

SinoPac Financial Holdings Company Limited

Minutes of 2023 Annual General Shareholders' Meeting

(Summary Translation)

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

Time/Date: Wednesday, May 24, 2023, at 9:00 a.m. (Taipei time)

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

Attendance: The total amount of common shares outstanding is 12,133,764,648.

Common shares represented by shareholders present in person and by proxy (including 5,142,674,564 shares represented by shareholders exercising voting rights electronically) are 10,923,840,401 shares, accounting for 90.02% of total common shares outstanding. The total amount of preferred shares outstanding is 10,000,000. Preferred shares represented by shareholders present in person and by proxy are 10,000,000 shares, accounting for 100% of the total preferred shares outstanding.

Attendance list of the Board of Directors:

Director : Stanley CHU, Chi-hsing YEH, Wei-thyr TSAO

Independent Director : James J. SHEU, Chi SCHIVE, Wei-ta PAN

Observers: Cheng-hung KUO (CPA), Cheng-chieh HUANG (Attorney-at-Law)

Chairman: Shi-kuan CHEN, Chairperson of the Board of Directors

Recorder: Jenny HUANG

- 1. Chairman called the meeting to order:** The Chairman announced that a quorum under the Company Act is present (including the shares represented by the shareholders present in person and by proxy together with the shares represented by the shareholders exercising voting rights electronically) and called the meeting to order.

2. Chairman's Statements (omitted).

3. Reporting Items

Proposal 1

Proposed by the board of directors

Proposal: Business Reports for year 2022.

Explanation: The 2022 Business Report is attached hereto as Attachment 1.

1. President further explained the operational results of SinoPac Holdings and its subsidiaries.
2. Shareholder No.981975:
 - (1) Asked about the outlook of the company under the macroeconomics' uncertainty.
 - (2) Inquired about the improvement measures regarding credit ratings.
 - (3) Inquired about the impact on the company after the whistleblower was judged innocent? Asked how the company would avoid future overseas internal control deficiencies.
 - (4) Asked if the company has a plan to expand overseas branches.

President: In the face of uncertainties in the external environment, the management team proactively responded to relevant risks and grasp business opportunities. Last year, the Company had a good financial performance, and we will continue to respond cautiously to market changes in the future. In the FENB case, the sale process involved concealing the actual value of the assets sold and other illegal matters. In order to protect the rights and interests of the company and shareholders, we will continue to file an appeal; the management team will continue to work hard to improve business performance and strengthen internal control management.

Chief Financial Officer: The credit rating outlook of SinoPac Holdings is stable. The current rating is the highest rating since the establishment of the Company. In the future, the management team will continue to strengthen capital and control risks, hoping to further improve the credit rating.

3. Shareholder No.981975:
 - (1) Inquired about Bank SinoPac's operational results in Vietnam.
 - (2) Asked why SinoPac Securities' profit contribution in 2022 was less than the previous year. Does SinoPac Holdings have a plan to downsize the securities business?
 - (3) Inquired if the Company had internal control deficiencies regarding the Procomp Informatics Ltd. case.
 - (4) Inquired why did the 2022 net revenues increase, but the net income declined?

President of Bank SinoPac: With the changes in the international economic situation, Vietnam has gradually replaced China as the world's factory. Bank SinoPac has followed in the footsteps of our customers and moved to the ASEAN market, with Vietnam as the main target. Vietnam has a higher spread and a relatively low NPL ratio, so we are still optimistic about the Vietnam market development.

President: The largest subsidiary of SinoPac Holdings is Bank SinoPac, to which we allocate more capital, followed by SinoPac Securities. Therefore, most of the profits of SinoPac Holdings come from the two subsidiaries. The profit of SinoPac Securities is greatly affected by market sentiment and trading volume. Last year, the profit of the securities industry declined by nearly 60%. SinoPac Securities was relatively stable compared with its peers.

Chief Compliance Officer: Regarding the Procomp Informatics case, the Taiwan High Court ruled that Bank SinoPac and SinoPac Leasing won the case. However, SFIPC still filed an appeal to the Supreme Court although Bank SinoPac has won historical trials. SinoPac Leasing is already approved innocent.

