, from AnShin Card Services as service charges, and related payable amounting to \$25,557 as of March 31, 2004.

24. SUBSIDIARIES' SIGNIFICANT FINANCIAL AND OPERATING PROFILE - BANK SINOPAC

a. Statement of capital adequacy

(%)

Item	March 31, 2005	March 31, 2004
Capital adequacy ratios (Note)	12.64	12.39
Ratios of debt to net worth	1,448.94	1,599.97

Note: Capital adequacy ratio = Eligible capital/Risk-based assets. Pursuant to the Banking Law and related regulations, the capital adequacy ratio should be computed at the end of June and December, respectively.

b. Assets quality

(In Thousands of New Taiwan Dollars, %)

Item	March 31, 2005	March 31, 2004
Overdue loans (including nonperforming loans) (Note 1)	\$ 2,353,051	\$ 3,331,121
Nonperforming loans	1,972,122	2,503,597
Overdue loans ratio (Note 2)	0.86	1.48
Classified loans (Note 3)	385,682	469,060
Ratios of classified loans to total loans	0.14	0.21
Allowance for credit losses	1,144,904	1,617,860
Write-off amounts of credits (Note 4)	179,901	263,479

Note 1: Overdue loans (including non-accrual loans) represent the amounts of reported overdue loans as required by the MOF letters dated February 16, 1994 (Ref. No. Tai-Tsai-Zong-832292834) and December 1, 1997 (Ref. No. Tai-Tsai-Zong-86656564).

Note 2: Overdue loans ratio = Overdue loans (including nonperforming loans)/(Outstanding loan balance + Nonperforming loans). If overdue loans (including nonperforming loans)/Total credits, the overdue loans ratio as of March 31, 2005 and 2004 were 0.73% and 1.20%, respectively.

Note 3: Loans subject to observation are mid-term and long-term loans repayable in installments repayment on which is delinquent for more than three months but less than six months; other loans(the repayment of) principal on which is overdue by less than three months and interest thereon is overdue by more than three months but less than six months that would normally be required to be reported as an overdue loan but for having been exempted from such reporting (including loans for which an agreement has been reached to repay such loan in installments, loans for which a credit insurance fund will cover such repayment (as evidenced by), a sufficient certificate of deposit or reserve, loans for which repayment has, by agreement, been extended due to the September 21, 1999 earthquake, loans for which the collateral has been sold at auction and the proceeds of such auction are yet to be distributed, and loans extended under other approved exempt loan programs.

Note 4: Write-off amounts of credits = Accumulated write-off amounts of credits for the three months ended March 31, 2005 and 2004.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

	March 31, 2005		March 31, 2004	
Credit extensions to interested parties	\$3,977,641		\$4,439,160	
Ratios of credit extensions to interested parties	1.24		1.60	
Ratios of credit extensions secured by pledged stocks	0.15		0.47	
Industry concentration (the prior three industries of percentage)	Industry	Percentage	Industry	Percentage
	Natural person	76.01	Natural person	76.64
	Manufacturing	9.99	Manufacturing	8.03
	Wholesaling and retail	5.11	Wholesaling and retail	4.34

Note 1: Consist of loans, discounts and bills purchased (including import and export bill negotiations), acceptances and guarantees.

Note 2: Ratio of credit extensions to interested parties = Credit extensions to interested parties/Total credit extensions.

Note 3: Ratio of credit extensions secured by pledged stocks = Credit extensions secured by pledged stocks/Total credit extensions.

Note 4: The amounts of credit extensions to interested parties are required to be computed pursuant to the Banking Law.

2) Information on concentrations of risk

Bank SinoPac has no credit risk concentration arising from any single counter-party or groups of counter-parties engaged in similar business activities. Industries that accounted for 5% or more of the outstanding loans as of March 31, 2005 and 2004 were as follows:

	March 31			
	2005		2004	
	Face Amount	%	Face Amount	%
Natural person	\$ 177,537,663	65	\$ 148,986,442	66
Manufacturing	50,008,756	18	35,571,568	16

3) Policy of provisions on credit and investment losses

a) Allowance for credit losses and provision for losses on guarantees

In determining the allowance for credit losses and provision for losses on guarantees, Bank SinoPac assesses the collectibility on the balances of loans, discounts and bills purchased, accounts, interest and other receivables, and nonperforming loans, as well as guarantees and acceptances as of the balance sheet dates.

Pursuant to “The Rules for Bank Asset Evaluation, Loss Reserve Provision, and Disposal of Overdue Loans and Bad Debts” (the “Rules”) issued by the MOF, Bank SinoPac evaluates credit losses on the basis of its borrowers’/clients’ financial positions, Bank SinoPac’s prior experiences, repayments for principal and interest by borrowers/clients, collateral provided, and estimated collectibility.

Bank SinoPac assesses losses on particular loans in accordance with the Rules stated above. The Rules provide that the minimum provision for credit losses should not be less than the aggregate of 50% of the doubtful credits and 100% of the unrecoverable credits.

Write-offs of loans falling under the MOF guidelines, upon approval by the board of directors, are offset against the recorded allowance for credit losses.

b) Provision for investment losses

Short-term bills and treasury bills are stated at cost, which approximates market value. Stocks, beneficiary certificates, equity linked instruments and bonds are stated at the lower of cost or market prices. Market prices are determined as follows: (a) listed stocks - average daily closing prices for the last month of the accounting period; (b) beneficiary certificates (open-end fund), net asset values as of the balance sheet dates; (c) over-the-counter stocks - average daily closing prices for the last month of the accounting period, published by GreTai Securities Market (the OTC); (d) bonds - period-end reference prices published by the OTC; and (e) equity linked instruments - period-end prices quoted by counter party.

Under accounting principles generally accepted in the ROC, for applying the lower of cost or market method, the Company’s shares held by Bank SinoPac should be evaluated separately from the other listed and OTC stocks.

For listed and OTC stocks accounted for by the cost method, when the aggregate market value is lower than the total carrying amount, an allowance for decline in market value is provided and the unrealized loss is charged against stockholders’ equity. If a decline in the value of an unlisted stock investment is considered a permanent loss, the decline is charged to current income.

4) Operating risk and litigation risk

**Matters Requiring Special Notation
March 31, 2005**

Causes (Note)	Summary and Amount
Within the past one year, a responsible person or professional employee, in the course of business, violated the law, resulting in an indictment by a prosecutor.	None
Within the past one year, a fine was levied on the Bank for violations of the related regulations.	None
Within the past one year, misconduct occurred that resulted in the Financial Supervisory Commission imposing strict corrective measures.	The Bank's affiliate company, Grand Capital International Limited (Grand Capital), had granted short-term loans to Addie International Limited. On October 26, 2004, the Financial supervisory Commission imposed strict corrective measures on the significant weakness of Grand Capital's related controls. Some employees involved in the significant weakness of the aforementioned loans had been punished, and the Bank had followed the FSC's instructions to strengthen the investees' management.
Within the past one year, the loss from one incident or the total losses from employee corruption, periodic events of a material nature, or failure to abide by the "Guidelines for the Maintenance of Soundness of Financial Institutions" exceeded NT\$50 million dollars.	None
Other	None

Note: The term "within the past one year" means the one year prior to the balance sheet date.

d. Profitability

Item	For the Three Months Ended March 31, 2005	For the Three Months Ended March 31, 2004
Return on total assets	0.90%	1.00%
Return on net worth	14.47%	16.28%
Profit margin	16.82%	20.22%

Note 1: $\text{Return on total assets} = \text{Income before income tax} / \text{Average total assets}$.

Note 2: $\text{Return on net worth} = \text{Income before income tax} / \text{Average net worth}$.

Note 3: $\text{Profit margin} = \text{Income after income tax} / \text{Total operating revenues}$.

Note 4: Income before income tax represents income for the three months ended March 31, 2005 and 2004.

- e. Information of average amount and average interest rate of interest-earning assets and interest-bearing liabilities

Average amounts were calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

(In Thousands of New Taiwan Dollars, %)

	For the Three Months Ended December 31			
	2005		2004	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	\$ 5,347,374	2.27	\$ 3,651,765	0.62
Call loans (placement)	31,633,366	2.25	8,534,352	1.16
Due from the Central Bank	7,244,397	1.50	6,791,104	1.75
Securities purchased	70,406,755	1.46	142,481,650	1.45
Securities purchased under agreement to resell	17,689,420	1.12	4,367,484	1.24
Loans, discounts and bills purchased	272,832,832	3.29	214,022,235	3.34
Accounts receivable from factoring	12,776,741	4.02	12,186,301	4.34
Other long-term investments	1,409,836	0.92	-	-
<u>Interest-bearing liabilities</u>				
Due to other banks	64,367	1.03	54,205	0.38
Call loans (taken)	29,498,266	2.00	43,302,971	1.10
Demand deposits	83,604,910	0.65	60,248,672	0.46
Savings - demand deposits	74,291,801	0.47	67,645,753	0.54
Time deposits	149,310,284	1.14	124,959,112	0.87
Savings - time deposits	66,465,146	1.53	60,988,677	1.56
Negotiable certificates of deposit	24,256,258	1.12	24,828,803	1.01
Securities sold under agreements to repurchase	15,539,500	1.20	11,756,767	0.98
Bank debentures	32,800,000	2.20	25,000,000	2.43

- f. Maturity analysis of assets and liabilities

March 31, 2005

(In Millions of New Taiwan Dollars)

	Total	Amount for the Remaining Period Prior to the Maturity Date				
		0-30 Days	31-90 Days	91-180 Days	181 Days to One Year	Over One Year
Assets	\$ 435,061	\$ 123,961	\$ 59,671	\$ 22,628	\$ 15,926	\$ 212,875
Liabilities	438,226	94,701	88,400	51,567	48,805	154,753
Gap	(3,165)	29,260	(28,729)	(28,939)	(32,879)	58,122
Accumulated gap	(3,165)	29,260	531	(28,408)	(61,287)	(3,165)

Note: The above amounts include only New Taiwan Dollar amounts held by the onshore branches of Bank SinoPac (i.e. excludes foreign currency).

g. Interest-rate sensitivity information

Item	March 31, 2005	March 31, 2004
Ratio of interest-rate sensitive assets to liabilities	93.51%	93.30%
Ratio of interest-rate sensitive gap to net worth	(61.14%)	(68.19%)

Note 1: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest earnings assets and interest bearing liabilities are affected by the changes of interest-rates.

Note 2: Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets/Interest-rate sensitive liabilities (with maturities of less than one year in New Taiwan dollars).

