

Analyst Conference Call

2013.04.02

Agenda

- **SPH Strategic Map (p. 2)**
- **Our Partner (p. 3)**
- **Past Cooperation (p. 4)**
- **Synergy (p. 5)**
- **Recent Regulatory Breakthrough (p. 6)**
- **Agreement Structure (p. 7)**
- **Pricing (P. 8)**
- **Transaction Structure (p. 9)**

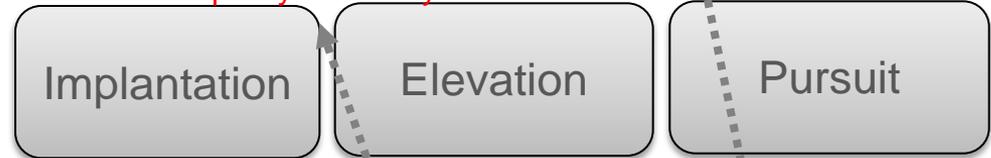
SPH Strategic Map

Profit-sharing motivates both parties to share customers and channels

Bigger market,
bigger investment

Opportunity as well as challenge;
liquidity is the key

■ Five-year Plan



■ Four Visions



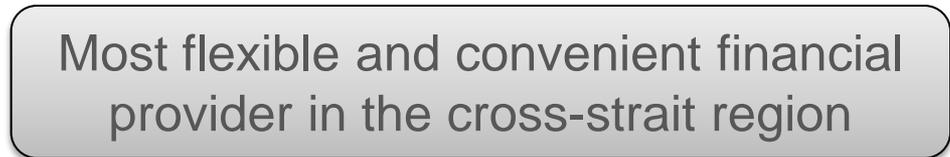
■ Three Focuses



■ Two Values



■ One Goal



» Why fight alone when it's best to find a partner

Our Partner

Industrial and Commercial Bank of China

Professional and conscientious; modest and pragmatic

- Leading bank in market capitalization, profitability, deposit size and brand value. As of December 2012, ICBC's total asset size and net profit exceeded RMB17.5Tn and RMB238.7Bn respectively
- As a commercial bank, ICBC is set up to operate across different markets around the world. By end of 2012, ICBC serves around 4 million corporate clients and 300 million retail clients through its 17,000+ domestic branches, 400+ overseas subsidiaries, 1,600+ offshore correspondent banks and automated channels such as online and telephone banking
- Comprehensive financial products and services are provided through its subsidiaries such as: insurance business (ICBC-AXA Life), mutual fund (ICBC-Credit Suisse), investment banking (ICBC-Investment) and leasing (ICBC-Leasing)
- ICBC is committed to promote cross-strait financial cooperation. Through working with Taiwanese financial institutions, ICBC is able to provide Taiwanese enterprises with quality financial services. Specifically, ICBC and SPH have collaborated in many unprecedented operations such as RMB/USD One-Day Remittance Service, Dim-sum bonds issuance and other financing options for Taiwanese companies

Past Cooperation

The extent of cooperation between BSP and ICBC is unprecedented. With support from both mainland and Taiwan authorities, SPH and ICBC's on-going efforts help pioneer a new market for Taiwanese banks.

Business	Detail
Corporate Financing	BSP and Standard Bank jointly participated in ICBC Macau's USD40Mn lease-back financing for China Airlines. The practice of such cooperation allows businesses to raise more capital at a lower cost
Dim-sum Bond	SPS(Asia) and ICBC-I underwrote RMB\$300Mn Dim-sum Bond for YFY, opening new channel for corporate financing
USD One-day Remittance Service	Frequent cross-strait business trading demands for high liquidity. The launch of "USD One-day Remittance Service" helps Taiwanese businesses lower USD remittance costs and improve money transfer efficiency
RMB One-day Remittance Service	In order to make RMB transactions more convenient, lower vendors' USD dependency and reduce risks associated with holding USD, BSP and ICBC launched "RMB One-day Remittance Service"
China on-shore Bond Market trading	Through ICBC, BSP's Hong Kong branch participates in Chinese on-shore bond market investing in bonds issued by companies such as China Development Bank. Total amount currently invested is RMB\$200Mn. With yield between 3.7%~4.45%, the investments improve bank income and gain competitive advantages when BSP absorbs RMB deposits
Corporate responsibility	<ul style="list-style-type: none"> •Jointly held the exhibition, "Monetary Mobility- The Evolution of Chinese Banking", demonstrating the significance of history and culture to both SPH and ICBC. In addition to indulging the public with a cultural feast, the exhibition signifies a new chapter for cross-strait cultural exchange within the financial industry. Through internally recruiting and training tour guides and volunteers for the exhibition, SPH also inspired its employees to give back to the society through cultural education •Hosted seminars in Taipei, Taichung, Guangzhou and London discussing the globalization of RMB