4. Shareholder No. 829983

Inquired that the disputes of 2022 performance bonus and matters regarding salary adjustments and employee stock ownership trusts.

Head of Human Resources Division: The communication between the Company, the labor union, and the employees is smooth. The appropriation and distribution of performance bonuses are approved in accordance with relevant rules and procedures, and a comprehensive review of employee benefits will also be conducted.

--Noted--

Proposal 2

Proposed by the board of directors

Proposal: Audit Committee's Review Report on Financial Statements for year 2022.

Explanation:

- A. The 2022 Audit Committee's Review Report on Financial Statements is attached hereto as Attachment 2.
- B. The main focus of the Audit Committee in 2022 and the communications among the Audit Committee, audit officers and CPAs are attached hereto as Attachment 3.
 1. On behalf of the Audit Committee, Independent Director James J. SHEU read out the Committee's Review Report (to everyone in the shareholders' meeting).
 2. Shareholder No. 981975:
 - (1) Inquired about the company's procedures for acquiring financial assets and decision-making process.
 - (2) Asked about Bank SinoPac's expected investment amount in Vietnam.

- (3) Inquired about the bank's procedures for selling wealth management products.

Chief Financial Officer: The investment evaluation and decision-making process includes authorized amount, stop loss mechanism, and allocation ratio, etc., all of which are strictly followed.

President of Bank SinoPac: The bank's lending in Vietnam is approximately NT\$10 billion, benefiting from the high local interest spread and the low NPL ratio. It is expected that there will still be room for growth in the future; the bank has strictly followed the rules for the listing and sales of financial products and deepened the implementation to treat clients fairly.

3. Shareholder No. 981975:

- (1) Inquired about the profit and loss of bank's wealth management customers.
(2) Asked about the impact of year 2022 OCI loss on shareholders' equity.

President of Bank SinoPac: The bank upholds the business philosophy of common prosperity to serve customers and regularly tracks customer satisfaction and conducts loss-caring communication.

Chief Financial Officer: Last year's interest-rate hike caused a large loss in the evaluation of bonds in the financial industry, which in turn affected the ability to pay dividends. However, SinoPac Holdings still maintains a stable dividend level this year, and the dividend payout is relatively stable compared with its peers.

--Noted--

Proposal 3

Proposed by the board of directors

Proposal: Distribution of remuneration for employees and directors in 2022, and a report on the payment of director remuneration.

Explanation:

- A. Based on Paragraph 2 of Article 36 of the Articles of Incorporation, distribution of compensation for employees and directors shall be determined by a resolution adopted by a majority vote at a board of directors meeting attended by two-thirds or more of the directors and be reported at a shareholders' meeting.
- B. Based on Paragraph 1 of Article 36 of the Articles of Incorporation, for a profitable year, the Company shall set aside equivalent to or more than 0.01 % for employees' compensation and equivalent to or less than 1% for directors' compensation. For the soundness of the Company's continuing operation, the Company's accumulated losses shall first be covered before distributing the compensation. And according to Paragraph 3 of Article 36, the Company shall deduct and set aside an amount equal to the cumulative losses (if any) from its profit before taxes before calculating employees' and directors' compensation.

Distribution of compensation for employees and directors for year 2022:

- a. The Company set aside NTD2,000,000 for compensation for employees, 0.012% of the profits following aforementioned calculation, and were distributed in cash.
- b. The Company set aside NTD36,000,000 for compensation for directors, 0.223% of the profits following aforementioned calculation.
- C. This proposal was approved at the 1st and 2nd meeting of the 4th Term Remuneration Committee and the 1st, 2nd, and 3rd meeting of the 7th Term Board of Directors in 2023.
- D. In accordance with Article 71-1 of the "Corporate Governance Guidelines" of the Company, the Company shall report the remuneration received by the directors at the shareholders' meeting, including the remuneration policy, the type, amount, and level of remuneration, and the relationship with the directors' performance evaluation results. The payment of directors' remuneration is attached hereto as Attachment 4.