Note 3: Interest-rate sensitive gap = Interest-rate sensitive assets - Interest-rate sensitive liabilities

h. Net positions of major foreign-currency

The net positions on major foreign-currency transactions of Bank SinoPac as of March 31, 2005 and 2004 were as follows:

	March 31			
	2005		2004	
	Foreign-currency Amounts (in Thousand)	New Taiwan Dollar Amounts (in Thousand)	Foreign-currency Amounts (in Thousand)	New Taiwan Dollar Amounts (in Thousand)
Net positions of major foreign-currency (market risk)	USD 42,412	\$ 1,337,241	USD 395,843	\$ 13,070,744
	JPY 4,169,329	1,229,535	MYR 186,903	1,624,093
	KRW 5,352,750	166,471	EUR 25,780	1,042,037
	HKD 33,328	134,737	JPY 3,211,689	1,020,675
	NZD 3,129	70,181	HKD 97,531	413,132

25. ADDITIONAL DISCLOSURES

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

- 1) Financing provided: Table 1;
- 2) Endorsement/guarantee provided: Table 2;
- 3) Marketable securities held: Table 3 (the related disclosures for SinoPac Securities are excluded from disclosure requirement under the Criteria Governing the Preparation of Financial Reports by Securities Firms);
- 4) Acquisition of individual real estate at costs of at least NT\$100 million or 20% of the issued capital: Table 4 (the related disclosures of Bank SinoPac and its investees follow the disclosure requirement under the Criteria Governing the Preparation of Financial Reports by Public Banks);
- 5) Disposal of individual real estate at prices of at least NT\$100 million or 20% of the issued capital: Table 5 (the related disclosures of Bank SinoPac and its investees follow the requirement under the Criteria Governing the Preparation of Financial Reports by Public Banks);
- 6) Receivables from related parties amounting to at least NT\$100 million or 20% of the issued capital: Table 6;

- 7) Names, locations, and other information of investees on which the Company exercises significant influences: Table 7;
- 8) Derivative financial transactions: Note 21. The derivative financial instruments of investees are summarized as follows:

Bank SinoPac

Bank SinoPac engages in foreign exchange and interest derivative transactions mainly for accommodating customers' needs and managing its exposure positions. It also enters into cross-currency swaps, interest rate swaps, futures, foreign currency options and asset swaps 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 with market value changes that have a highly negative correlation with the changes in the market of the exposures being hedged. Bank SinoPac also reassesses the hedge effectiveness of these instruments periodically.

Bank SinoPac is exposed to credit risk in the event of default on contracts by counter-parties. 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 limit, 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 on the basis of the bank's credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses. In addition, Bank SinoPac has entered into futures contracts with international financial futures and options exchanges and therefore, no significant credit risk is expected.

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

Financial Instruments	March 31					
	2005			2004		
	Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value
For hedging purposes:						
Interest rate swap contracts	\$ 14,146,963	\$ 277,978	\$ 238,458	\$ 9,300,000	\$ 341,556	\$ 324,350
Cross-currency swap contracts	27,658,918	1,458,036	1,458,036	15,462,112	327,511	226,286
For the purposes of accommodating customers' needs or managing Bank SinoPac's exposures:						
Forward contracts						
- Buy	86,995,561	1,035,295	104,317	111,116,995	385,446	33,555
- Sell	94,354,730	1,063,747	74,617	96,539,988	220,073	5,730
Forward rate agreements						
- Buy	-	-	-	3,302,000	-	(5,774)
- Sell	-	-	-	3,302,000	3,750	3,750
Currency swap contracts	203,332,070	260,078	11,562	201,367,723	1,446,632	63,750
Interest rate swap contracts	93,723,094	800,338	(22,335)	37,024,950	319,154	(36,690)
Cross-currency swap contracts	13,125,840	142,525	2,429	1,659,448	31,943	963
Interest rate futures contracts						
- Long position	977,430	-	(12)	3,249,168	-	(3,271)
- Short position	15,765,000	-	(855)	-	-	-

	March 31					
	2005			2004		
Financial Instruments	Contract (Notional) Amount	Credit Risk	Value of Options Purchased/ Written	Contract (Notional) Amount	Credit Risk	Value of Options Purchased/ Written
For the purposes of accommodating customers' needs or managing Bank SinoPac's exposures: Foreign currency options contracts						
- Long position	\$ 103,396,832	\$ 699,240	\$ 1,735,841	\$ 159,967,318	\$ 672,061	\$ 2,773,745
- Short position	107,703,291	-	1,486,271	141,281,258	-	1,879,273

The fair value of each contract is determined using the quotations from Reuters Information System. The fair value of each futures contract refers to the closing price published by international futures and options exchanges as of the balance sheet date.

As of March 31, 2005 and 2004, Bank SinoPac had entered into asset swap contracts for hedging purposes, with notional amounts at \$1,976,803 and \$3,005,190, respectively. Since Bank SinoPac had entered into these contracts with counter-parties with high worldwide ranking and credit rating, no significant credit risk is expected.

As of March 31, 2005 and 2004, Bank SinoPac entered into credit default swap contracts for the purposes of accommodating customers' needs, with notional amounts at \$361,957 and \$376,199, respectively. Since Bank SinoPac entered into these contracts with counter-parties with high worldwide ranking and credit rating, no significant credit risk is expected.

The notional amounts of derivative contracts are used solely for the purpose of calculating receivables and payables to all counter-parties. Thus, the notional amounts do not represent the actual cash inflows or outflows nor the need for cash of Bank SinoPac. The possibility that derivative financial instruments held or issued by Bank SinoPac cannot be sold at reasonable prices is remote; thus, no significant cash demand is expected.

The gains (losses) on derivative financial instruments for the three months ended March 31, 2005 and 2004 were as follows:

Account	For the Three Months Ended March 31	
	2005	2004
For hedging purposes:		
Cross-currency swap contracts		
- Realized		
Interest revenue	\$ 75,762	\$ 48,939
Interest expense	(85,471)	(26,959)
Interest rate swap contracts		
- Realized		
Interest revenue	13,715	26,453
Interest expense	(8,501)	(5,264)
Income from derivative financial instruments transactions	11,802	-
Options contracts		
Income from derivative financial instruments transactions	-	11,512

(Continued)

		For the Three Months Ended March 31	
Account		2005	2004
For the purposes of accommodating customers' needs or managing Bank SinoPac's exposures:			
Forward contracts			
- Realized	Interest revenue	\$ 60,071	\$ -
	Interest expense	(10,780)	-
- Unrealized	Income from derivative financial instruments transactions	9,951	-
- Realized	Foreign exchange loss	(753,680)	(93,884)
- Unrealized	Foreign exchange gain (loss)	527,676	(66,713)
Forward rate agreements			
- Realized	Loss on derivative financial instruments transactions	(486)	(1,459)
- Unrealized	Income from derivative financial instruments transactions	486	1,501
Currency swap contracts			
- Realized	Interest revenue	382,498	105,855
	Interest expense	(337,768)	(87,332)
- Unrealized	Income from derivative financial instruments transactions	10,014	-
Interest rate swap contracts			
- Realized	Foreign exchange gain	1,772	-
	Interest revenue	91,364	89,743
	Interest expense	(105,957)	(99,628)
	Income from (loss on) derivative financial instruments transactions	27,833	(14,680)
- Unrealized	Income from (loss on) derivative financial instruments transactions	(3,148)	8,093
Options contracts			
- Realized	Loss on derivative financial instruments transactions	(308,447)	(393,829)
	Foreign exchange gain (loss)	(118,191)	983,079
- Unrealized	Loss on derivative financial instruments transactions	(437,936)	(238,140)
Interest rate futures contracts			
- Realized	Income from (loss on) derivative financial instruments transactions	315	(29,675)
- Unrealized	Income from (loss on) derivative financial instruments transactions	(1,499)	545

(Continued)

		For the Three Months Ended March 31	
		2005	2004
	Account		
Cross-currency swap contracts			
- Realized	Interest revenue	\$ 60,931	\$ 1,956
	Interest expense	(60,464)	(1,477)
- Unrealized	Loss on derivative financial instruments transactions	(958)	(2,549)
Credit default swap contracts			
- Realized	Income from derivative financial instruments transactions	1,273	1,136

SinoPac Securities

a) Warrants

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

SinoPac Securities issues warrants for trading purposes.

SinoPac Securities holds underlying securities to hedge risks from the exercise of warrants and risks from changes in warrant positions held. SinoPac Securities' hedging strategy is to minimize the market value risks. The changes in market values of the underlying securities are highly correlated to that of the warrants, and SinoPac Securities evaluates and adjusts the positions held periodically.

- ii. Credit risk

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

- iii. Market risk

Market risk on issued warrants comes mainly from changes in market prices of underlying securities. SinoPac Securities manages the market risk by adopting a dynamic hedging strategy to adjust the positions held on warrants and underlying securities.

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

The premium of the warrants issued by SinoPac Securities is collected in advance, and SinoPac Securities establishes a hedging position with its own capital when the warrants are issued. The liquidity risk of the underlying securities held for hedging is low because the authorities have set the market price and share distribution of the securities, and the probability that the securities cannot be sold for a reasonable price is quite low. SinoPac Securities has to manage any cash demand arising from adjustment of hedge position for any changes due to adverse fluctuation of market prices of the underlying securities. However, the market liquidity is high, so the cash flow risk is low.

Warrants will be expired between April 2005 to October 2005. Except for the cash inflows and outflows arising from hedging, no additional cash is needed.