Synergy

New Market <i>Tap into new markets and enhance presence in existing markets</i>	New Currency <i>RMB</i>	New Channel <i>Acquire customers; promote products</i>
<ul style="list-style-type: none"> •Expand markets in Mainland China, USA and ASEAN countries 	<p>Promote SPH's RMB business in China, Taiwan, Hong Kong, America and ASEAN countries</p>	<ul style="list-style-type: none"> •Obtain ICBC's Taiwanese clients in Mainland •Obtain ICBC's mainland clients coming to Taiwan •Help FENB gain cross-pacific trade finance businesses •Expand investment banking business throughout greater China
<ul style="list-style-type: none"> •Infrastructure support •Assist communication with Chinese regulators and help satisfy local compliance; expand customer base 	<ul style="list-style-type: none"> •Cross-strait settlement/TMU products and corporate financing/Cash management •Mutual unds (RQFII)/ Formosa bonds/ Dim-sum bonds/ T-share 	<ul style="list-style-type: none"> •Offer commercial bank products (loans, syndications, credit cards etc) •Promote investment bank products (IPO, M&A, Dim-sum bonds, Formosa bonds, T-share and structured financial products such as ABS, PGN, ELN etc) •Wealth/ asset management (mutual funds, pension funds, ETF) •Leasing business/ venture capital
<ul style="list-style-type: none"> •Strategic alliance promotes cooperation •Local wisdom allows for steep learning curve •Visibility increases through branding •Business operations smoothed by utilizing existing local network (tax, law enforcement, fire department) •Capital needed to enter new markets obtained 	<ul style="list-style-type: none"> •RMB settlement in Singapore •Chinese remittance instruction service 	<ul style="list-style-type: none"> •ICBC's investment in SPH implies profit-sharing, motivating both parties to use each others channels and gain customer base

Recent Regulatory Breakthrough

Regulatory breakthrough was achieved during the 3rd meeting of Cross-strait Banking Supervisory Cooperation Platform, which took place on April 1st, 2013