--Noted--

4. Ratification Items

Proposal 1

Proposed by the board of directors

Proposal: Business Reports and Financial Statements for year 2022.

Explanation:

- A. The 2022 Financial Statements of the Company, were audited by Wu, Mei-Hui CPA and Kuo, Cheng-Hung CPA, both of Deloitte & Touche, Taiwan who issued an unmodified opinion report.
- B. The aforementioned Business Reports and Financial Statements were approved at the 3rd meeting of the 7th Term Board of Directors in 2023 and examined by the Audit Committee.
- C. The 2022 Business Reports and Financial Statements are attached hereto as Attachment 1 and Attachment 5.
 - 1. The Chairman appointed shareholder Man-shu TSAI (Shareholder No. 527901) and shareholder Chiu-ya CHEN (Shareholder No.527813) as the monitoring personnel for Ratification, Discussion, and Election Items, and appointed personnel from the Register and Transfer Agency Division at SinoPac Securities as the counting personnel.
 - 2. Shareholder No. 981975
 - (1) Inquired about the correlation between the bank's fee revenues/commissions and the performance of wealth management products.

- (2) Inquired about the profits and losses of SinoPac Venture Capital in 2022 and asked why the fair value of its marketable securities held at the end of the period is low.

President of Bank SinoPac: Bank SinoPac's net fee income decreased 3% YoY, which was better than its peers.

Chief Financial Officer: SinoPac Venture Capital mainly focuses on medium and long-term investment but still needs to conduct mark-to-market evaluation every year. SinoPac Venture Capital lost NT\$82 million in 2022, mainly from the evaluation loss. The decrease in the scale of marketable securities at the end of the period is the result of divestment and mark-to-market loss.

3. Shareholder No. 981975

- (1) Inquired about the completeness of the information disclosed by the financial report on SinoPac Venture Capital's end-of-period holdings of securities.

Chief Financial Officer: The contents of financial reports are disclosed in accordance with the financial reporting standards.

Resolutions :

The number of shares represented by the shareholders present at the time of voting was 10,923,840,401. The voting result revealed that 10,269,635,244 votes were cast in favor of the proposal (including 4,491,909,380 votes cast electronically), accounting for 94.01% of the total attending voting shares, whereas 328,487 votes were cast opposing the proposal (including 328,487 votes cast electronically), accounting for 0.00% of the total attending voting shares . There was no spoilt vote, accounting for 0.00% of the total attending voting shares . 653,876,670 votes were abstained or refrained (including 650,436,697 votes cast electronically), accounting for 5.99% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

Proposal 2

Proposed by the board of directors

Proposal: Proposal for distribution of 2022 earnings.

Explanation:

- A. The beginning retained earnings of the year 2022 was NTD13,165,892,706, and then it was adjusted by adding NTD20,195,440 on the disposal of investments in equity instruments measured at fair value through other comprehensive income, adding NTD408,760,309 on the 2022 remeasurement of defined benefit plans, adding 2022 after-tax profit of NTD15,961,000,204, setting aside legal reserve of NTD1,638,995,595 and setting aside special reserve of NTD14,200,212,123, the distributable retained earnings became NTD13,716,640,941.
- B. Based on the Articles of Incorporation, proposal for distribution of 2022 earnings

is as follows,

- a. Cash dividends of Common Stock: NTD7,280,258,789 (NTD0.6 per share)
The amount of cash dividends per share shall be calculated and truncated to NTD1. The fractional amounts of dividends less than NTD1 are summed to be recognized as other income of the Company.
- b. Stock dividends of Common Stock: NTD2,426,752,930 (NTD0.2 per share)
- c. Unappropriated retained earnings: NTD4,009,629,222.
- C. In the event the number of outstanding shares to be affected by, buyback of shares, conversion of preferred stocks to common stocks, disposal of shares by shareholders, etc., it is proposed that the Board of Directors be authorized to adjust the cash dividends and stock dividends to be distributed to each share.
- D. In accordance with Article 66-9 of the Income Tax Act, the net income and other comprehensive income of 2022 shall be applied first for the purpose of the distribution of earnings.
- E. The Company issued Class A preferred shares on May 15, 2009. Based on the Articles of Incorporation, dividends of class A preferred shares NTD998,120 were recognized as interest expense of 2022.
- F. This proposal was approved at the 4th meeting of the 7th Term Board of Directors in 2023 and reviewed by the Audit Committee.
- G. The Distribution of 2022 earnings is attached hereto as Attachment 6.