v. Leverage of warrants

March 31, 2005							
	Listing (Trading) Date	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance
SinoPac Securities 53	July 5, 2004	CMC Magnetics Corporation	20,000,000	\$ 2.377	\$ 47,540	\$ 24.38	7.28
SinoPac Securities 54	July 8, 2004	Chang Hwa Commercial Bank, Ltd.	20,000,000	2.625	52,500	28.65	7.28
SinoPac Securities 55	July 8, 2004	United Microelectronics Corp.	20,000,000	2.725	54,500	32.94	8.73
SinoPac Securities 56	July 14, 2004	Compal Electronics, Inc.	20,000,000	3.963	79,260	45.80	8.86
SinoPac Securities 57	November 26, 2004	United Microelectronics Corp.	30,000,000	2.030	60,900	31.65	10.39
SinoPac Securities 58	November 26, 2004	Mega Financial Holding Co., Ltd.	30,000,000	2.180	65,400	34.20	10.46
SinoPac Securities 59	November 30, 2004	Mitac International Corp.	30,000,000	2.082	62,460	24.60	7.88
SinoPac Securities 60	November 30, 2004	Hua Nan Financial Holdings Co., Ltd.	30,000,000	2.875	86,250	41.85	9.70
SinoPac Securities 61	December 2, 2004	Advanced Semiconductor Engineering, Inc.	30,000,000	3.520	105,600	39.00	7.39
SinoPac Securities 62	December 2, 2004	Far Eastern International Bank	30,000,000	2.180	65,400	30.75	9.40
SinoPac Securities 63	December 3, 2004	Walsin Lihwa Corporation	30,000,000	2.032	60,960	25.80	8.46
SinoPac Securities 64	December 3, 2004	Waterland Financial Holdings	30,000,000	1.438	43,140	19.05	8.83
SinoPac Securities 65	December 6, 2004	Yang Ming Marine Transport Corp.	30,000,000	3.274	98,220	43.50	8.86
SinoPac Securities 66	December 6, 2004	E.Sun Financial Holding Company, Ltd.	30,000,000	2.480	74,400	36.00	9.68
SinoPac Securities 67	December 7, 2004	The Farmers Bank of China	30,000,000	1.290	38,700	17.25	8.91
SinoPac Securities 68	December 8, 2004	Taiwan Cement Corp.	30,000,000	2.182	65,460	28.50	8.71
SinoPac Securities 69	December 8, 2004	Uni-President Enterprises Corp.	30,000,000	1.786	53,580	24.00	8.96
SinoPac Securities 70	January 4, 2005	Far Eastern Textile Ltd.	30,000,000	2.480	74,400	37.35	48.78
SinoPac Securities 71	January 4, 2005	Fuhwa Financial Holding Co., Ltd.	30,000,000	1.883	56,490	25.50	9.03
SinoPac Securities 72	January 5, 2005	CMC Magnetics Corporation	30,000,000	1.736	52,080	24.45	9.39
SinoPac Securities 73	January 5, 2005	Chunghwa Picture Tubes,LTD.	30,000,000	1.537	46,110	21.15	9.17
SinoPac Securities 74	January 7, 2005	Winbond Electronics Corp.	30,000,000	1.339	40,170	18.75	9.34
SinoPac Securities 75	January 7, 2005	TATUNG CO.	30,000,000	1.240	37,200	17.62	9.48
SinoPac Securities 76	January 10, 2005	China Man-Made Fiber Corporation	30,000,000	1.686	50,580	25.35	48.78
SinoPac Securities 77	January 10, 2005	Hannstar Display Corp.	30,000,000	1.290	38,700	14.92	7.71
SinoPac Securities 78	January 11, 2005	USI Corporation	30,000,000	1.091	32,730	18.06	11.82
SinoPac Securities 79	January 11, 2005	Cheng Loong Corp.	30,000,000	0.992	29,760	17.29	10.33
SinoPac Securities 80	January 12, 2005	Chia Hsin Cement Corporation	30,000,000	1.290	38,700	23.10	11.94
SinoPac Securities 81	January 12, 2005	Systex Corporation	30,000,000	1.091	32,730	16.65	10.17
SinoPac Securities 82	January 12, 2005	Inventec Corporation	30,000,000	1.290	38,700	22.40	12.40

(Continued)

March 31, 2005							
	Listing (Trading) Date	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance
SinoPac Securities	January 12, 2005	China Bills Finance Corporation	30,000,000	\$ 1.091	\$ 32,730	\$ 15.47	8.46
SinoPac Securities	March 3, 2005	Taiwan Fertilizer Co., Ltd.	60,000,000	0.337	20,220	45.37	10.36
SinoPac Securities	March 3, 2005	BENQ Corporation	80,000,000	0.278	22,240	47.92	12.77
SinoPac Securities	March 4, 2005	United Microelectronics Corp.	24,000,000	1.330	31,920	27.00	15.04
SinoPac Securities	March 10, 2005	Goldsun Development & Construction Co., Ltd.	24,000,000	0.694	16,656	12.62	13.47
SinoPac Securities	March 10, 2005	Premier Image Technology Corporation	60,000,000	0.367	22,020	49.68	10.03
SinoPac Securities	March 16, 2005	Chi Mei Optoelectronics Corporation	80,000,000	0.377	30,160	59.40	11.67
Less:	Gain on change in market value of warrant liabilities as of March 31, 2005				(1,570,706)		
Market value					<u>\$ 287,860</u>		

March 31, 2004							
	Listing (Trading) Date	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance
SinoPac Securities	July 15, 2003	United Microelectronics Corp.	20,000,000	\$ 2.320	\$ 46,400	\$ 29.98	10.00
SinoPac Securities	July 15, 2003	Hua Nan Financial Holdings Co., Ltd.	20,000,000	2.570	51,400	31.18	9.00
SinoPac Securities	July 16, 2003	Far Eastern Textile Ltd.	20,000,000	1.380	27,600	18.77	9.90
SinoPac Securities	July 21, 2003	Mitac International Corp.	20,000,000	1.630	32,600	21.00	8.60
SinoPac Securities	July 21, 2003	Delta Electronics, Inc.	20,000,000	4.540	90,800	67.65	9.90
SinoPac Securities	August 4, 2003	Siliconware Precision Industries Co., Ltd.	20,000,000	\$ 2.570	51,400	\$ 36.00	9.30
SinoPac Securities	September 12, 2003	E.Sun Financial Holding Company, Ltd.	20,000,000	1.580	31,600	27.00	11.40
SinoPac Securities	September 12, 2003	Teco Electronics & Machinery Co., Ltd.	20,000,000	1.230	24,600	17.55	9.50
SinoPac Securities	September 17, 2003	Hua Nan Financial Holdings Co., Ltd.	20,000,000	1.680	33,600	35.70	14.20
SinoPac Securities	September 17, 2003	Chang Hwa Commercial Bank Ltd.	20,000,000	1.480	29,600	23.75	11.20
SinoPac Securities	September 18, 2003	Evergreen Marine Corp.	20,000,000	2.520	50,400	35.40	9.40
SinoPac Securities	September 18, 2003	United Microelectronics Corp.	20,000,000	2.470	49,400	44.40	11.98

(Continued)

March 31, 2004							
	Listing (Trading) Date	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance
SinoPac Securities	September 21, 2003	Acer Incorporated	20,000,000	\$ 4.640	\$ 92,800	76.50	10.99
SinoPac Securities	September 22, 2003	Compal Electronics, Inc.	20,000,000	4.100	82,000	78.00	12.68
SinoPac Securities	September 23, 2003	Micro-Star International Co., Ltd.	20,000,000	6.620	132,400	94.50	9.52
SinoPac Securities	October 24, 2003	Nan Ya Plastics Corporation	20,000,000	2.270	45,400	60.30	17.70
SinoPac Securities	October 25, 2003	Far Eastern Textile Ltd.	20,000,000	1.382	27,640	21.52	10.38
SinoPac Securities	October 26, 2003	Taiwan Cement Corp.	20,000,000	1.185	23,700	18.37	10.34
SinoPac Securities	October 27, 2003	Yulon Motor Co., Ltd.	20,000,000	3.560	71,200	61.20	11.46
SinoPac Securities	October 28, 2003	D-Link Corporation	20,000,000	3.460	69,200	51.00	9.83
SinoPac Securities	October 29, 2003	Pou Chen Corporation	20,000,000	2.765	55,300	54.15	13.06
SinoPac Securities	October 30, 2003	Amtran Technology Co., Ltd.	20,000,000	3.360	67,200	49.20	9.76
SinoPac Securities	October 31, 2003	Chi Mei Optoelectronics Corporation	20,000,000	4.740	94,800	66.15	9.30
SinoPac Securities	October 32, 2003	Siliconware Precision Industries Co., Ltd.	20,000,000	2.865	57,300	43.65	10.16
SinoPac Securities	November 3, 2003	Systex Corporation	20,000,000	1.580	31,600	27.60	11.65
SinoPac Securities	November 34, 2003	Sampo Corporation	20,000,000	1.580	31,600	24.00	10.13
SinoPac Securities	November 35, 2003	Chang Hwa Commercial Bank Ltd.	20,000,000	1.333	26,660	24.15	12.08
SinoPac Securities	December 36, 2003	Uni-President Enterprises Corp.	20,000,000	0.938	18,760	21.00	14.93
SinoPac Securities	January 37, 2004	Mega Financial Holdings Company	20,000,000	1.370	27,400	30.60	14.89
SinoPac Securities	January 38, 2004	United Microelectronics Corp.	20,000,000	2.075	41,500	45.00	14.46
SinoPac Securities	January 39, 2004	Compeq Manufacturing Co., Ltd.	20,000,000	2.270	45,400	28.95	8.50
SinoPac Securities	February 40, 2004	Mitac International Corp.	20,000,000	1.775	35,500	23.70	8.90
SinoPac Securities	February 41, 2004	Prodisc	20,000,000	3.360	67,200	48.15	9.55
SinoPac Securities	February 42, 2004	Chia Hsin Cement Corporation	20,000,000	2.225	44,500	32.85	9.84
SinoPac Securities	March 43, 2004	Chi Mei Optoelectronics Corporation	20,000,000	4.540	90,800	64.50	9.47
SinoPac Securities	March 44, 2004	Mega Financial Holdings Company	20,000,000	1.682	33,640	34.35	13.61
SinoPac Securities	March 45, 2004	United Microelectronics Corp.	20,000,000	\$ 2.375	\$ 47,500	\$ 47.85	13.43

(Continued)

March 31, 2004							
	Listing (Trading) Date	Underlying Securities	Units Issued	Price at Issuance (in New Taiwan Dollars)	Amount	Strike Price (in New Taiwan Dollars)	Leverage at Issuance
SinoPac Securities PI	July 23, 2003	Coretronic Corporation	5,000,000	\$ 4.690	\$ 23,450	\$ 30.21	5.90
Less: Gain on change in market value of warrants liabilities as of March 31, 2004					(531,933)		
Market value					<u>\$ 1,371,917</u>		

The warrants are American-type warrants, which expire within 6 to 9 months after their respective listing dates. The Corporation can exercise a warrant either by issuing the underlying securities or paying in cash.

The market values of warrant liabilities were calculated using their closing prices on March 31, 2005 and 2004.

Gains and loss on warrants issued for the three months ended March 31, 2005 and 2004 were \$132,828 thousand and \$218,313 thousand, respectively. Related details are as follows:

	For the Three Months Ended March 31	
	2005	2004
Loss/gain on change in market value of warrant liabilities	\$ 1,119,476	(\$ 170,443)
Gain from exercise of warrants before maturity	-	267
Loss on change in market value of warrants repurchased - realized	(943,073)	(93,714)
Gain (loss) on change in market value of warrants repurchased - unrealized	<u>(43,575)</u>	<u>45,577</u>
	<u>\$ 132,828</u>	<u>\$ (218,313)</u>

b) Interest rate swap

- i. The objective of engaging in interest rate swap (IRS) contracts and strategies to achieve this objective:

SinoPac Securities has entered into IRS contracts with counter-parties to profit from short-term fluctuations in interest rates.