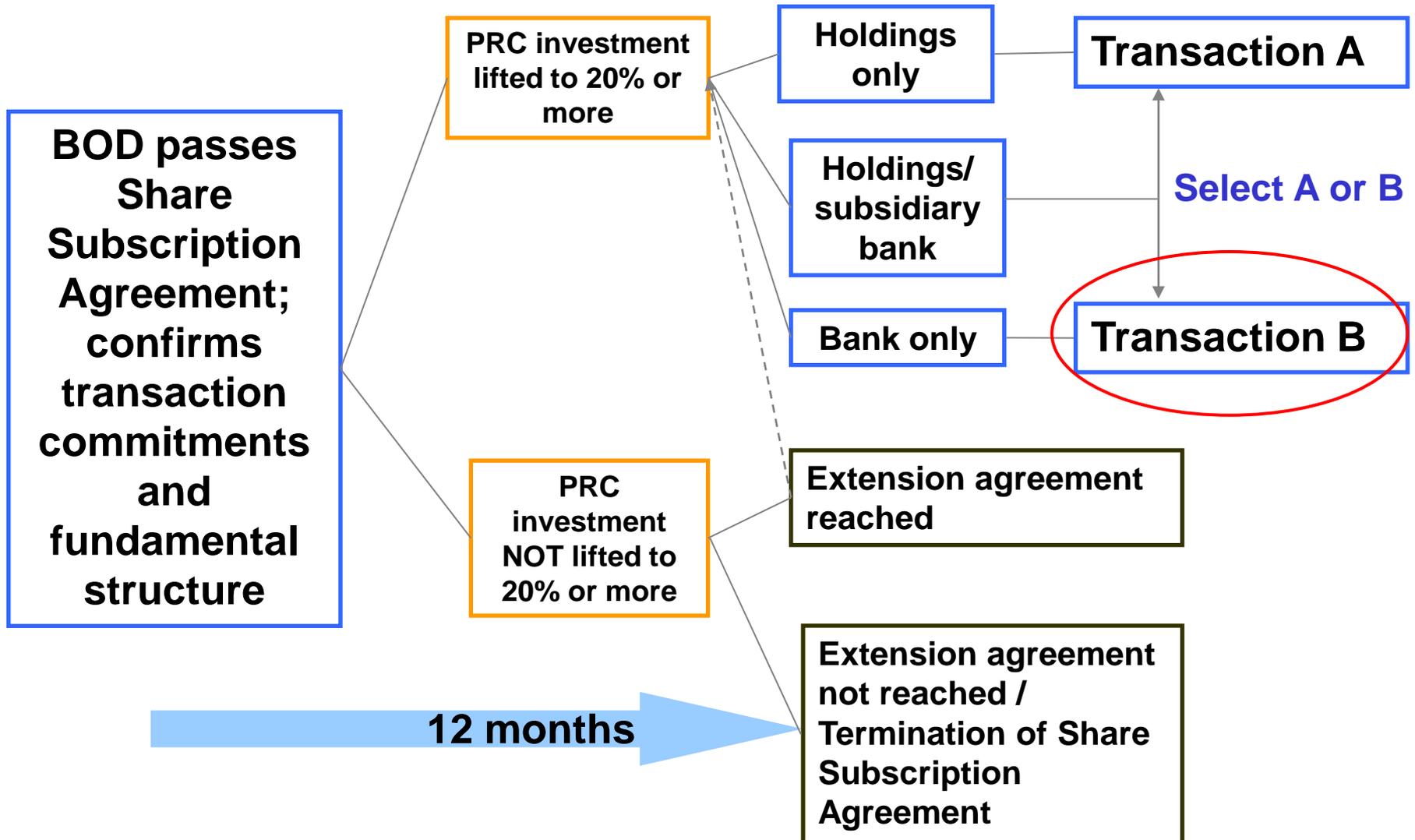
Based on the statement released by Taiwan's Financial Supervisory Commission, with regards to China's Bank investing in Taiwan market:

- Chinese bank can invest up to 10% in Taiwanese listed banks or financial holdings companies (15% including QDII)
- Chinese bank can invest up to 20% in a financial holdings' subsidiary bank
- Can choose to invest either in a financial holdings company or its subsidiary bank



Chinese bank may invest 20% in Bank SinoPac

Agreement Structure



Pricing

After

Base price

Price Adjustment

Final Subscription Price

Calculated based on Net Asset Value per share set forth in target entity's semi-annual financial report as of June 30th, 2012

Calculation based on 2012/6 FS:

Total equity: NT\$74.64Bn
Shares outstanding: 5.39Bn
Net asset value per share: NT\$13.86 (base price)
New share issuance: 1.35Bn
Total price: NT\$18.66Bn
Post deal share capital: NT\$67.33Bn

Price adjustment¹:
1. Post DD of most recent financial publications (annual/semi-annual report)
2. Adjustment for distributions made by SPH to its shareholders

Final subscription price = Base price + Price Adjustment

Calculation (approx.) based on 2012/12 FS:

Total equity: NT\$78.96Bn
Shares outstanding: 5.39Bn
Net asset value per share: NT\$14.66 (base price)
New share issuance: 1.35Bn
Total price: NT\$19.74Bn
Post deal share capital: NT\$67.33Bn

¹The impact of the distribution of cash dividends or stock dividends made by SPH on its net asset value per share will not be double counted.

Transaction Structure

Once relative regulations on 20% investment in BSP are in effect...

ICBC submits application
to invest in BSP