Resolutions :

The number of shares represented by the shareholders present at the time of voting was 10,923,840,401. The voting result revealed that 10,284,431,966 votes were cast in favor of the proposal (including 4,506,706,102 votes cast electronically), accounting for 94.14% of the total attending voting shares , whereas 577,239 votes were cast opposing the proposal (including 577,239 votes cast electronically), accounting for 0.00% of the total attending voting shares . There was no spoilt vote , accounting for 0.00% of the total attending voting shares . 638,831,196 votes were abstained or refrained (including 635,391,223 votes cast electronically), accounting for 5.86% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

5. Discussion and Election Items

Proposal 1

Proposed by the board of directors

Proposal: Appropriation of 2022 undistributed earnings as capital through issuance of new shares

Explanation:

- A. The company's current paid-in capital is NTD121,437,646,480, with 12,143,764,648 shares in issuance (12,133,764,648 common shares and 10,000,000 preferred shares). It is proposed that 242,675,293 new shares be issued on the amount of NTD2,426,752,930 from distributable profit of 2022. Paid-in capital after new shares issuance will be NTD123,864,399,410.
- a. Source of fund for the proposed increase of capital: Distribution profit of NTD2,426,752,930 for 2022. 242,675,293 new shares are to be issued with a par value of NTD10 per share.
 - b. Purpose of the proposed increase of capital: The increased capital will be used to enhance scale of capital and strengthen financial structure.
 - c. Conditions of the proposed increase of capital:
 - a) The right and obligation of the new shares to be issued will be the same as the existing common shares.
 - b) The new shares will be distributed to the eligible shareholders as registered in the shareholders roster at the rate of 20 shares per 1,000 shares. Within five days from the book closure, the shareholders may go to the shareholder services agent to combine their fractional shares to become one share, or the shareholders may be paid in cash for their fractional shares. The fractional shares will be accumulated and the Chairman is authorized to sell the fractional shares to identified individuals.
 - c) It is proposed that the Board of Directors be authorized to carry out appropriate actions in connection with the change of outstanding shares and stock dividend distribution rate, from buy back of the Company's outstanding shares or any other reasons.
- B. Subject to regulatory approval, it is proposed the Board of Directors be authorized to decide the distributing date of the new shares or matters requested by regulators.
1. Shareholder No. 981975
 - (1) Inquired about the profit and loss of SinoPac Venture Capital in 2022.
 - (2) Asked questions about the dilution of profits caused by the expansion of the company's share capital.

President: The 2022 capital raising is the second SPO since SinoPac Holdings was founded. The purpose is to strengthen Bank SinoPac's capital and further enhance the profitability of SinoPac Holdings and Bank Sinopac.

Chief Financial Officer: SinoPac Holdings loss NT\$82 million in 2022, mainly because of mark-to-market loss.

Resolution:

The number of shares represented by the shareholders present at the time of voting

was 10,923,840,401. The voting result revealed that 10,147,573,998 votes were cast in favor of the proposal (including 4,369,848,134 votes cast electronically), accounting for 92.89% of the total attending voting shares , whereas 1,836,388 votes were cast opposing the proposal (including 1,836,388 votes cast electronically), accounting for 0.01% of the total attending voting shares . There was no spoilt vote , accounting for 0.00% of the total attending voting shares . 774,430,015 votes were abstained or refrained (including 770,990,042 votes cast electronically), accounting for 7.10% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

Proposal 2

Proposed by the board of directors

Proposal: Amendment to the Company’s “Articles of Incorporation.”