- ii. The information on the outstanding IRS contracts is as follows:

	March 31					
	2005			2004		
	Nominal Amount	Fair Value	Credit Risk	Nominal Amount	Fair Value	Credit Risk
For trading purposes	<u>\$ 1,300,000</u>	<u>\$(13,094)</u>	<u>\$ 3,615</u>	<u>\$ 2,000,000</u>	<u>\$(26,599)</u>	<u>\$ 7,320</u>

SinoPac Securities established high standards for screening the counter-parties and has rated their credits under strict criteria. It has also set upper limits for total value of credits granted to control credit risks. Thus, it does not expect significant exposure to credit risks. Fair value is the present value of future interest income and expense discounted at the yield rate.

The fair values of outstanding IRS contracts as of March 31, 2005 and 2004 were recognized as derivative financial assets - OTC at \$5,143 and \$19,854, respectively, and derivative financial liabilities - OTC at \$18,237 and \$46,453, respectively.

iii. Market risk

SinoPac Securities uses Value-at-Risks (VAR), based on statistical analysis of interest rate data and foreign industrial standards, in evaluating market risks of the IRS contracts. As of March 31, 2005 and 2004, the VARs were \$441 and \$1,009, respectively.

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 insignificant.

v. For the three months ended March 31, 2005 and 2004, losses of \$2,639 and \$8,485 from IRS valuation were recognized, respectively (presented as gain/loss from derivative financial instruments transactions - OTC).

c) Stock index futures and options

i. The objective of using stock index futures and options and related strategies to achieve the objective:

SinoPac Securities uses stock index futures and options contracts for trading purposes to increase the investment instruments, to aggressively develop various services and enhance working capital efficiency.

ii. Carrying values, fair values and credit risks

Item	Transaction Type	March 31, 2005			
		Unsettlement Positions		Carrying Value/ Premium Paid	Fair Value
		Long/ Short	Volume	(Received)	
Futures	Electronic Sector Index Futures	Long	44	\$ 40,424	\$ 40,639
	TAIEX Futures	Short	186	223,360	223,572
	Banking and Insurance Sector Index Futures	Short	20	19,322	19,352
Options	Compal Electronics, Inc. stock option - put	Long	30	2	2
	Hua Nan Financial Holdings Co., Ltd. stock option - put	Long	20	1	1

(Continued)

		<u>March 31, 2005</u>			
Item	Transaction Type	<u>Unsettlement Positions</u>		Carrying Value/ Premium Paid	Fair Value
		Long/ Short	Volume	(Received)	
	TAIEX options - call and put	Long	11,864	\$ (24,755)	\$ (20,032)
	AU Optronics Corp. stock options - put	Short	40	(1,700)	(1,810)
	Finance Sector Index options - call and put	Short	232	(367)	(283)
	Electronic Sector Index options - call and put	Short	123	(322)	(270)
	Chi Mei Optoelectronics Corporation stock options - put	Short	22	(183)	(54)
	China Trust Financial Holding Co., Ltd. stock options - put	Short	20	(67)	(5)
	Nanya Technology Corporation stock options - call	Short	10	(36)	(1)
	Chang Hwa Commercial Bank Ltd. stock options - call	Short	10	(12)	(1)

		<u>March 31, 2004</u>			
Item	Transaction Type	<u>Unsettlement Positions</u>		Carrying Value/ Premium Paid	Fair Value
		Long/ Short	Volume	(Received)	
Futures	Stock index futures contracts	Long	593	\$ 725,661	\$ 768,528
	Mini-TAIEX futures contracts	Long	1	308	324
Options	Stock index call options and put options	Long	2,544	55,116	28,535
	Stock index call options and put options	Short	3,111	(24,471)	(29,434)

The market value by contract as of balance sheet dates was based on the closing price published by the Taiwan Futures Exchange (TAIFEX). SinoPac Securities expects no exposure to credit risks since the counterparty is TAIFEX.

As of March 31, 2005 and 2004, the fair values of premiums from option transactions were recognized as premiums of \$3 and \$28,535 paid for long options - non-hedging and premiums of \$22,456 and \$29,434 received from short options - futures, respectively.

iii. Market risk

Market risk is the fluctuation in market prices of stock index futures and options. SinoPac Securities has appropriate risk control management and has set up stop-loss points to monitor price fluctuations and holding positions. 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 more deposits to the initial margin.

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

SinoPac Securities has paid in advance initial margin for stock index futures contracts and premiums for long options as well as margin for short options. More margin will be paid since the balance of the trading margin account is lower than the maintenance margin. However, future cash demand is supported by sufficient working capital. Thus, the risk of cash flows is insignificant.

v. Gains (losses) from futures and options transactions

Gains or losses for the three months ended March 31, 2005 and 2004 were summarized as follows:

	For the Three Months Ended March 31, 2005	
	Gains	
	(Losses) from Futures Transactions	Gains from Options Transactions
Non-hedging and realized	\$ 856	\$ 15,116
Non-hedging and unrealized	<u>(27)</u>	<u>4,986</u>
	<u>\$ 829</u>	<u>\$ 20,102</u>
	For the Three Months Ended March 31, 2004	
	Gain (Losses) from Futures Transactions	Gain (Losses) from Options Transactions
Non-hedging and realized	\$ (164,061)	\$ 177,008
Non-hedging and unrealized	<u>42,883</u>	<u>(31,544)</u>
	<u>\$ (121,178)</u>	<u>\$ 145,464</u>

d) Asset swap transactions - convertible bonds

i. The objective of convertible bonds swap transactions and strategies to achieve this objective

SinoPac Securities sold convertible bonds, which were acquired from dealing or underwriting transactions, to counter-parties. The selling price received was taken as a nominal amount. During the contract term, SinoPac Securities took the pre-agreed interest rate in exchange for the coupon rate and the interest compensation on the convertible bonds with counter-parties. It also acquired the right to purchase the convertible bonds from the counter-parties anytime before the expiration date of the contract.

Convertible bond swap transactions have three types: Fixed income, short call options and combination of both types. SinoPac Securities engaged in the transactions to diversify its financial instruments, to lower the capital pressure from underwriting convertible bonds, to reinforce its capability in underwriting convertible bonds, to lower risks, and to enliven the second market for convertible bonds.

ii. Information on outstanding convertible bond swap transactions is as follows:

March 31, 2005				
	Nominal	Premiums	Fair	Credit
	Amount	Paid	Value	Risk
		(Received)		
i) Fixed income transactions				
Interest rate swaps	\$ 634,500	\$ -	\$ (8,111)	\$ 3,525
Long call options on convertible bonds	-	20,370	50,456	87,207
ii) Short call options on convertible bonds	687,500	(25,471)	(67,584)	-
March 31, 2004				
	Nominal	Premiums	Fair	Credit
	Amount	Paid	Value	Risk
		(Received)		
i) Fixed income transactions				
Interest rate swaps	\$ 515,000	\$ -	\$ (13,380)	\$ 2,783
Long call options on convertible bonds	-	26,145	106,762	197,675
ii) Short call options on convertible bonds	462,000	(40,851)	(107,592)	-

The fair value is computed using the model approved by the ROC OTC. The parameters used in the model (convertible bond market prices, underlying stock prices, interest rates, etc.) are public market information, thus, only a little risk-free arbitrage opportunity exists.

SinoPac Securities established high standards for screening the counter-parties of fixed income transactions and rated their credits under strict criteria. SinoPac Securities has set upper limits for total value of credits granted to control credit risks. Thus, it does not expect significant exposure to credit risks. The premium from short call option transactions is collected in advance, and SinoPac Securities expects no exposure to credit risks.

The fair values of fixed income convertible bonds swap transactions as of March 31, 2005 and 2004 were recognized as derivative financial assets - OTC at \$2,502 and \$8,508, respectively, and derivative financial liabilities - OTC at \$10,613 and \$21,888, respectively.

iii. Market risk

SinoPac Securities used Value-at-Risks (VAR), based on statistical analysis of market data (including interest rate, convertible bond market prices and theoretical value of options) and foreign industrial standards in evaluating market risks of convertible bond swap transactions. As of March 31, 2005 and 2004, the VAR were \$990 and \$1,622, respectively.

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

The underlying convertible bonds, acquired from dealing and underwriting transactions, were sold to counter-parties and SinoPac Securities received related payments. In addition, SinoPac Securities took the pre-agreed interest rate in exchange of the coupon rate and the interest compensation of convertible bonds from counter-parties. Further, SinoPac Securities acquired the right to repurchase convertible bonds from counter-parties. Thus, there are no significant liquidity risks and the cash demand is not significant.

- v. Gains (losses) from convertible bonds swap transactions.

For the three months ended March 31, 2005 and 2004, marking to market of convertible bonds swap transactions resulted in losses of \$28,032 and gains of \$24,692 (recognized as gains and losses from derivative financial transactions - OTC), respectively.

- e) Structured note transactions

- i. The objective of structured note transactions and strategies to achieve this objective

There are two types of structured note transactions authorized by the ROC OTC market: Principal-guaranteed note transactions and equity-linked note transactions. SinoPac Securities signs the contract with the counter-parties, receives all (principal - guaranteed note transaction) or part (equity-linked note transactions) of the contract price and settles the contract with cash at the expiration date according to the return on the underlying assets. In substance, the transactions include buy or sale of fixed-income instruments and rewards-linked options on the underlying assets.

SinoPac Securities has entered into structured note transactions to diversify its financial instruments, to increase profits, to enhance its hedging methods, and to raise profitability.

- ii. Information on outstanding structured notes transactions is as follows:

	<u>March 31, 2005</u>		
	Nominal	Premiums	
	Amount	Paid	Fair Value
		(Received)	
i) Principal-guaranteed note transactions			
Fixed income instruments	\$ 78,800	\$ -	\$ (76,765)
Short call options on underlying assets	-	(2,035)	(1,232)
ii) Equity-linked note transactions			
Fixed income instruments	207,800	-	(206,459)
Long put options on linked underlying assets	-	1,276	6,770

March 31, 2004			
Premiums			
	Nominal	Paid	Fair Value
	Amount	(Received)	
i) Principal-guaranteed note transactions			
Fixed income instruments	\$ 171,700	\$ -	\$ (168,409)
Short call options on underlying assets	-	(3,423)	(4,808)
ii) Equity-linked note transactions			
Fixed income instruments	53,700	-	(53,496)
Long put options on linked underlying assets	-	147	(1,086)

The fair value is computed using the model approved by the ROC OTC. The parameters used in the model (including underlying asset market prices and interest rates, etc.) are based on public information available in the market; thus, only a little risk-free arbitrage opportunity exists.

SinoPac Securities has strict criteria on the types of fixed income assets to be used and controls the investment amounts. In addition, the premiums from short options transactions have been collected in advance. Thus, SinoPac Securities expects no exposure to credit risks.

iii. Market risk

The market risk of structured note transactions is mainly from adverse fluctuations of the underlying assets market price. Thus, option hedging models are used to hedge market risk. As of March 31, 2005 and 2004, the market risk were \$26,614 and \$5,581, respectively.

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

The fixed income instruments purchased by SinoPac Securities with the contract price received from the structured note transactions are stored in a custodian bank. To enable investors to execute the contract prior to maturity, SinoPac Securities takes the liquidity risk of the fixed income instruments into consideration when selecting the target instruments. If the liquidity risk of the fixed income instruments is minor, there is no material risk of cash flows and no uncertainty on the amount and timing of future cash demand.

v. Gains (losses) from structured note transactions

For the three months ended March 31, 2005 and 2004, gains (losses) from structured note transactions were as follows: Gains of \$2,868 and losses of \$2,827 from structured note transactions (presented as gains and losses from derivative financial instruments transactions - OTC).

f) Bond option transactions

AnShin Card Services

The interest rate swap (IRS) contracts held by AnShin Card Services are mainly for the purpose of hedging the risks resulting from changes in interest rates of liabilities rather than for the purpose of trading. AnShin Card Services' strategy is to hedge most market risk exposures using derivative instruments with market value changes that have a highly negative correlation with the changes in the market of the exposures being hedged. AnShin Card Services also reassesses the hedge effectiveness of the instruments periodically.

- a) As of March 31, 2005 and 2004, the nominal amount, credit risk and fair value of outstanding IRS contracts were as follows:

March 31, 2005							
Transaction Type	Nominal Amount	Term of Swap-in	Fixed Interest Rate/Term of Swap-out	Clearing	Maturity Date	Fair Value	Credit Risk
Floating interest rate received/ fixed interest rate paid	\$ 1,100,000	3-month NTD CP rate in secondary market	1.980%-2.030%	Quarterly	2006.11.6-2007.11.19	\$ (7,829)	\$ -
Fixed interest rate received/ floating interest rate paid	80,000	0.45%	6-month USD London Bank's rate call loans minus 4.004%	Semiannually	2008.6.12	340	340
Floating interest rate received/ floating interest rate paid	500,000	6-month NTD CP rate in secondary market	6-month USD London Bank's rate call loans minus 0.9%	Semiannually	2006.4.26	(7,656)	-
March 31, 2004							
Transaction Type	Nominal Amount	Term of Swap-in	Fixed Interest Rate	Clearing	Maturity Date	Fair Value	Credit Risk
Floating interest rate received/ fixed interest rate paid	\$ 1,800,000	3-month NTD CP rate in secondary market	2.03%-5.55%	Quarterly	2004.5.21-2006.11.6	\$ (29,836)	\$ -

Credit risks refer to counter-parties' defaults on IRS contracts. AnShin Card Services has entered into contract with those banks with good credit rankings; thus, it is not exposed to significant credit risks.

The fair value of derivative financial instruments is the amount AnShin Card Services would receive or pay to when the contracts terminate at the balance sheet date, including unrealized gains or losses for outstanding contracts. The fair value of AnShin Card Services' derivative financial instrument is based on the quotations from financial institutions which evaluate the future interest payment stream within the contractual period discounted at the market interest rate.

- b) Market risk

The purpose of the IRS contracts is to hedge the interest risk of liabilities. Therefore, gains or losses resulting from changes in interest rates will be offset by those of the item being hedged. Therefore, market risk is insignificant.

- c) Liquidity risk, risk of cash flow, and the uncertainty as to the amount and timing of future cash requirement

AnShin Card Services enters into the aforementioned transactions only with financial institutions with good credit ranking and transacts with several different financial institutions to diversify financial risks. It is believed that default risks of these financial institutions are remote and therefore, there is no liquidity risk.

Under the IRS contracts, there is no exchange of the notional principals as, the contracts signed and as the contracts matured. The net interest at each 90 days or 180 days for settlement, which is calculated basing on the difference between the contractual rate and the market floating rate multiplied by the nominal principal, is usually insignificant.

- d) For the three months ended March 31, 2005 and 2004, AnShin Card Services recognized realized interest expenses as operating expenses amounting to \$3,024 and \$12,221, respectively. The unrealized revaluation losses, recognized as the debit balance of stockholders' equity and other liabilities, were marked to market at \$15,145 and \$29,836 as of March 31, 2005 and 2004, respectively.

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

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In Thousands of New Taiwan Dollars)

No.	Financier	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Type	Transaction Amount	Financing Reason	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
											Item	Value		
1	SinoPac Capital (B.V.I.) Ltd.	SinoPac Capital Ltd.	Short-term borrowings	\$ 175,759 (Note 1)	\$ 168,909 (Note 1)	0.70996-3.3	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ -	\$ -

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

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEEES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantee Provider	Counter-party		Limit on Individual Endorsement/Guarantee Amount	Maximum Balance for the Period	Ending Balance	Endorsement/Guarantee Amount Collateralized by Properties	Ratio of Accumulated Amount of Endorsement/Guarantee to Net Equity of the Latest Financial Statement (Note 4)	Maximum Endorsement/Guarantee Amount Allowable
		Name	Nature of Relationship						
1	SinoPac Leasing Corporation	Grand Capital International Limited	Subsidiary	(Note 2)	\$ 3,948,736 (Note 1)	\$ 3,781,426 (Note 1)	\$ -	13%	(Note 3)
		Wal Tech International Corporation	Affiliate	(Note 2)	325,500	325,500	-	1%	(Note 3)

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

Note 2: The limit on individual endorsement or guarantee amount is up to 200% of the net asset value (Note 4) of SinoPac Leasing Corporation. But no limit applied on any subsidiary of SinoPac Leasing Corporation. As of March 31, 2005, the limit was \$3,797,953.

Note 3: The maximum amount of endorsement or guarantee amounts is up to 500% of the net asset value (Note 4) of SinoPac Leasing Corporation. But no limit applied on any subsidiary of SinoPac Leasing Corporation. As of March 31, 2005, the maximum allowance was \$9,494,884.

Note 4: The net asset value of the aforementioned corporation was based on its reviewed financial statements as of March 31, 2005.

TABLE 3

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEEES

MARKETABLE SECURITIES HELD

MARCH 31, 2005

(In Thousands of New Taiwan Dollars)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Financial Holdings Company Limited	<u>Stock (common stock)</u>							
	Bank SinoPac	Subsidiary	Long-term equity investments	1,944,398	\$ 27,555,603	100.00%	\$ 29,048,780	Note 4
	SinoPac Securities Corporation	Subsidiary	Long-term equity investments	1,526,902	21,367,045	100.00%	21,367,045	Note 4
	AnShin Card Services Co., Ltd.	Subsidiary	Long-term equity investments	193,000	2,077,101	100.00%	2,899,915	Note 4
	SinoPac Venture Capital Co., Ltd.	Subsidiary	Long-term equity investments	100,000	963,512	100.00%	963,512	Note 3
	SinoPac Securities Investment Trust Co., Ltd.	Subsidiary	Long-term equity investments	30,000	295,748	100.00%	311,025	Note 3
	SinoPac Asset Management International	Subsidiary	Long-term equity investments	10,000	108,877	100.00%	108,877	Note 3
	SinoPac Call Center Co., Ltd.	Subsidiary	Long-term equity investments	10,000	106,644	100.00%	106,644	Note 3
	SinoPac Life Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	300	88,967	100.00%	88,967	Note 4
	SinoPac Marketing Consulting Co., Ltd.	Subsidiary	Long-term equity investments	5,000	46,996	100.00%	46,996	Note 3
	SinoPac Property Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	300	11,690	100.00%	11,690	Note 4
	Li-Seng Develop company	Investee accounted for by the cost method	Long-term equity investments	12,500	125,000	5.00%	-	Note 3
	Debt Instruments Depository and Clearing Co., Ltd., Taiwan	Investee accounted for by the cost method	Long-term equity investments	2,000	20,000	1.00%	-	Note 3
		<u>Stock (preferred stock)</u>						
	AnShin Card Services Co., Ltd.	-	Long-term equity investments	160,078	1,600,780	95.28%	1,600,780	Note 5
	AnShin Card Services Co., Ltd.	-	Prepaid investments	7,922	79,220	4.72%	79,220	Note 5
SinoPac Bancorp	<u>Stock</u>							
	Far East National Bank	Subsidiary	Long-term equity investments	175	5,236,405	100.00%	5,236,405	Note 3
	SinoPac Financial Service (USA) Ltd.	Subsidiary	Long-term equity investments	2.5	39,973	100.00%	39,973	Note 3
Far East Capital Corporation	<u>Stock (common stock)</u>							
	PCRS Capital Partners, LLC	Investee accounted for by the cost method	Long-term equity investments	-	1,475	4.00%	1,475	Note 5
	TVIA, Inc.	Investee accounted for by the cost method	Long-term equity investments	33	1,471	0.20%	1,471	Note 6
		<u>Stock (preferred stock)</u>						
	AgraQuest, Inc.	-	Long-term equity investments	100	7,410	0.80%	7,410	Note 5
	Silicon Motion, Inc.	-	Long-term equity investments	61	3,468	0.20%	3,468	Note 5
	Zone Reactor, Inc.	-	Long-term equity investments	300	1,062	1.50%	1,062	Note 5
	Epana Networks, Inc.	-	Long-term equity investments	568	7,883	0.90%	7,883	Note 5
	Straszheim Global Advisors, LLC	-	Long-term equity investments	0.14	8,671	6.00%	8,671	Note 5