Explanation:

- A. In line with Article 31 of the "Corporate Governance Best Practice Principles for Financial Holding Companies", the number of independent directors has been revised from not less than one-fifth of the number of directors to one-third. Therefore, the second paragraph of Article 17 of the Company’s “Articles of Incorporation” is amended as “among the number of the directors prescribed in the preceding paragraph, the number of independent directors shall be no less than three (3) and also no less than one-third of the total number of the Directors.”
- B. The comparison table of amendments to the Company’s “Articles of Incorporation” and the amended version, are attached hereto as Attachment 7.

Resolutions :

The number of shares represented by the shareholders present at the time of voting was 10,923,840,401. The voting result revealed that 10,148,646,248 votes were cast in favor of the proposal (including 4,370,920,384 votes cast electronically), accounting for 92.90% of the total attending voting shares , whereas 421,477 votes were cast opposing the proposal (including 421,477 votes cast electronically), accounting for 0.00% of the total attending voting shares . There was no spoilt vote , accounting for 0.00% of the total attending voting shares . 774,772,676 votes were abstained or refrained (including 771,332,703 votes cast electronically), accounting for 7.10% of the total attending voting shares . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

Proposal 3

Proposed by the board of directors

Proposal: Proposal moves for holding election of the Eighth Term of the Board of Directors (four general directors and three independent directors) of the Company.

Explanation:

- A. The term of office of the Company's directors has expired, so to strengthen corporate governance and meet practical needs, it is proposed to elect seven directors (including three independent directors) at the Annual Shareholders' Meeting for a three-year term of office from May 24, 2023 to May 23, 2026.
- B. The Company adopts a candidate nomination system for the election of directors, and the candidates for the Eighth Term of the Board of Directors were reviewed and approved at the 4th meeting of the Seventh Term of the Board of Directors in 2023.
- C. The list of director candidates of this election is attached hereto as Attachment 8.
- D. The election of directors shall be held in accordance with the Company's "Procedures for Election of Directors".

Voting Results:

Director

Shi-kuan CHEN (Representative of Hsinex International Corp.) : 9,829,805,005 votes

Stanley CHU (Representative of Hsinex International Corp.) : 9,804,964,518 votes

Wei-thyr TSAO (Representative of Xing Yuan Co., Ltd.) : 9,568,187,036 votes

Chi-hsing YEH (Representative of Xing Yuan Co., Ltd.) : 9,526,437,989 votes

Independent Director

Wei-ta PAN : 9,612,050,723 votes

Huey-jen SU : 9,577,005,881 votes

Wen-ling MA : 9,576,185,256 votes

Proposal 4:

Proposed by the board of directors

Proposal moves for releasing directors of the Eighth Term of the Board of Directors from non-competition restrictions.

Explanation:

- A. Pursuant to Article 209 of the Company Act, director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- B. A director of the Company, if engaging in acts of participation in other business operations similar or identical to the Company's scope of operation, shall, pursuant to Article 209 of the Company Act, request the Shareholders' Meeting to exempt the director from non-competition restrictions and to release the director from the requirement to disgorge his income from competitive activities.
- C. Please refer to Attachment 9 for the material information regarding the directors' competitive acts to be released by the Company.

Resolutions :

The number of shares represented by the shareholders without counting votes of conflict of interests at the time of voting was 10,731,335,117. The voting result revealed that 9,945,090,061 votes were cast in favor of the proposal (including 4,359,869,481 votes cast electronically), accounting for 92.67% of the total attending voting shares without counting votes of conflict of interests, whereas 9,967,721 votes were cast opposing the proposal (including 9,967,721 votes cast electronically), accounting for 0.09% of the total attending voting shares without counting votes of conflict of interest. Zero vote were spoilt vote, accounting for 0.00% of the total attending voting shares without counting votes of conflict of interests . 776,277,335 votes were abstained or refrained (including 772,837,362 votes cast electronically), accounting for 7.24% of the total attending voting shares without counting votes of conflict of interests . Given the votes in favor of the proposal were beyond the quorum required, the proposal was approved as proposed.

6. Questions and Motions(None)

7. Adjournment : at 10:56 AM the same day.

(The Minutes only reflected the main contents of the meeting. Please refer to the recording for the exact contents and proceeding of the meeting.)

Chairman: Shi-kuan CHEN

Minutes taken down by Jenny HUANG