(Continued)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Leasing Corporation	<u>Stock</u>							
	Grand Capital International Limited	Subsidiary	Long-term equity investments	\$ 29,900	\$ 1,544,065	100.00%	\$ 1,544,065	Note 4
	Chain Yarn Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	2,067	38,444	1.73%	29,069	Note 3
	Tekcon Electronics Corp.	Investee accounted for by the cost method	Long-term equity investments	832	20,768	1.51%	3,473	Note 3
	Global Securities Finance Corp.	Investee accounted for by the cost method	Long-term equity investments	1,423	15,664	0.19%	16,446	Note 3
	Z-Com, Inc.	Investee accounted for by the cost method	Long-term equity investments	365	6,340	0.47%	2,942	Note 4
	Walton Advanced Engineering, Inc.	Investee accounted for by the cost method	Long-term equity investments	1,528	23,616	0.34%	13,558	Note 3
	Telexpress Corp.	Investee accounted for by the cost method	Long-term equity investments	525	7,835	4.70%	5,656	Note 3
Grand Capital International Limited	<u>Venture fund</u>							
	World Wide Multimedia L.P.	-	Long-term investments	0.005	30,847	16.67%	44,426	Note 3
	<u>Stock (preferred stock)</u>							
	Best 3C. Com, Inc.	-	Long-term equity investments	600	14,189	1.85%	14,189	Note 5
	e21 Corp.	-	Long-term equity investments	200	9,459	0.79%	9,459	Note 5
SinoPac Capital Limited	<u>Stock</u>							
	SinoPac Capital (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	4,450	58,581	100.00%	395,155	Note 3
	SinoPac Insurance Brokers Ltd.	Subsidiary	Long-term equity investments	100	1,217	100.00%	21	Note 3
	SinoPac (Hong Kong) Nominees Ltd.	Subsidiary	Long-term equity investments	0.001	0.004	100.00%	0.004	Note 3
	TPV Technology	-	Short-term investments	1,518	25,256	0.11%	29,610	Note 2
	HC	-	Short-term investments	7,998	50,770	1.76%	58,847	Note 2
	Comba	-	Short-term investments	3,064	41,086	0.37%	49,857	Note 2
	Suga International	-	Short-term investments	7,080	41,422	3.11%	30,054	Note 2
	Sun East	-	Short-term investments	10,650	57,653	2.84%	34,013	Note 2
	Dongjiang	-	Short-term investments	4,800	9,779	2.70%	8,829	Note 2
	China - Metal	-	Short-term investments	300	1,722	0.03%	2,517	Note 2
	Wong's	-	Short-term investments	6,274	13,377	0.91%	16,233	Note 2
	IC Media	-	Short-term investments	800	63,060	-	63,060	Note 2
	Group Plan (Macau)	-	Short-term investments	US\$ 24	764	40.00%	764	Note 2
	Kanssen	-	Short-term investments	29	16,552	-	16,552	Note 2
	QPL	-	Short-term investments	4,920	31,428	0.64%	17,901	Note 2
	Solomon	-	Short-term investments	6,050	46,043	0.24%	59,923	Note 2
	Sino Forest	-	Short-term investments	564	52,641	0.41%	52,313	Note 2
	Shougang	-	Short-term investments	14,892	48,850	1.46%	42,143	Note 2
	ZZNode	-	Short-term investments	15,804	37,655	3.95%	36,418	Note 2
	Sau San Tong	-	Short-term investments	5,130	14,710	0.78%	14,517	Note 2
	Shougang International	-	Short-term investments	16,908	34,609	0.36%	41,696	Note 2
	China Force Oil	-	Short-term investments	202	774	0.03%	923	Note 2
	<u>Fund</u>							
	China Enterprise Capital	-	Short-term investments	US\$ 1,000	31,530	-	31,530	Note 5
	<u>Bond</u>							
	Chiam International	-	Short-term investments	US\$ 2,000	63,060	-	63,060	Note 5
	InvestLink International	-	Short-term investments	US\$ 1,200	37,836	-	37,836	Note 5

(Continued)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Capital (B.V.I.) Ltd.	<u>Convertible bill and bond</u>							
	Sinbon Electronics Co., Ltd.	-	Short-term investments	US\$ 1,000	\$ 31,530	-	\$ 35,314	Note 2
	Micro-Star Int'l Co., Ltd.	-	Short-term investments	US\$ 2,000	63,060	-	66,371	Note 2
	Asia Optical	-	Short-term investments	US\$ 523	16,499	-	17,276	Note 2
	Yue Yuen Industrial	-	Short-term investments	US\$ 991	31,254	-	31,028	Note 2
	<u>Stock</u>							
	Cyberpac Holding Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	4,000	(40,431)	100.00%	(29,215)	Note 3
	Allstar Venture Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	0.002	(188,204)	100.00%	(188,204)	Note 3
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Subsidiary	Long-term equity investments	4,800	26,403	60.00%	24,165	Note 3
	Pinnacle Investment Management Ltd.	Subsidiary	Long-term equity investments	199.999	3,772	99.9995%	3,691	Note 3
Cyberpac Holding Ltd. (B.V.I.)	<u>Venture fund</u>							
3V Source One LP	-	Long-term investments	3,600	114,874	71.43%	45,898	Note 3	
Allstar Venture Ltd. (B.V.I.)	<u>Stock</u>							
	Wal Tech International Corporation	Subsidiary	Long-term equity investments	26,500	129,708	100.00%	131,851	Note 3
	RSP Information Service Company Limited	Subsidiary	Long-term equity investments	999.999	1,836	99.9999%	1,836	Note 3
	Telexpress Corp.	Investee accounted for by the equity method	Long-term equity investments	3,900	54,911	34.21%	41,088	Note 3
	<u>Venture fund</u>							
	InveStar Excelsus Venture Capital (Int'l) Inc., LDC	-	Long-term investments	2,220	55,244	6.25%	55,244	Note 5
	UOB Venture Technology Investments Limited	-	Long-term investments	26	70,354	8.62%	70,354	Note 5
	MDS Life Sciences Technology Fund - Barbados	-	Long-term investments	50	111,331	25.00%	48,418	Note 3
	Biotechnology Development Fund II, L.P.	-	Long-term investments	-	17,574	2.30%	30,892	Note 3
	North America Venture Fund II, L.P.	-	Long-term investments	-	12,939	2.07%	17,826	Note 3
<u>Stock (common stock)</u>								
Ardent Pharmaceuticals, Inc.	Investee accounted for by the cost method	Long-term equity investments	143	16,116	0.58%	22	Note 3	
TVIA, Inc.	Investee accounted for by the cost method	Long-term equity investments	167	9,260	0.75%	7,357	Note 6	
DiCon Fiberoptics, Inc.	Investee accounted for by the cost method	Long-term equity investments	221	31,524	0.20%	3,996	Note 3	
<u>Stock (preferred stock)</u>								
Sunol Molecular Corp.	-	Long-term equity investments	100	15,913	0.87%	15,913	Note 5	
Phytoceutica, Inc.	-	Long-term equity investments	200	16,264	1.45%	16,264	Note 5	
Immusol, Inc.	-	Long-term equity investments	25	9,670	0.05%	9,670	Note 5	
Virtual Silicon Technology, Inc.	-	Long-term equity investments	120	9,662	0.31%	9,662	Note 5	
BioAgri Corp.	-	Long-term equity investments	375	9,459	2.34%	9,459	Note 5	

(Continued)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Wal Tech International Corporation	<u>Stock</u> Intellisys Corp.	Subsidiary	Long-term equity investments	\$ 7,197	\$ 200,255	62.58%	\$ 96,176	Note 3
	Multiwin Asset Management Co., Ltd.	Investee accounted for by the equity method	Long-term equity investments	1,800	8,260	30.00%	8,477	Note 3
	Webi & Neti Internet Services Inc.	Investee accounted for by the cost method	Long-term equity investments	63	625	2.63%	395	Note 3
	YesMobile Holdings Company Limited	Investee accounted for by the cost method	Long-term equity investments	294	12,000	0.75%	615	Note 3
	SynTest Technologies, Inc., Taiwan	Investee accounted for by the cost method	Long-term equity investments	79	10,598	0.35%	403	Note 3
	Taiwan Leader Advanced Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	1,575	15,000	1.53%	17,000	Note 3
	Ruentex Resources Integration Co., Ltd.	A subsidiary of Bank SinoPac's supervisor and investee accounted for by the cost method	Long-term equity investments	2,361	24,114	2.47%	26,372	Note 3
	Media Reality Technologies, Inc.	Investee accounted for by the cost method	Long-term equity investments	6	102	0.60%	1,806	Note 3
	Nanya PCB Corporation	Investee accounted for by the cost method	Long-term equity investments	1,359	82,461	0.27%	25,634	Note 3
	ENE Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	100	2,899	0.30%	13,895	Note 2
	SonicEdge Industries Corporation	Investee accounted for by the cost method	Long-term equity investments	580	14,500	2.29%	(559)	Note 3
	Maximum Venture I, Inc., Taiwan	Investee accounted for by the cost method	Long-term equity investments	12,250	122,850	6.58%	77,612	Note 3
	SinoPac Financial Consulting Co., Ltd.	Affiliate and investee accounted for by the cost method	Long-term equity investments	6	57	3.00%	76	Note 3
	Silicon Motion Inc.	Investee accounted for by the cost method	Long-term equity investments	103	12,523	0.10%	1,901	Note 3
Intellisys Corp.	<u>Stock</u> Orion Financial Tech. Ltd.	Investee accounted for by the cost method	Long-term equity investments	81	122	2.31%	38	Note 3
SinoPac Futures Corporation	<u>Stock</u> Taiwan Future Exchange Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	499	4,990	0.25%	4,990	Note 5
	SinoPac Managed Futures Co., Ltd.	Investee accounted for by the equity method	Long-term equity investments	20,000	192,813	100.00%	194,722	Note 5
	<u>Beneficiary certificate</u> Sheng Hua 9966 Balance Securities Investment Trust Fund	-	Short-term investments	1,000	10,000	-	9,992	Note 6
	Grand Cathay Balance Fund	-	Short-term investments	789	10,000	-	9,661	Note 6
	Fuh-Hwa Digital Economy Fund	-	Short-term investments	1,211	10,000	-	10,775	Note 6
	Fuh-Hwa Aegis Fund	-	Short-term investments	1,000	10,000	-	9,849	Note 6
	SinoPac Genesis Fund	Fund under management of subsidiary	Short-term investments	3,927	30,000	-	29,921	Note 6
	SinoPac New Century Fund	Fund under management of subsidiary	Short-term investments	5,455	24,000	-	25,800	Note 6
	SinoPac Columbus Fund	Fund under management of subsidiary	Short-term investments	2,387	18,000	-	21,080	Note 6
	<u>Bank debentures</u> Bank SinoPac 91-1	-	Short-term investments	50,000	50,097	-	50,000	Note 7
SinoPac Capital Management Corporation	<u>Beneficiary certificate</u> SinoPac Columbus Fund	Fund under management of subsidiary	Short-term investments	2,387	18,000	-	19,637	Note 6
	SinoPac New Century Fund	Fund under management of subsidiary	Short-term investments	5,000	22,000	-	22,978	Note 6
	SinoPac Genesis Fund	Fund under management of subsidiary	Short-term investments	259	2,000	-	1,972	Note 6
	SinoPac Pilot Fund	Fund under management of subsidiary	Short-term investments	202	2,000	-	2,172	Note 6

(Continued)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Life Insurance Agent Co., Ltd.	<u>Beneficiary certificate</u>							
	Fuh-hwa Yu-Li Fund	-	Short-term investments	\$ 1,328	\$ 15,015	-	\$ 16,072	Note 6
	Fuh-hwa Bond Fund	-	Short-term investments	164	2,000	-	2,129	Note 6
	Prudential Aggressive Growth 2 Bond Fund	-	Short-term investments	1,689	24,746	-	25,687	Note 6
	Truswell Premier Fund	-	Short-term investments	1,076	11,503	-	11,708	Note 6
SinoPac Property Insurance Agent Co., Ltd.	<u>Beneficiary certificate</u>							
	Prudential Aggressive Growth 2 Bond Fund	-	Short-term investments	104	1,500	-	1,586	Note 6
	ABN AMRO Bond Fund Cap	-	Short-term investments	71	1,000	-	1,046	Note 6
SinoPac Venture Capital Co., Ltd.	<u>Beneficiary certificate</u>							
	NITC Bond Fund	-	Short-term investments	581	91,787	-	93,289	Note 6
	SinoPac Genesis Fund	Fund under management of subsidiary	Short-term investments	6,771	52,678	-	51,594	Note 6
	BioAsia BDF IV	-	Long-term equity investments	US\$ 1,046	27,719	3.18%	27,719	Note 6
	<u>Convertible bond</u>							
	ENE Technology Inc.	-	Short-term investments	20,000	20,000	-	19,200	Note 7
	<u>Stock</u>							
	ATM Electronic Corp.	Investee accounted for by the cost method	Long-term equity investments	520	10,000	2.19%	10,000	Note 5
	Micro Square Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	500	10,000	3.70%	10,000	Note 5
	De Poan Pneumatic Corp.	Investee accounted for by the cost method	Long-term equity investments	313	12,500	1.04%	12,500	Note 5
	Pandisk Technology Company Ltd.	Investee accounted for by the cost method	Long-term equity investments	695	9,980	2.93%	9,980	Note 5
	Skanhex Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	273	10,600	0.23%	10,600	Note 5
	ENE Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	398	11,760	1.18%	5,864	Note 2
	Creative Sensor Inc.	Investee accounted for by the cost method	Long-term equity investments	1,002	49,982	1.28%	49,982	Note 5
	Nanya PCB Corporation	Investee accounted for by the cost method	Long-term equity investments	133	4,974	0.03%	4,974	Note 5
	Hu Lane Associate Inc.	Investee accounted for by the cost method	Long-term equity investments	0.092	2	-	4	Note 2
	Taimide Tech, Inc.	Investee accounted for by the cost method	Long-term equity investments	2,735	46,353	3.34%	46,353	Note 5
	Alpha Microelectronics Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	944	9,996	1.92%	9,996	Note 5
	Proconn Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	859	12,531	4.10%	12,531	Note 5
	Bcom Electronics Inc.	Investee accounted for by the cost method	Long-term equity investments	949	11,119	0.90%	1,474	Note 5
	Sunnick Technology & Merchandise Inc.	Investee accounted for by the cost method	Long-term equity investments	844	25,120	2.81%	25,120	Note 5
	Ampire Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	179	2,507	0.38%	2,655	Note 2
	AME, Inc.	Investee accounted for by the cost method	Long-term equity investments	14	502	0.04%	403	Note 2
TennRich International Corp.	Investee accounted for by the cost method	Long-term equity investments	518	9,988	1.06%	9,988	Note 5	
Exploit Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	260	5,300	0.95%	5,300	Note 5	
Asia Electronic Material Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	2,650	34,750	7.35%	34,750	Note 5	
Princo Corp.	Investee accounted for by the cost method	Long-term equity investments	272	19,967	0.07%	8,802	Note 2	
Light Master System, Inc.	Investee accounted for by the cost method	Long-term equity investments	150	8,634	1.28%	8,634	Note 5	
Global Strategic Venture	Investee accounted for by the cost method	Long-term equity investments	3,000	30,000	1.94%	30,000	Note 5	
Donpon Precision, Inc.	Investee accounted for by the cost method	Long-term equity investments	575	17,500	1.04%	17,500	Note 5	
G-Tech Optoelectronics Corporation	Investee accounted for by the cost method	Long-term equity investments	1,135	19,976	2.15%	19,976	Note 5	
Ardemtec	Investee accounted for by the cost method	Long-term equity investments	1,977	32,247	0.69%	38,780	Note 2	
Royltek Company Ltd.	Investee accounted for by the cost method	Long-term equity investments	345	16,473	0.87%	16,473	Note 5	
Laster Tech Ltd.	Investee accounted for by the cost method	Long-term equity investments	569	19,735	2.17%	19,735	Note 5	
Etrend Hightech Corporation	Investee accounted for by the cost method	Long-term equity investments	1,490	18,625	5.52%	18,625	Note 5	
Luminous Town Electric Co. Ltd.	Investee accounted for by the cost method	Long-term equity investments	1,658	19,978	2.14%	19,978	Note 5	

(Continued)

Name of Holding Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2005				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
	International United Technology	Investee accounted for by the cost method	Long-term equity investments	\$ 1,473	\$ 18,713	1.47%	\$ 18,713	Note 5
	Add Microtech Corporation	Investee accounted for by the cost method	Long-term equity investments	626	19,995	2.30%	19,995	Note 5
	E-One MOLI Energy Corporation	Investee accounted for by the cost method	Long-term equity investments	1,400	16,800	1.36%	16,800	Note 5
	Advantech Semiconductor Inc.	Investee accounted for by the cost method	Long-term equity investments	1,540	15,398	1.45%	15,398	Note 5
	Uni Light Technology	Investee accounted for by the cost method	Long-term equity investments	915	18,438	1.16%	18,438	Note 5
	FEEI Chemg Enterprise Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	390	25,500	0.93%	25,500	Note 5
	Ritdisplay Corporation	Investee accounted for by the cost method	Long-term equity investments	127	2,241	0.02%	2,241	Note 5
	AMIC Technology Corporation	Investee accounted for by the cost method	Long-term equity investments	210	10,032	0.15%	10,032	Note 5
	PolyLite Taiwan Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	535	8,936	1.58%	8,936	Note 5
	FuPo Electronics Corporation	Investee accounted for by the cost method	Long-term equity investments	1,296	23,436	1.20%	17,473	Note 2
	ID Solutions Inc.	Investee accounted for by the cost method	Long-term equity investments	833	7,994	2.00%	7,994	Note 5
	Ultra Chip, Inc.	Investee accounted for by the cost method	Long-term equity investments	575	17,793	0.86%	17,793	Note 5
SinoPac Asset Management International	<u>Beneficiary certificate</u> NITC Bond Fund	-	Short-term investments	37	5,824	0.008%	5,938	Note 6
	<u>Stock</u>							
	Powerchip Semiconductor Corp.	-	Short-term investments	200	5,688	0.005%	5,100	Note 2
	Evergreen Marine Corp. (Taiwan) Ltd.	-	Short-term investments	100	3,635	0.004%	3,229	Note 2
	U-Ming Marine Transport Corp.	-	Short-term investments	100	5,408	0.014%	5,434	Note 2
	Career Technology (MFG) Co., Ltd.	-	Short-term investments	100	5,257	0.048%	4,960	Note 2
	National Venture Capital Corp.	Investee accounted for by the cost method	Long-term equity investments	2,000	14,800	0.0003%	14,800	Note 5
SinoPac Securities Investment Trust Co., Ltd.	<u>Beneficiary certificate</u> SinoPac Genesis Fund	Fund under management of subsidiary	Short-term investments	66	500	-	506	Note 6
	SinoPac Pilot Fund	Fund under management of subsidiary	Short-term investments	50	500	-	537	Note 6
	SinoPac Columbus Fund	Fund under management of subsidiary	Short-term investments	62	500	-	548	Note 6
	SinoPac New Century Fund	Fund under management of subsidiary	Short-term investments	108	500	-	510	Note 6
	Jih Sun Foresight Balanced Fund	Fund under management of subsidiary	Short-term investments	308	3,000	-	2,992	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 in March 2005.

Note 3: Net asset values were based on the investees' unaudited or unreviewed financial statements for the latest period.

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

Note 5: Net asset values were based on the carrying amounts.

Note 6: Market prices were determined at the closing prices on March 31, 2005.

Note 7: Market prices were computed by the average reference prices of GreTai Securities Market of R.O.C. on March 31, 2005.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEEES

**ACQUISITION OF INDIVIDUAL REAL ESTATES AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2005**

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Company Name	Property	Transaction Date	Transaction Amount	Condition of Payment	Counter-party	Relationship	Prior Transaction of Related Counter-party (Note 2)				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
SinoPac Leasing Corporation	Zhonglun buildings	December 29, 2004 (Note 1)	\$ 734,817 (Including input tax \$34,991)	Paid	Li-Seng Develop Company	-	-	-	-	\$ -	-	For business use	-
	Superficies of Zhonglun buildings	December 29, 2004 (Note 1)	1,102,226 (Including input tax \$52,487)	Paid	Li-Seng Develop Company	-	-	-	-	-	-	For business use	-

Note 1: For SinoPac Leasing Corporation, the amount were included in advances on acquisitions of equipment at acquisition date, but classified as property held for lease and superficies since 2005.

Note 2: The Zhonglun buildings and superficies were build by SinoPac Leasing Corporation, therefore, there were no prior transaction of related counter-party.

BANK SINOPAC AND INVESTEES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT COST OF AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2005

(In Thousands of New Taiwan Dollars)

Company Name	Property	Transaction Date	Acquisition Date	Carrying Amount	Transaction Amount	Collection Terms	Gain (Loss) of Disposal	Counter-party	Relationship	Price Reference	Purpose of Disposal	Other Terms
SinoPac Leasing Corporation	Property held for lease - land and building	March 4, 2005	June 28, 2001	\$333,104	\$279,460 (Including output tax \$4,525)	Collected	\$(58,169)	AnHong Co., Ltd.	-	Appraisal report of real estate	For business	-

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEEES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL

MARCH 31, 2005

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
SinoPac Financial Holdings Company Limited	SinoPac Securities	Subsidiary of SinoPac Financial Holdings Company Limited	\$ 668,349 (Note 1)	-	\$ -	-	\$ -	\$ -
	SinoPac Securities	Subsidiary of SinoPac Financial Holdings Company Limited	607,096 (Note 2)	-	-	-	-	-
	Bank SinoPac	Subsidiary of SinoPac Financial Holdings Company Limited	358,168 (Note 1)	-	-	-	-	-

Note 1: The receivable comes from the adoption of the linked-tax system for 2004 tax filing.

Note 2: The receivable comes from the adoption of cash dividend for 2004.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2005
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2005			Net Income (Loss) of the Investee (Note 2)	Investment Gains (Loss) (Note 2)	Note
				March 31, 2005 (Note 1)	December 31, 2004 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Amount (Note 2)			
SinoPac Financial Holdings Company Limited	Bank SinoPac	Taipei	Commercial bank	\$ 23,976,716	\$ 23,976,716	1,944,398	100.00%	\$ 27,555,603	\$ 845,347	\$ 852,129	Subsidiary
	SinoPac Securities Corporation	Taipei	Brokerage, dealing and underwriting of securities	21,566,517	21,566,517	1,526,902	100.00%	21,367,045	78,035	41,590	Subsidiary
	AnShin Card Services Co., Ltd.	Taipei	Credit card business	1,719,164	1,719,164	193,000	100.00%	2,077,101	142,711	114,752	Subsidiary
	SinoPac Life Insurance Agent Co., Ltd.	Taipei	Life insurance agent	81,909	81,909	300	100.00%	88,967	12,311	12,311	Subsidiary
	SinoPac Property Insurance Agent Co., Ltd.	Taipei	Property insurance agent	3,919	3,919	300	100.00%	11,690	2,683	2,683	Subsidiary
	SinoPac Venture Capital Co., Ltd.	Taipei	Venture capital investment	1,000,000	1,000,000	100,000	100.00%	963,512	(5,833)	(5,833)	Subsidiary
	SinoPac Call Center Co., Ltd.	Kaohsiung	Data processing, manpower and agency services	100,000	100,000	10,000	100.00%	108,877	3,097	3,097	Subsidiary
	SinoPac Asset Management International	Taipei	Business management advisory, investment and venture capital investment advisory	100,000	100,000	10,000	100.00%	106,644	(587)	(587)	Subsidiary
	SinoPac Marketing Consulting Co., Ltd.	Taipei	Agent service, investment advisory and overdue accounts receivable management	50,000	50,000	5,000	100.00%	46,996	831	831	Subsidiary
	SinoPac Securities Investment Trust Corporation	Taipei	Establish and manage securities investment trust funds by issuing beneficiary certificates and render discretionary investment service.	298,500	298,500	30,000	100.00%	295,748	(928)	(671)	Subsidiary
Bank SinoPac	SinoPac Bancorp	California	Stock holding	US\$ 112,306	US\$ 112,306	20	100.00	\$ 5,255,885	\$ 98,784	\$ 79,701	Subsidiary
	Rocorp Holding S.A.	Luxembourg	Stock holding	\$ 3,531	\$ 3,531	0.11	33.33	-	-	-	Investee under significant influence held by the Bank
	SinoPac Leasing Corporation	Taipei	Leasing aircraft and machinery equipment	\$ 999,940	\$ 999,940	159,629	99.7683	1,993,949	21,823	21,772	Subsidiary
	SinoPac Capital Limited	Hong Kong	Lending and financing	HK\$ 229,998	HK\$ 229,998	229,998	99.9991	1,006,266	70,516	27,036	Subsidiary
SinoPac Financial Consulting Co., Ltd.	Taipei	Investment advisory and business management advisory	\$ 1,940	\$ 1,940	194	97.00	2,463	15	15	Subsidiary	
SinoPac Bancorp	Far East National Bank	California	Commercial bank	US\$ 107,306	US\$ 107,306	175	100.00	5,236,405	101,208		Affiliate
	SinoPac Financial Service (USA) Ltd.	California	Securities brokerage	US\$ 25	US\$ 25	2.5	100.00	39,973	(161)		Affiliate
Far East National Bank	Far East Capital Corporation	California	Investment bank	US\$ 3,500	US\$ 3,500	350	100.00	56,068	62		Affiliate
	FENB Loan Corp.	California	Asset management	US\$ 1	US\$ 1	0.1	100.00	(37,171)	-		Affiliate
	FENB Film Corp.	California	Motion picture asset management	US\$ 1	US\$ 1	0.1	100.00	(76,528)	1,496		Affiliate
	Film Service Management Corp.	California	Film management and advisory	US\$ 0.1	US\$ 0.1	0.1	100.00	1,044	1,040		Affiliate
SinoPac Leasing Corporation	Grand Capital International Limited	British Virgin Islands	Oversea trading, leasing, lending and financing	US\$ 29,900	US\$ 29,900	29,900	100.00	1,544,065	44,054		Affiliate
SinoPac Capital Limited	SinoPac Capital (B.V.I.) Ltd.	British Virgin Islands	Financial advisory	US\$ 4,450	US\$ 4,450	4,450	100.00	58,581	(220)		Affiliate
	SinoPac Insurance Brokers Ltd.	Hong Kong	Insurance brokerage	HK\$ 300	HK\$ 300	100	100.00	1,217	(765)		Affiliate
	SinoPac (Hong Kong) Nominees Ltd.	Hong Kong	Custody securities	HK\$ 0.001	HK\$ 0.001	0.001	100.00	0.004	-		Affiliate
SinoPac Capital (B.V.I.) Ltd.	Cyberpac Holding Ltd. (B.V.I.)	British Virgin Islands	Investment and advisory	US\$ 4,000	US\$ 4,000	4,000	100.00	(40,431)	(38,312)		Affiliate
	Allstar Venture Ltd. (B.V.I.)	British Virgin Islands	Investment	US\$ 0.002	US\$ 0.002	0.002	100.00	(188,204)	(4,791)		Affiliate
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Hong Kong	Asset management	HK\$ 10,000	HK\$ 10,000	4,800	60.00	26,403	2,633		Affiliate
	Pinnacle Investment Management Ltd.	Hong Kong	Asset management, trust and consulting	US\$ 200	US\$ 200	199,999	99.9995	3,772	(9)		Affiliate
Cyberpac Holding Ltd. (B.V.I.)	Wal Tech International Corporation	Taipei	Leasing, international trading, and sale of machinery equipment	\$ 272,182	\$ 272,182	26,500	100.00	129,708	(22,285)		Affiliate
	RSP Information Service Company Limited	Hong Kong	General trading and providing internet - based service	HK\$ 999,999	HK\$ 999,999	999,999	99.9999	1,836	(48)		Affiliate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2005			Net Income (Loss) of the Investee (Note 2)	Investment Gains (Loss) (Note 2)	Note
				March 31, 2005 (Note 1)	December 31, 2004 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Amount (Note 2)			
Wal Tech International Corporation	Telexpress Corp.	Cayman Islands	Investment	US\$ 1,560	US\$ 1,560	3,900	34.21	54,911	1,932		Investee under significant influence held by the Bank's affiliate
	Intellisys Corp.	Taipei	Computer and peripheral system integration engineering, software development and design	227,544	258,836	7,197	62.58	200,255	(2,506)		Affiliate
	Multiwin Asset Management Co., Ltd.	Taipei	Asset management	18,000	18,000	1,800	30.00	8,260	(2,927)		Investee under significant influence held by the Bank's affiliate
SinoPac Securities Corporation	SinoPac Futures Corporation	Taipei	Brokerage of futures contracts	1,107,881	1,107,881	98,215	98.21%	1,292,906	29,937	29,439	Affiliate
	SinoPac Securities (Cayman) Holdings Ltd.	Cayman Islands, British West Indies	Stock holding	3,066,055	3,066,055	87,753	100.00%	3,318,699	86,406	86,406	Affiliate
	SinoPac Capital Management Corporation	Taipei	Investment consulting	112,028	112,028	17,600	100.00%	181,353	641	337	Affiliate
SinoPac Futures Corporation	SinoPac Managed Futures Co., Ltd.	Taipei	Futures Management	200,000	200,000	20,000	100.00%	192,813	(1,910)	-	-
SinoPac Securities (Cayman) Holdings Ltd.	SinoPac Securities (Europe) Ltd.	London, UK	European agent business	US\$ 1,514	US\$ 1,514	1,000	100.00%	US\$ 867	US\$ (184)	-	- Affiliate
	SinoPac Securities (Asia) Ltd.	Hong Kong	Hong Kong stock brokerage	US\$ 54,972	US\$ 54,972	45	100.00%	US\$ 68,553	US\$ 285	-	- Affiliate (Note 5)
	SinoPac Futures (Asia) Ltd.	Hong Kong	Futures brokerage business	US\$ 1,205	US\$ 1,205	10,000	100.00%	US\$ 2,347	US\$ (2)	-	- Affiliate
	SinoPac Capital (Asia) Ltd.	Hong Kong	IPO underwriting business	US\$ 3,862	US\$ 3,862	30,000	100.00%	US\$ 4,772	US\$ (9)	-	- Affiliate
	SinoPac Asset Management Corp. (B.V.I.)	British Virgin Islands	Securities brokerage, investment advisory, fund management and securities business	US\$ 16,000	US\$ 16,000	16,000	100.00%	US\$ 26,256	US\$ 3,355	-	- Affiliate (Note 4)
	SPS Asia Ltd. (formerly NSC Asia Ltd.)	British Virgin Islands	Derivatives instruments business	US\$ 744	US\$ 744	1	100.00%	US\$ 41	-	-	- Affiliate
	SinoPac Asset Management (Asia) Ltd. (formerly NITC Asset Management (Asia) Ltd.)	Hong Kong	Asset management and investment consulting	US\$ 4,367	US\$ 4,367	10,000	100.00%	US\$ 3,533	US\$ 137	-	- Affiliate
SinoPac Asset Management Corp. (B.V.I.)	SinoPac Securities (U.S.A.) Ltd.	California	Collecting and analyzing financial market information	US\$ 1,848	US\$ 1,848	2	100.00%	US\$ 430	US\$ (113)	-	- Affiliate
	SinoPac Securities (H.K.) Limited	Hong Kong	Securities brokerage, investment advisory, fund management and security business	US\$ 256	US\$ 256	2,000	100.00%	US\$ 184	-	-	- Affiliate (Note 4)
	SinoPac Asia Limited	British Virgin Islands	Securities brokerage, investment advisory and consulting business	US\$ 6,000	US\$ 6,000	6,000	100.00%	US\$ 16,029	US\$ 3,354	-	- Affiliate
SinoPac Securities (Asia) Ltd.	SinoPac Securities (Asia) Nominees Ltd.	Hong Kong	Hong Kong stock trust business	HK\$ 0.002	HK\$ 0.002	0.002	100.00%	HK\$ 0.002	-	-	- Affiliate
	SinoPac (Asia) Nominees Ltd.	Hong Kong	Nominee trust account for overseas stock holdings	HK\$ 0.002	HK\$ 0.002	0.002	100.00%	HK\$ 0.002	-	-	- Affiliate
SinoPac Asset Management (Asia) Ltd.	SPS Asset Management Limited	British Virgin Islands	Asset management and investment consulting	HK\$ 39	HK\$ 39	5	100.00%	HK\$ 3,187	HK\$ 1,705	-	- Affiliate

Note 1: The original investment amounts were expressed in respective foreign currencies denominated.

Note 2: Foreign-currency amounts were translated at the exchange rate as of the balance sheet date, except for foreign-currency-denominated income and expenses, which are translated to New Taiwan dollars at the average exchange rate for the three months ended March 31, 2005.

Note 3: The amounts are after deducting realized losses.

Note 4: As of March 31, 2005, SinoPac Asset Management Corp. (B.V.I.) and SinoPac Securities (H.K.) Limited were undergoing a dissolution process.

Note 5: SinoPac Securities (Cayman) and SinoPac Asset Management Corp. (B.V.I.) hold 94.89% and 5.11%, respectively.